

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

In the Matter of	)	
	)	
Modernizing the E-rate Program	)	WC Docket No. 13-184
For Schools and Libraries	)	
	)	

**REPLY COMMENTS OF AT&T**

AT&T Services, Inc. (“AT&T”) submits these reply comments in response to the Commission’s Public Notice seeking comment on the proposed Eligible Services List (ESL) for Funding Year 2018.<sup>1</sup>

**I. Flexible Funding for Transition of Services**

AT&T agrees with Kellogg & Sovereign that the Commission should improve the funding process to allow applicants the flexibility to maximize their funding commitments when transitioning to a different service or to a different service provider, and allow funding of existing and new services during a testing period.<sup>2</sup> AT&T agrees that the current process, where the applicants provide a hypothetical “cut over” date in the application phase, is problematic and can cause applicants to lose funding. As Kellogg and Sovereign points out, when applicants commit to a cut over date well before the provisioning of the new service begins, the funding commitments are, generally, under-utilized because USAC limits the funding commitments of

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<sup>1</sup> Public Notice, Wireline Competition Bureau Seeks Comment on Draft Eligible Services List for Schools and Libraries Universal Service Program, DA 11-1096 (June 21, 2017) (“Public Notice”).

<sup>2</sup> Comments of Kellogg & Sovereign Consulting, LLC, Modernizing the E-rate Program for Schools and Libraries, WC Docket No. 13-184, filed July 21, 2017 (“Kellogg & Sovereign”).

the existing and new services to the specific time periods associated with the projected cut over date submitted in the Form 471 funding requests. The projected cut over date may seem reasonable when submitting the Form 471, but is likely to shift due to increased efficiencies or unforeseen delays as the provisioning process progresses. Consequently, if the actual cut over occurs before the projected date, the applicant's funding commitment associated with the new service will be insufficient to cover the remaining portion of the funding year, and a portion of the applicant's funding request associated with the existing service will go unused (and *vice versa* if the actual cut over date is later than initially projected). Thus, the only scenario when the applicant can fully utilize both funding commitments occurs when the actual cut over date is the same as the applicant's projected date, which is a rare occurrence.

The E-rate program must have processes that encourage and facilitate the transition of services and service providers that allow applicants to maximize their funding commitments throughout the funding year. These issues can be resolved in several ways including (1) allowing the applicant to utilize the surplus from the under-utilized funding request to cover the shortfall in the funding request that was depleted, or (2) adopting Kellogg & Sovereign's proposal, which allows USAC to approve provisional funding for the new service contingent upon the applicant amending the cut-over date later in the process.

Further, the program should also permit funding for both the existing and new service for a short testing period. Kellogg & Sovereign is correct that it is necessary to operate both the existing and new services at the same time to allow testing and optimization of the new service.

## II. Security Services

In addition, AT&T agrees with Aruba and iboss that security services should be eligible for E-rate funding.<sup>3</sup> Schools store a wealth of data associated with their students, faculty and staff, such as names, addresses, phone numbers, family income data, and medical records, and as a result, are targets of hackers seeking to obtain access to this information for fraudulent purposes.<sup>4</sup> Consequently, security services have become a necessity to ensure safe and secure broadband connectivity within schools, and accordingly should be funded by the program.

Respectfully submitted,

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<sup>3</sup> Comments of Aruba, A Hewlett Packard Enterprise Company, Modernizing the E-rate Program for Schools and Libraries, WC Docket No. 13-184, filed July 21, 2017 (“Aruba”); Comments of iboss Distributed Gateway Platform Modernizing the E-rate Program for Schools and Libraries, WC Docket No. 13-184, filed July 21, 2017 (“iboss”).

<sup>4</sup> See Hack Attacks Highlight Vulnerability of Florida Schools to Cyber Crooks, Miami Herald, June 18, 2017, <http://www.miamiherald.com/news/local/education/article156544589.html>.  
See also Personal Info at Risk as Cyber Crooks Target School Districts, Beaumont Enterprise, April 11, 2017, <http://www.beaumontenterprise.com/news/article/Personal-info-at-risk-as-cyber-crooks-target-11063366.php>.