

Privacy, Reporting and recordkeeping requirements.

#### 47 CFR Part 54

Reporting and recordkeeping requirements, Telecommunications, Telephone.

Federal Communications Commission.

**Marlene H. Dortch,**

*Secretary.*

#### Final Rules

■ For the reasons discussed in the pre-amble, the Federal Communications Commission amends 47 CFR parts 0 and 54 as follows:

#### PART 0—COMMISSION ORGANIZATION

■ 1. The authority citation for part 0 continues to read as follows:

**Authority:** 47 U.S.C. 155, 225, unless otherwise noted.

■ 2. In § 0.111 redesignate paragraphs (a)(14) through (a)(22) as paragraphs (a)(15) through (a)(23) and add new paragraph (a)(14) to read as follows:

##### § 0.111 Functions of the Bureau.

(a) \* \* \*

(14) Resolve universal service suspension and debarment proceedings pursuant to § 54.521 of this chapter.

\* \* \* \* \*

#### PART 54—UNIVERSAL SERVICE

■ 3. The authority citation for part 54 continues to read as follows:

**Authority:** 47 U.S.C. 1, 4(i), 201, 205, 214 and 254 unless otherwise noted.

■ 4. Amend § 54.500 by redesignating paragraphs (b) through (l) as paragraphs (c) through (m), add new paragraph (b) and revise newly redesignated paragraphs (c) and (k) to read as follows:

##### § 54.500 Terms and definitions.

\* \* \* \* \*

(b) *Educational purposes.* For purposes of this subpart, activities that are integral, immediate, and proximate to the education of students, or in the case of libraries, integral, immediate and proximate to the provision of library services to library patrons, qualify as “educational purposes.” Activities that occur on library or school property are presumed to be integral, immediate, and proximate to the education of students or the provision of library services to library patrons.

(c) *Elementary school.* An “elementary school” is a non-profit institutional day or residential school, including a public elementary charter school, that provides elementary

education, as determined under state law.

\* \* \* \* \*

(k) *Secondary school.* A “secondary school” is a non-profit institutional day or residential school that provides secondary education, including a public secondary charter school, as determined under state law. A secondary school does not offer education beyond grade 12.

\* \* \* \* \*

■ 5. Amend § 54.501 by revising paragraph (b) to read as follows:

##### § 54.501 Eligibility for services provided by telecommunications carriers.

\* \* \* \* \*

(b) *Schools.* (1) Only schools meeting the statutory definitions of “elementary school,” as defined in 20 U.S.C. 7801(18), or “secondary school,” as defined in 20 U.S.C. 7801(38), and not excluded under paragraphs (b)(2) or (b)(3) of this section shall be eligible for discounts on telecommunications and other supported services under this subpart.

\* \* \* \* \*

■ 6. Revise § 54.503 to read as follows:

##### § 54.503 Other supported special services.

For the purposes of this subpart, other supported special services provided by telecommunications carriers include voice mail, Internet access, and installation and maintenance of internal connections in addition to all reasonable charges that are incurred by taking such services, such as state and federal taxes. Charges for termination liability, penalty surcharges, and other charges not included in the cost of taking such services shall not be covered by the universal service support mechanisms.

■ 7. Amend § 54.504 by redesignating paragraph (d) as (e) and adding a new paragraph (d) to read as follows:

##### § 54.504 Requests for services.

\* \* \* \* \*

(d) *Mixed eligibility requests.* If 30 percent or more of a request for discounts made in an FCC Form 471 is for ineligible services, the request shall be denied in its entirety.

\* \* \* \* \*

■ 8. Amend § 54.507 by revising the first sentence of paragraphs (g)(1)(i) and (g)(1)(ii) to read as follows:

##### § 54.507 Cap.

\* \* \* \* \*

(g) \* \* \*

(1) \* \* \*

(i) Schools and Libraries Corporation shall first calculate the demand for

telecommunications services, voice mail, and Internet access for all discount categories, as determined by the schools and libraries discount matrix in § 54.505(c). \* \* \*

(ii) Schools and Libraries Corporation shall then calculate the amount of available funding remaining after providing support for all telecommunications services, voice mail, and Internet access for all discount categories. \* \* \*

\* \* \* \* \*

■ 9. Amend § 54.511 by revising paragraph (a) to read as follows:

##### § 54.511 Ordering services.

(a) *Selecting a provider of eligible services.* In selecting a provider of eligible services, schools, libraries, library consortia, and consortia including any of those entities shall carefully consider all bids submitted and must select the most cost-effective service offering. In determining which service offering is the most cost-effective, entities may consider relevant factors other than the pre-discount prices submitted by providers but price should be the primary factor considered.

\* \* \* \* \*

■ 10. Add § 54.514 to read as follows:

##### § 54.514 Payment for discounted service.

(a) *Choice of payment method.*

Service providers providing discounted services under this subpart in any funding year shall, prior to the submission the Form 471, permit the billed entity to choose the method of payment for the discounted services from those methods approved by the Administrator, including by making a full, undiscounted payment and receiving subsequent reimbursement of the discount amount from the service provider.

(b) *Deadline for remittance of reimbursement checks.* Service providers that receive discount reimbursement checks from the Administrator after having received full payment from the billed entity must remit the discount amount to the billed entity no later than 20 business days after receiving the reimbursement check.

■ 11. Amend § 54.517 by revising paragraph (b) to read as follows:

##### § 54.517 Services provided by non-telecommunications carriers.

\* \* \* \* \*

(b) *Supported services.* Non-telecommunications carriers shall be eligible for universal service support under this subpart for providing voice mail, Internet access, and installation