

we believe that it is unrealistic to expect all libraries to be in a position to certify compliance with CIPA for Funding Year 2003, which began July 1, 2003. In order to comply with the statute's Internet filtering requirement, many libraries must prepare a budget for the purchase of software and related costs, design, procure and/or order software appropriate for their systems, install the software and implement a procedure for unblocking the filter upon request by an adult. This process, as Congress recognized, would almost certainly take some time to complete. Therefore, we conclude that allowing libraries this time period to comply with CIPA filtering requirements is consistent with Congress's intent in enacting CIPA and with the public interest.

5. During Funding Year 2003, all libraries that receive discounts for Internet access or internal connections must certify that they are either compliant with CIPA or undertaking efforts to be in compliance by the time the libraries commence services for Funding Year 2004. Libraries that are not in compliance with CIPA for Funding Year 2003 and will not be undertaking efforts during Funding Year 2003 to comply with CIPA by Funding Year 2004 may not receive e-rate funds for Internet access or internal connections for Funding Year 2003. Such libraries may receive e-rate funds only for telecommunications services. All libraries that have not filed an FCC Form 486 prior to the effective date of this Order must file the revised FCC Form 486. All libraries that filed the September 2002 version of the FCC Form 486 prior to the effective date of this Order and will receive discounts for Internet access or internal connections for Funding Year 2003 must also refile using the revised FCC Form 486. The deadline for submitting all revised FCC Form 486s remains the same for all libraries—the later of 120 days after the Service Start Date or 120 days after the date of the Funding Commitment Decision Letter. Libraries that filed the September 2002 version of the FCC Form 486 for Funding Year 2003 prior to the effective date of this Order and that receive e-rate funds only for telecommunications services are not required to file a revised FCC Form 486. The filing of a revised FCC Form 486 for such libraries is unnecessary because they do not need to certify compliance with the CIPA filtering requirements.

6. These filing requirements also apply to library consortium leaders. Billed entities that are library consortium leaders should abide by the instructions for filing the FCC Form 486. Billed entities that previously filed the

September 2002 version of FCC Form 486 on behalf of library consortium members must file the revised FCC Form 486, unless all members of the consortium receive e-rate funds only for telecommunications services. In addition, all library consortium members must file with their billed entity, and all billed entities must collect and hold from each consortium member the revised FCC Form 479. All library consortium members that filed an FCC Form 479 prior to the effective date of this Order must file a revised FCC Form 479 with their billed entity within 45 days after the effective date of this Order. In order for such library consortium members to receive e-rate funds for Internet access and internal connections for Funding Year 2003, they must be in compliance with CIPA or undertaking efforts to be in compliance with CIPA at the time the revised FCC Form 479 is filed. Library consortium members that did not file FCC Form 479 prior to the effective date of this Order should work with their billed entity to determine when to submit the revised FCC Form 479. In addition, billed entities whose consortia include both libraries that are in compliance with CIPA for Funding Year 2003 or undertaking efforts to comply for Funding Year 2004 and libraries that do not intend to comply with CIPA must file FCC Form 500 to adjust their funding commitments as applicable within 30 days after filing the revised FCC Form 486. This FCC Form 500 filing requirement is necessary only for Funding Year 2003 because of the timing of the Supreme Court decision.

7. CIPA also provides for a waiver of the certification requirements in the second year after the effective date of CIPA if state or local procurement rules or regulations or competitive bidding requirements prevent compliance. Accordingly, consistent with this provision of CIPA, a library or billed entity that applies for discounts in Funding Year 2003 may submit a waiver request for Funding Year 2004 if state or local procurement rules or regulations or competitive bidding requirements prevent compliance by the start of Funding Year 2004. The revised FCC Forms 486 and 479 attached to this Order have been revised to reflect this option.

III. Ordering Clauses

8. Pursuant to the authority of sections 1–5 and 254 of the Communications Act of 1934, as amended, 47 U.S.C. 151–155, and 254, and the Children's Internet Protection Act, Public Law 106–554 section 1701 *et seq.* as codified at 47 U.S.C. 254(h) and

(l), this Order is adopted. The modifications to a collection of information contained within this Order are contingent upon approval by the Office of Management and Budget.

9. The suspension of enforcement implemented in the *Interim Order*, 67 FR 50602, August 5, 2002, of §§ 54.520(c)(2)(i) and (iii), 54.520(c)(3), 54.520(d), and 54.520(g)(1) of the Commission's rules as they apply to all libraries and to the extent that they require any library to filter or certify to such filtering under 47 U.S.C. 254(h)(6), is lifted as of the effective date of this Order, consistent with the terms of this Order.

10. Pursuant to the authority contained in sections 1–4, 201–205, 218–220, 254, 303(r), and 403 of the Communications Act of 1934, as amended, 47 U.S.C. 151–154, 201–205, 318–220, 254, 303(r), 403, section 553 of the Administrative Procedure Act, 5 U.S.C. 553, and the Children's Internet Protection Act, Public Law 106–554 section 1701 *et seq.* as codified at 47 U.S.C. 254(h), the amendments to §§ 54.520 (f) and (g) of the Commission's rules are adopted.

11. Authority is delegated to the Chief of the Wireline Competition Bureau pursuant to section 5(c) of the Communications Act of 1934, 47 U.S.C. 155(c), to modify any forms that are necessary to implement the decisions adopted in this Order.

12. The rule and the revised FCC Forms 479 and 486 in this document contain collection requirements that have not been approved by OMB. Upon OMB approval, the Commission will publish a document in the **Federal Register** announcing the effective date of the rule and the revised FCC Forms 479 and 486.

List of Subjects 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 preamble, the Federal Communications Commission amends 47 CFR part 54 as follows:

PART 54—UNIVERSAL SERVICE

■ 1. 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.