

Learning Without Limits

Wi-Fi Hotspots Create Opportunity for Needed At-Home Connectivity

Frequently Asked Questions

On The FCC's Order on the:

E-Rate Support for Off-Premises Use of Wi-Fi Hotspots and Services



BACKGROUND

The millions of library patrons and students with no residential internet access often rely on their library or school for such access. When most libraries and schools closed to the public because of the COVID pandemic, these patrons and students suddenly found themselves with no internet access. To address this issue, Congress authorized the Emergency Connectivity Fund (ECF). In brief, the ECF funded connected devices (e.g., tablets), wi-fi hotspots and internet access for library patrons and students who lacked such access. The ECF program ended in June 2024 and while libraries and schools are now open, there are still many patrons and students who lack residential internet access. The FCC proposes to address this continued need by implementing an off-campus wi-fi hotspot lending program. The hotspot lending Order is part of FCC Chairwoman Jessica Rosenworcel's "Learn Without Limits" initiative that was announced at the [2023 ALA Annual Conference](#).

The following FAQ summarizes key points in the hotspot lending program. While it focuses on libraries, much of the information is also relevant to schools.

FAQ

Q: Is this new wi-fi hotspot lending program targeted at library patrons and students who do not have internet access outside of the library or school?

A: Yes. Like the ECF, the purpose of this program is to loan hotspots for use outside of the library or school to patrons and students who do not have internet access (June Order, ¶ 17). Recordkeeping requirements for the new program are different, however, which is addressed below.

Q: When will this new hotspot program become eligible for E-rate funding?

A: Libraries and schools will be able to receive E-rate discounts starting with the July 1, 2025, funding year.

Q: Exactly what hardware and services are E-rate eligible?

A: The FCC has adopted the ECF definition of an E-rate eligible "wi-fi hotspot." That is, a hotspot is a portable device capable of "receiving advanced telecommunications and information [i.e., internet] services..." Wireless internet services are limited to commercially available services that can deliver internet access to wi-fi hotspots used by individuals. End user devices like smartphones, notebooks and tablets, are not eligible (unlike in the ECF). In addition, more advanced internet connectivity technologies, like Citizens Band Radio Service (CBRS) and television white spaces (TVWS), are not eligible (¶ 22 - 25). More details on eligibility will be in the 2025 Eligible Services List (¶ 17) which will likely be published in draft form later this summer or early fall.

Q: The ECF paid for the total costs of wi-fi hotspots and related services. Will this new program also do this?

A: No. The program establishes maximum hotspot and service costs and a maximum budget a library or school can receive over a three-year timeframe. The discount matrix also applies.

Hotspot and service funding caps: Using cost data reviewed as part of the ECF program, the Commission has set a pre-discount amount of \$90 per wi-fi hotspot, and a pre-discount amount of \$15 per month for recurring wireless internet service. Using these figures, a three-year funding cap per device and its service is: $\$630 (12 * \$15 * 3 + \$90 = \$630)$. Applicants can select a hotspot or service that costs more than the funding caps, but the E-rate program will not reimburse above the caps (§ 33-35).

Calculating budgets: The Commission adopted a suggestion in comments from E-rate Central that calculates a school's budget based on a maximum of 20 hotspots per 100 students and calculates a library's budget based on a maximum of 5.5 hotspots per 1,000 library building square feet. For example:

➤ **A school district with 2,000 students** and a 90% discount will be eligible for a maximum of \$226,800, $(2,000 * 0.2 * 0.9 * \$630 = \$226,800)$.

➤ **A library of 10,000 square feet** and a 90% discount will be eligible for a maximum of \$31,500 $(10,000 * 5.5/1,000 * 0.9 * \$630 = \$31,500)$.

➤ **In the above formulas** an applicant's discount percentage is applied to calculate the three-year budget amount. The applicant's discount percentage is then applied to this amount. That is, applied to the \$226,800 and the \$31,500. (Note: The budget language in the Order is somewhat confusing. ALA has asked the FCC to provide clearer information on the budget in the final Order.)

Q: My library already has wi-fi hotspots. How can we take advantage of E-rate funding?

A: Libraries and schools that already have hotspots can use E-rate funds to purchase service for these units (§ 36).

Q: What are some other budget issues or conditions?

A: Here are several:

- **This wi-fi hotspot program** is an E-rate Category One service (§ 28, 32, 44).
- **The maximum number of hotspots** is used only to calculate a budget. It does not determine the maximum number of hotspots that can be purchased. For example, if a library can purchase hotspots and services at less than its maximum three-year budget, it can use the extra funds to purchase more hotspots and services (§ 36).
- **Applicants can spread out their budget** requests for hotspots and services over the three-year time frame, but they cannot request more than 45% of their budget in any one specific year (§ 40).

Q: What happens if all E-rate funding requests, including requests for off-campus hotspots, exceeds the total amount of funding available?

A: The FCC believes there are sufficient funds to cover the cost of all current Category One and Category Two funding requests, in addition to all new requests for off-campus wi-fi hotspots and service. But if requests exceed available funding, priority will be given to the current Category One and Category Two funding requests (§ 45, 90).

Q: What are some of the other hotspot use or lending conditions?

A: Here are several:

- Applicants can set their own policies on the length of a hotspot loan period (§ 31). (The FCC asks about this issue in the Further Notice referenced below)
- Applicants cannot purchase or “warehouse” hotspots for future use in case a hotspot has been lost, ceases to work, etc. In other words, every hotspot purchased must be actively loaned out to patrons or students (§ 58).
- If a hotspot shows no usage for 60 consecutive days, service providers will notify the library or school of this non-use. Providers will then give applicants 30 days to activate the hotspot service before terminating the service (§ 61).
- Service providers must provide libraries and schools with data usage reports at least once per billing period (§ 66).

Q: Do most of the current E-rate rules apply to the hotspot lending program?

A: Yes. Applicants "will be subject to E-Rate program rules, certifications, and other requirements designed to protect program integrity...." (§ 41). This means that E-rate's competitive bidding rules apply (§ 28) which requires filing a Form 470 seeking services. Then after evaluating any bids and using cost as the most important factor, applicants will file the Form 471.

Q: Does this new wi-fi hotspot lending program require applicants to collect and retain the same detailed documentation as was done in the ECF program?

A: Applicants must follow some of the ECF requirements, including documenting the hotspot equipment make/model and serial number, and the dates the hotspot was loaned out and returned (§ 71). Like other E-rate eligible services, applicants must retain any documentation related to their application and use of hotspots for ten years after the last day of the funding year (§ 84). Several other requirements in the ECF program are *not* required in the new hotspot program. For example, there are no minimum service standards, like setting minimal upload and download speeds.

Q: Borrowing a hotspot through the ECF program required patrons to confirm to staff that they didn't have internet access outside of the library. Does this new program also require this intrusive action?

A: No. In a major change from the ECF, the new hotspot lending program *does not require library or school staff to intrusively ask patrons or students about their home internet access, or lack thereof*. Instead, to help ensure appropriate use, the FCC will require applicants to have an acceptable use policy (AUP) publicly available. The AUP must state that the purpose of the hotspot lending program "is to provide broadband internet access to students and library patrons who need it" (§ 31).

In another positive change from the ECF, *libraries do not need patrons to sign any type of documentation when they check out a hotspot*. Not requiring this should make staff feel more comfortable about participating in the program (§ 51). As a further protection of patron and student privacy, the FCC, USAC and any providers will adhere to "all applicable federal and state privacy laws" (§ 73).

Q: What are the rules related to the disposal or transfer of hotspots to other parties?

A: Hotspots purchased with E-rate funds cannot be sold or given to any other party for "money or any other thing of value for three years after its purchase." After three years hotspots can be disposed of, donated or sold to any other party (§ 79).

Q: Do applicants have to comply with the Children's Internet Protection Act (CIPA)?

A: CIPA compliance is required if a library receives E-rate support for wi-fi hotspots, internet access, or internal connections. A library getting E-rate only for wi-fi hotspots must filter those hotspots, per CIPA. But if the library is not also getting E-rate support for in-building internet access or internal connections, it does *not* have to filter its in-building computers. This is important because under this condition receiving E-rate support for wi-fi hotspots does not automatically trigger the need for libraries to comply with CIPA and filter its in-building computers. (§ 94-98).

Q: Will the FCC provide more information or guidance on this wi-fi hotspot lending program?

A: Yes. The FCC has directed the Universal Service Administrative Company (USAC) to provide "further guidance and training..." on the program (§ 29). ALA and its E-rate Task Force also will continue to add resources like this FAQ and future webinars to support library funding for hotspots. Visit the Learn Without Limits website to learn more.

Q: In addition to the wi-fi hotspot Order the Commission also released a "Further Notice of Proposed Rulemaking (FNPRM) (§ 100 - 109). What's this all about?

A: The Commission states that the primary purpose of the FNPRM is to "ensure that limited E-Rate program funds are being used effectively and efficiently, and that Wi-Fi hotspots and services... are not going unused." In this regard, the FCC seeks comments on several issues. For example:

- It is concerned about students or patrons who have problems using hotspots and asks if it should require schools and libraries to have technical support staff available to assist users with problems.
- It is concerned about E-rate funds being used to pay for hotspots and services that are not being actively used and seeks further comments on this issue.
- It is concerned about allowing libraries and schools to set the length of hotspot loan periods and it asks if there should be rules setting a maximum length on loan periods. The rationale for this is to allow the limited number of hotspots to be loaned to more patrons and students.



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For questions on this FAQ, please contact:

Robert Bocher, *Senior Fellow*
ALA Public Policy and Advocacy

@ robert.bocher@gmail.com

1.1 This Order was released June 27, 2024, but it is not yet a final, officially adopted Order (see: <https://docs.fcc.gov/public/attachments/DOC-403540A1.pdf>). The Commission is expected to act on this Order at its July 18, 2024 meeting. **2** The ECF passed as part of the American Rescue Plan Act of 2021, PL 117-2. **3** According to FCC statistics, the ECF has “funded more than 13.5 million connected devices and 8 million broadband connections to students, school staff, and library patrons.” (Order, footnote 40.) **4** A Notice seeking public comment on this program was released by the FCC in November 2023. ALA filed comments with the FCC in January 2024. See: <https://www.fcc.gov/ecfs/document/101161546100253/1>. **5** The first three-year budget cycle runs from July 1, 2025 through June 30, 2027. A multi-year budget timeframe is similar to the Category 2 five-year budget. **6** E-Rate Central Comments, p.3. See: <https://www.fcc.gov/ecfs/document/101142024202505/1>. **7** For example, if a library already has 10 hotspots and this number is sufficient, it can use E-rate funds to purchase service for these hotspots, limited to the \$15/month service maximum. **8** But schools must record the name of the student who borrows a hotspot (§ 71) **9** Because CIPA has been the law for over twenty years, it is assumed staff are familiar with it and thus compliance details are not described in this FAQ.