<RULE>

<PREAMB>

FEDERAL COMMUNICATIONS COMMISSION

47 CFR Part 54

WC Docket No. 21-31; FCC 25-62; FR ID 326287]

Addressing the Homework Gap Through the E-Rate Program; Partial Withdrawal

AGENCY: Federal Communications Commission.

ACTION: Final rule; partial withdrawal.

SUMMARY: In this document, the Federal Communications Commission (Commission or FCC) reconsiders the E-Rate Wi-Fi hotspot and services rules adopted in July 2024. Specifically, the Commission grants the petition for reconsideration filed by Maurine and Matthew Molak and finds that the best reading of section 254 of the Communications Act of 1934, as amended, (the Communications Act) is that it does not permit funding of off-premises use of Wi-Fi hotspots and the associated wireless Internet services with E-Rate program support. In so finding, the Commission rescinds the rules adopted in July 2024. The Commission also denies the two remaining petitions for reconsideration of the Commission's 2024 *Hotspots Order*. Consistent with the reconsideration, the Commission also withdraws two amendatory instructions published in the *Federal Register*, but delayed indefinitely.

DATES: Effective **[INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].** As of **[INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER]**, amendatory instruction numbers 4 (for § 54.504) and 9 (for § 54.516) in the final rule, published at 89 FR 67303 on August 20, 2024, are withdrawn.

FOR FURTHER INFORMATION CONTACT: Kate Dumouchel, Telecommunications Access Policy Division, Wireline Competition Bureau, at kate.dumouchel@fcc.gov or 202-418-7400 or TTY: 202-418-0484. Requests for accommodations should be made as soon as possible

in order to allow the agency to satisfy such requests whenever possible. Send an email to fcc504@fcc.gov or call the Consumer and Governmental Affairs Bureau at (202) 418-0530.

SUPPLEMENTARY INFORMATION: This is a summary of the Commission's Order on Reconsideration, in WC Docket No. 21-31; FCC 25-62, adopted and released September 30. The full text of this document is available at the following Internet address: https://docs.fcc.gov/public/attachments/FCC-25-62A1.pdf.

ORDER ON RECONSIDERATION

INTRODUCTION

The Commission revisits the E-Rate Wi-Fi hotspot and services rules adopted in the July 2024 *Hotspots Order* (Final rule 89 FR 67303, August 20, 2024; Proposed rule 89 FR 67394, August 20, 2024). Specifically, the Commission grants the petition for reconsideration filed by Maurine and Matthew Molak (Molak Petition) to the extent provided herein and find that the best reading of section 254 of the Communications Act of 1934, as amended, (the Communications Act) is that it does not permit funding of off-premises use of Wi-Fi hotspots and the associated wireless Internet services with E-Rate program support. In so finding, the Commission rescinds the rules adopted in July 2024. The Commission also denies the two remaining petitions for reconsideration of the Commission's *Hotspots Order*. Finally, the Commission directs the Universal Service Administrative Company (USAC), the administrator of the Commission's universal service programs, to deny pending applications for E-Rate support related to the off-premises use of Wi-Fi hotspots and services; and the Commission directs the Wireline Competition Bureau (Bureau) to release a public notice with an amended funding year (FY) 2025 eligible services list that reflects the changes made in the *Order on Reconsideration*.

DISCUSSION

On reconsideration, the Commission restores the E-Rate program rules to those that existed before adoption of the July 2024 *Hotspots Order*. The Commission grants the Molak

Petition to the extent provided herein and determines here that extending E-Rate to fund the off-premises use of Wi-Fi hotspots and associated wireless Internet service is not consistent with the best reading of section 254 of the Communications Act. The Commission therefore rescinds the July 2024 rules.

Citing section 1.429(*l*)(1)-(2) of its rules, the Schools, Health & Libraries Broadband Coalition (SHLB) asserts that the Molak Petition should be dismissed because it does not raise new issues that were not already addressed by the Commission in the *Hotspots Order*, fails to address a material error, and its consideration is not in the public interest. However, the Commission finds that consideration of the arguments in the Molak Petition is in the public interest and permitted by section 405 of the Communications Act and section 1.429 of its rules. Reconsideration "is generally appropriate where the petitioner shows either a material error or omission in the original order or raises additional facts not known or not existing until after the petitioner's last opportunity to respond." In this instance, the Commission is persuaded that the Commission's prior decision materially erred in adopting rules for the E-Rate program that are not consistent with the best reading of the Commission's statutory authority.

Section 254(h)(1)(B) of the Communications Act requires telecommunications carriers to provide "services that are within the definition of universal service under subsection (c)(3)" to "elementary schools, secondary schools, and libraries" for "educational purposes" at discounted rates. The Commission finds that the off-premises use of Wi-Fi hotspots and associated wireless Internet services does not constitute an educational purpose under the Communications Act, given the multitude of non-educational ways such service could be used. The Commission also finds it is unlikely that a school or library official could certify with any actual knowledge or certainty that use of the Wi-Fi hotspots by its students and library patrons would be primarily for educational purposes as required by its rules. However, even if the Commission agreed that such use could serve an educational purpose, section 254(h)(1)(B) of the Communications Act also requires that the services be provided "*to elementary schools, secondary schools, and libraries*."

In the 2024 *Hotspots Order*, the Commission stated that "because schools and libraries are the customers and recipients of the services they purchase, [] the services are therefore provided to them within the meaning of section 254(h)(1)(B), even if used elsewhere." The Commission now disagrees. While entities operating schools or libraries may be *purchasing* the Wi-Fi hotspots and associated service, the schools and libraries are not the recipients of the connectivity provided to student or library patron homes, and the Commission therefore finds this reading to be inconsistent with section 254(h)(1)(B) of the Communications Act. Under the best reading of section 254(h)(1)(B) of the Communications Act, the services themselves must be provided *to* eligible locations — namely elementary schools, secondary schools, and libraries — to be eligible for support through the E-Rate program. The Commission has limited statutory authority, and the rules permitting the off-premises use of Wi-Fi hotspots and associated wireless Internet services are not consistent with the best reading of section 254(h)(1)(B) of the Communications Act.

The Commission's interpretation of the phrase "to elementary schools, secondary schools, and libraries" as referring to locations is strongly supported by the statutory context. For one, other provisions of section 254 reinforce that support for schools under section 254 is focused on support for services to schools as locations. Both section 254(b)(6) and (h)(2)(A) link together the references to schools and "classrooms." That broader context supports the view that the focus of section 254 is on service to schools as locations. And interpreting the term "library" in context, insofar as schools refer to locations in the phrase "to elementary schools, secondary schools, and libraries," the same should be true of libraries.

The Commission's interpretation also is supported by the difference in section 254's treatment of health care providers. The heading of section 254(h)(1)(A) refers to "Health care providers for rural areas" and section 254(h)(1)(B) refers to "Educational providers and libraries." But only in section 254(h)(1)(A) did Congress carry through that reference to "providers" in addressing services "to any public or nonprofit health care provider." By contrast,

Congress chose not to flow through the "provider" terminology used in the heading of section 254(h)(1)(B), instead addressing services "to elementary schools, secondary schools, and libraries." Although the services "to" school and library locations would be purchased by educational providers or libraries as organizational entities, the Commission concludes that its interpretation of the language of section 254(h)(1)(B) best accounts for Congress's different textual choice as compared to the language used for health care providers in section 254(h)(1)(A).

Section 254(h)(2)(A) of the Communications Act directs the Commission to promulgate rules "to enhance, to the extent technically feasible and economically reasonable, access to advanced telecommunications and information services for all public and nonprofit elementary and secondary school *classrooms* . . . and libraries." The *Hotspots Order* found that providing support for Wi-Fi hotspots for students to do homework and access educational resources supports effective classroom instruction support, such that it satisfies the "for . . . classrooms" requirement. It did so by noting that the statute uses the word "*for*," rather than "at" or "in," which might more clearly indicate the physical classroom. However, the Commission disagrees that this language permits the Commission to authorize support for services that connect to educational resources at any location. The Commission has long supported E-Rate funding for the services and equipment necessary to transport information to individual classrooms, including for equipment in non-instructional buildings that is essential for the effective transport of information to classrooms (e.g., a data center housing a network switch). This is the best reading of the language in section 254(h)(2)(A) of the Communications Act directing the Commission to enhance access "*for* . . . classrooms." Under this reading, the services and equipment must ultimately transport information to school classrooms. Congress could not have intended the term "*for* . . . classrooms" to stretch to services transporting information to students' homes, particularly in light of the statutory limitation of support to uses that are "technically feasible and economically reasonable." Similarly, the Commission finds that the statute limits its

ability to fund services purchased by libraries to those that transport information to libraries, and not that transport information to library patrons at their homes or other non-library locations. Providing funding for the purchase of off-premises Wi-Fi hotspots and associated wireless Internet service — particularly for libraries — could extend E-Rate support with virtually no limits. Instead, the Commission finds that the best reading of section 254(h)(2)(A) of the Communications Act does not permit the Commission to fund off-premises use of Wi-Fi hotspots and associated wireless Internet services.

The Commission's decision to rescind the July 2024 rules is reinforced by Congress's decisions regarding the Emergency Connectivity Fund (ECF) program. In creating the temporary ECF program, Congress expressly provided authorization for funding Wi-Fi hotspots for use by students, staff, and library patrons at locations other than a school or library. In particular, it directed the Commission to adopt rules "providing for the provision, . . . of support under paragraphs (1)(B) and (2) of section 254(h) of the Communications Act . . . to an eligible school or library" for the purchase of equipment or services "for use by — (1) in the case of a school, students and staff of the school at locations that include locations other than the school; and (2) in the case of a library, patrons of the library at locations that include locations other than the library." This is relevant in two separate ways. First, it illustrates how Congress can and does address support off-premises from schools and libraries where it wants to do so. Unlike section 7402, section 254(h) authorizes funding to elementary schools, secondary schools, and libraries, and for classrooms. This contrast underscores that the *Hotspots Order* was not based on the best reading of the Communications Act. Second, in connection with a discussion of section 254(h)(1)(B) of the Communications Act, it used the terms "school" and "library" in a manner that clearly referred to locations and that equally clearly treated off-premises locations as distinct from "schools" and "libraries." This reinforces its conclusion that the terms "schools" and "libraries" are best understood to refer to locations in the language "to elementary schools, secondary schools, and libraries" in section 254(h)(1)(B) and exclude off-premises locations.

And while not necessary to its analysis of the implications of the ECF program, the Commission further concludes that the forgoing suggests that Congress saw section 7402 as a necessary expansion to section 254(h) in order to fund service for off-premises locations.

Moreover, the Commission does not agree, as a policy matter, with the decision the Commission previously reached. Unlike in the ECF program, there are no limiting principles to effectively limit the use of scarce E-Rate funding for the off-premises use of Wi-Fi hotspots and associated wireless Internet service. Specifically, there is no data or analysis regarding the amount of federal funding that has already been used to fund federal and state Wi-Fi hotspot lending programs or the impact of the Commission's decision to use limited E-Rate funding for this purpose. When Congress established the ECF program it limited the size of the program by providing an appropriation in a definite amount available for a fixed time period limited to purchases during the emergency period, which is not the case for this potentially massive expansion of the E-Rate program. The prior Commission's decision also did not adequately justify the decision to expend funding for this purpose in light of other spending programs that also covered the same or similar purposes. Nor did the Commission put sufficient guardrails in place to ensure that the expansion would operate in the public interest. It also did not explain its decision with sufficient reasoning how expanding the program would advance any legitimate Commission purpose.

Nor does the Commission agree that the record in this proceeding supported the prior decision regarding off-premises use. Commenters explained the limits of section 254(h) and raised alarms about the E-Rate program reaching every location in the country. Additional commenters expressed concern that inclusion of the off-premises use of Wi-Fi hotspots as an E-Rate-supported service contravened section 254 of the Communications Act. The Commission agrees with those commenters. To fund Wi-Fi hotspots in the face of such robust opposition, and with no clear statutory basis, is inappropriate.

In its opposition, T-Mobile provides a number of policy arguments in favor of students having access to broadband Internet at home. T-Mobile highlights that there are many strong arguments in favor of connecting students that are on the wrong side of the digital divide to make sure they can complete homework assignments, review lessons, or collaborate with fellow students. But regardless of the potential policy benefits (or costs), Congress did not provide the Commission with the authority to use the E-Rate program to support programs that lend Wi-Fi hotspots to students and library patrons and provide wireless Internet service to such hotspots, and the Commission is therefore unpersuaded by T-Mobile's arguments.

In conclusion, the Molak Petition urges the Commission to reconsider the rules adopted in the July 2024 *Hotspots Order* because the Commission lacks legal authority to take such an action. The Commission agrees that funding off-premises use of Wi-Fi hotspots and associated wireless Internet services through the E-Rate program is not consistent with the best reading of the statutory authority provided to the Commission in section 254 of the Communications Act and therefore grant the petition for reconsideration for the reasons and to the extent provided herein. The Commission is convinced that the *Hotspots Order* was not premised on the best reading of the statute.

Because the Commission finds that the *Hotspots Order* is not consistent with the best reading of section 254 of the Communications Act, the Commission also denies the petitions for reconsideration filed by Los Angeles Unified School District (LAUSD) and SHLB, which sought to further expand the eligibility of off-premises broadband services to students, school staff, and library patrons. LAUSD and SHLB sought reconsideration of the *Hotspots Order* decision to not support wireless service to LTE-enabled devices, and SHLB separately sought reconsideration of the decision to not extend E-Rate eligibility to alternative wireless technologies, such as private citizens broadband radio service (CBRS) networks, or to standalone hotspots that could connect to private networks. Consistent with its findings, these additional off-premises requests to provide E-Rate support go beyond the best reading of section 254 of the Communications Act

and are therefore denied.

The Commission now rescinds the 2024 rule amendments made in the *Hotspots Order* to the E-Rate rules. In addition, the Commission directs the Bureau to release a public notice with an amended FY 2025 eligible services list that reflects the changes made in the *Order on Reconsideration*. To effectuate the *Order on Reconsideration*, the Commission directs USAC to deny all pending FY 2025 E-Rate funding requests for off-premises use of Wi-Fi hotspots and wireless Internet services permitted pursuant to the July 2024 *Hotspots Order*. In addition, the Commission directs the Bureau, with the assistance of USAC, to modify the forms, procedures, and outreach materials to remove references to the eligibility of these services.

PROCEDURAL MATTERS

Regulatory Flexibility Act. The Regulatory Flexibility Act of 1980, as amended (RFA), requires that a regulatory flexibility analysis be prepared for rulemaking proceedings, unless the agency certifies that "the rule will not, if promulgated, have a significant economic impact on a substantial number of small entities." The RFA generally defines "small entity" as having the same meaning as the terms "small business," "small organization," and "small governmental jurisdiction." In addition, the term "small business" has the same meaning as the term "small business concern" under the Small Business Act. A small business concern is one that: (1) is independently owned and operated; (2) is not dominant in its field of operation; and (3) satisfies any additional criteria established by the Small Business Administration (SBA).

As required by the RFA, the Commission incorporated an Initial Regulatory Flexibility Analysis (IRFA) in the Addressing the Homework Gap through the E-Rate Program Notice of Proposed Rulemaking ("NPRM"), released in November 2023. The Commission sought written public comment on the proposals in the NPRM, including comment on the IFRA. No comments were filed addressing the impact of the proposed rules on small entities. In July 2024, the Commission released the Addressing the Homework Gap through the E-Rate Program Report and Order, 89 FR 67303, August 20, 2024 and Further Notice of Proposed Rulemaking, 89 FR

67394, August 20, 2024 (*Hotspots Order*) and published a FRFA, as well as an IRFA for the Further Notice of Proposed Rulemaking.

On July 31, 2024, Maureen and Matthew Molak filed a Petition for Reconsideration of the Hotspots Order (Molak Petition), which included issues impacting small entities. On September 19, 2024, Los Angeles Unified School District (LAUSD), and the Schools, Health & Libraries Broadband Coalition (SHLB), Open Technology Institute at New America (OTI), Benton Institute for Broadband & Society, Consortium for School Networking (CoSN), and Common Sense Media (collectively SHLB) filed timely petitions for reconsideration. On August 12, 2024, the Commission published a notice seeking comment on the Molak Petition. On September 30, 2024, the Commission published a notice seeking comment on both the LAUSD Petition and the SHLB Petition. No comments were filed addressing the impact of these petitions on small entities.

The two statutorily-mandated criteria to be applied in determining the need for RFA analysis are: (1) whether the proposed rules, if adopted, would have a significant economic impact, and (2) if so, whether the economic effect would directly affect a substantial number of small entities. For the reasons discussed, the Commission has determined that the rules and policy changes adopted in the Order on Reconsideration will not have a significant economic impact on a substantial number of small entities and has prepared this Final Regulatory Flexibility Certification (FRFC).

In the *Order on Reconsideration*, the Commission rescinds the rules adopted in the Hotspots Order. In so doing, the Commission removes any potential burdens associated with the rules adopted in the *Hotspots Order* that would have required reporting, recordkeeping, or other compliance obligations for small E-Rate service providers, and does not create any new burdens in the process. In addition, the Commission has determined that the impact on the entities affected by the rule change will not be significant because the Order on Reconsideration is not adopting any new rules. Thus, the Commission's actions have not created any new obligations.

Further, FY 2025 funding requests for the off-premises use of Wi-Fi hotspots and/or wireless Internet service have not been processed by USAC, the administrator of the Commission's universal service programs, and funding for the services permitted in the *Hotspots Order* has not been approved for any E-Rate entities. As no services or equipment have been provided as a result of the *Hotspots Order*, the *Order on Reconsideration* does not create a significant economic impact on these potential small service providers. Small and other entities will simply be required to comply with the rules that were effective prior to the adoption of the *Hotspots Order*.

Accordingly, based on its application of the two statutorily-mandated criteria to the rules adopted in the *Order on Reconsideration*, the Commission concludes that the removal of the rules adopted in the *Hotspots Order* will not have a significant economic impact on a substantial number of small entities. The Commission therefore certifies that the rules adopted in the *Order on Reconsideration*, eliminating compliance requirements in the *Hotspots Order*, will not have a significant economic impact on a substantial number of small entities.

The Commission will send a copy of the *Order on Reconsideration*, including a copy of this Final Regulatory Flexibility Certification, in a report to Congress pursuant to the Congressional Review Act. In addition, the *Order on Reconsideration*, and this final certification, will be sent to the Chief Counsel for Advocacy of the Small Business Administration, and will be published in the Federal Register.

Paperwork Reduction Act. This document does not adopt or propose new or substantively modified information collections subject to the Paperwork Reduction Act of 1995 (PRA), Public Law 104-13. In addition, therefore, it does not contain any new or modified information collection burden for small business concerns with fewer than 25 employees, pursuant to the Small Business Paperwork Relief Act of 2002, Public Law 107-198, *see* 44 U.S.C. 3506(c)(4). On December 11, 2025, OMB approved non-substantive changes to an existing information collection pursuant to 44 U.S.C. § 3507. That submission sought to remove

program certifications that are no longer applicable in the Schools and Libraries Universal Service Description of Services Requested and Certification Form 471 (E-Rate FCC Form 471). That submission also sought to remove certain fields that are no longer applicable to the Schools and Libraries Universal Service Description of Services Requested and Certification Form 470 (E-Rate FCC Form 470) and E-Rate FCC Form 471.

Congressional Review Act. The Commission has determined, and the Administrator of the Office of Information and Regulatory Affairs, Office of Management and Budget, concurs that this rule is "non-major" under the Congressional Review Act, 5 U.S.C. 804(2). The Commission will send a copy of the *Order on Reconsideration* to Congress and the Government Accountability Office pursuant to 5 U.S.C. 801(a)(1)(A).

ORDERING CLAUSES

Accordingly, IT IS ORDERED that, pursuant to the authority contained in section 405 of the Communications Act of 1934, as amended, 47 U.S.C. 405, and § 1.429 of the Commission's rules, 47 CFR 1.429, the *Order on Reconsideration* IS ADOPTED.

IT IS FURTHER ORDERED that the Petition for Reconsideration filed by Maurine and Matthew Molak on July 31, 2024 IS GRANTED to the extent provided herein.

IT IS FURTHER ORDERED that the Petitions for Reconsideration filed by Los Angeles Unified School District and the Schools, Health & Libraries Broadband Coalition, the Open Technology Institute at New America, the Benton Institute for Broadband & Society, the Consortium for School Networking, and Common Sense Media on September 19, 2024, ARE DENIED.

IT IS FURTHER ORDERED that, pursuant to § 1.103 of the Commission's rules, 47 CFR 1.103, the amendments to the Commission's rules ARE ADOPTED, effective .

IT IS FURTHER ORDERED that the Universal Service Administrative Company is directed to deny all pending funding year 2025 E-Rate funding requests for the off-premises use of Wi-Fi hotspots and wireless Internet services requested pursuant to the *Hotspots Order*.

IT IS FURTHER ORDERED that the Commission's Office of the Secretary, SHALL SEND a copy of the *Order on Reconsideration*, including the *Final Regulatory Flexibility Certification*, to the Chief Counsel of the Small Business Administration Office of Advocacy.

IT IS FURTHER ORDERED that the Office of the Managing Director, Performance Management, SHALL SEND a copy of the *Order on Reconsideration* in a report to be sent to Congress and the General Accounting Office pursuant to the Congressional Review Act, see 5 U.S.C. 801(a)(1)(A).

PARTIAL WITHDRAWAL

On August 20, 2024, the Commission published the 2024 *Hotspots Order* Final Rules in the Federal Register at 89 FR 67303, delaying the amendatory instructions 4 and 9 indefinitely until the Commission published a document in the Federal Register announcing the effective date for the amendments to §§ 54.504 and 54.516. In accordance with that publication, the 2024 amendments to §§ 54.504 and 54.516 are not in the final rules. The Order on Reconsideration published herein rescinds all of the rules adopted in 2024, and in order to effectuate the direction to restore the rules to those prior to the 2024 *Hotspots Order*, the Commission also withdraws amendatory instructions 4 and 9 at 89 FR 67303.

List of Subjects in 47 CFR Part 54

Communications common carriers, Hotspots, Internet, Libraries, Reporting and recordkeeping requirements, Schools, Telecommunications, Telephone.

Federal Communications Commission.

Marlene 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. 151, 154(i), 155, 201, 205, 214, 219, 220, 229, 254, 303(r), 403, 1004, 1302, 1601-1609, and 1752, unless otherwise noted.

2. Amend § 54.500 by removing the definitions of "Wi-Fi" and "Wi-Fi hotspot".

3. Amend § 54.502 by:

a. Revising paragraph (a);

b. Removing paragraph (e), and;

c. Redesignating paragraph (f) as (e).

The revision reads as follows:

§ 54.502 Eligible Services.

(a) *Supported services.* All supported services are listed in the Eligible Services List as updated annually in accordance with paragraph (e) of this section. The services in this subpart will be supported 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 service shall not be covered by the universal service support mechanisms. The supported services fall within the following general categories:

* * * * *

§ 54.506 [Removed and Reserved]

4. Remove and reserve § 54.506.

5. Amend § 54.507 by revising paragraph (f)(4) to read as follows and removing paragraph (f)(5):

§ 54.507 Cap.

* * * * *

(f) * * *

(4) For paragraphs (f)(1) and (2) of this section, if the remaining funds are not sufficient to support all of the funding requests within a particular discount level, the Administrator shall allocate funds at that discount level using the percentage of students eligible for the National School Lunch Program. Thus, if there is not enough support to fund all requests at the 40 percent discount level, the Administrator shall allocate funds beginning with those applicants with the highest percentage of NSLP eligibility for that discount level by funding those applicants with 19 percent NSLP eligibility, then 18 percent NSLP eligibility, and shall continue committing funds in the same manner to applicants at each descending percentage of NSLP until there are no funds remaining.

6. Amend § 54.513 by revising paragraph (b) to read as follows:

§ 54.513 Resale and transfer of services.

* * * * *

(b) *Disposal of obsolete equipment components of eligible services.* Eligible equipment components of eligible services purchased at a discount under this subpart shall be considered obsolete if the equipment components have been installed for at least five years. Obsolete equipment components of eligible services may be resold or transferred in consideration of money or any other thing of value, disposed of, donated, or traded.

* * * * *

7. Amend § 54.516 by revising paragraphs (a)(1) and (b) to read as follows:

<SECTION><SECTNO>§ 54.516 Auditing and inspections.

(a) * * *

(1) *Schools, libraries, and consortia.* Schools, libraries, and any consortium that includes schools or libraries shall retain all documents related to the application for, receipt, and delivery of supported services for at least 10 years after the latter of the last day of the applicable funding

year or the service delivery deadline for the funding request. Any other document that demonstrates compliance with the statutory or regulatory requirements for the schools and libraries mechanism shall be retained as well. Schools, libraries, and consortia shall maintain asset and inventory records of equipment purchased as components of supported category two services sufficient to verify the actual location of such equipment for a period of 10 years after purchase.

* * * * *

(b) *Production of records.* Schools, libraries, consortia, and service providers shall produce such records at the request of any representative (including any auditor) appointed by a state education department, the Administrator, the FCC, or any local, state or federal agency with jurisdiction over the entity.

* * * * *

8. Amend § 54.520 by revising paragraphs (c)(1)(iii)(C), (c)(2)(iii)(C), and (c)(3)(i)(C) to read as follows:

§ 54.520 Children's Internet Protection Act certifications required from recipients of discounts under the federal universal service support mechanism for schools and libraries.

* * * * *

(c) * * *

(1) * * *

(iii) * * *

(C) The Children's Internet Protection Act, as codified at 47 U.S.C. 254(h) and (l), does not apply because the recipient(s) of service represented in the Funding Request Number(s) on this Form 486 is (are) receiving discount services only for telecommunications services.

(2) * * *

(iii) * * *

(C) The Children's Internet Protection Act, as codified at 47 U.S.C. 254(h) and (l), does

not apply because the recipient(s) of service represented in the Funding Request Number(s) on this Form 486 is (are) receiving discount services only for telecommunications services.

(3) * * *

(i) * * *

(C) The Children's Internet Protection Act, as codified at 47 U.S.C. 254(h) and (l), does not apply because the recipient(s) of service under my administrative authority and represented in the Funding Request Number(s) for which you have requested or received Funding Commitments is (are) receiving discount services only for telecommunications services; and

* * * * *

<FRDOC> [FR Doc. 2026–01053 Filed 1–20–26; 8:45 am]
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