November 21, 2022

VIA ELECTRONIC FILING

Marlene H. Dortch
Secretary
Federal Communications Commission
45 L St., N.E.
Washington, DC 20554

RE: *Ex Parte* **Submission**
 Modernizing the E-rate Program for Schools and Libraries -- WC Docket No. 13-184
 Schools and Libraries Universal Service Support Mechanism -- CC Docket No. 02-6

Dear Ms. Dortch:

On November 21, 2022, I met with representatives of the Office of Chairwoman Rosenworcel to discuss a pilot program to strengthen school and library networks with additional E-rate support for network firewalls. The following FCC staff participated via video conference: Priscilla Delgado Argeris, Chief Legal Advisor to Chairwoman Rosenworcel, Ramesh Nagarajan, Legal Advisor (Wireline and Enforcement), and Elizabeth Cuttner, Legal Advisor.

In our meeting, I described that school and library networks are under attack right now, and they need as much cybersecurity help as the FCC can provide and as soon as possible. E-rate support for cybersecurity is currently limited by a narrow definition of what constitutes a firewall. This forces applicants to artificially reduce their funding requests, creates extra administrative burdens, and diminishes the accuracy of demand estimates.

I provided an overview of the Funds For Learning proposal for a new pilot program to fund firewalls within the existing E-rate funding mechanism. The pilot program would offer schools and libraries the opportunity to seek full funding for firewalls over the next three years, subject to a cap and other limitations. This would offer timely support to secure critical infrastructure in communities, and it would reduce the administrative burden for applicants who seek E-rate support for firewalls. Using this framework, applicants would be encouraged to provide a more complete picture of their cybersecurity needs. As a result, the Commission would develop a richer dataset with which to estimate the true demand for firewalls. In the end, applicants will have had the opportunity to invest their current networking budgets in firewalls, while the Commission will have had additional time to consider a long-term, sustainable mechanism to offer aid for cybersecurity.

During the meeting, I presented specific details about this proposed pilot program, including the definition of a firewall, an annual pilot program funding cap, and the use of the existing Category Two support mechanism.

DEFINITION OF FIREWALL

I described how it is increasingly difficult to distinguish between firewall hardware, software, features and services. Under the pilot program, firewalls would be considered fully eligible for E-rate support under the Category Two funding classification, without regard to the specific form of the firewall. The Commission could remove distinctions between "basic" and "advanced" and provide support for any type of firewall, including services. This would future-proof the E-rate eligible services list and simplify the process of requesting support.

ANNUAL CAP

I detailed how financial support for the pilot program could be capped annually. If, in a particular year, total demand for firewalls exceeds that cap, funding commitments would be prioritized for those who qualify for the highest E-rate discount rate. Concerning the specific amount of the firewall funding cap, I explained that any support would be beneficial. Based on an analysis by Funds For Learning[1], we propose that the total funding commitments for firewalls be limited to $60 million per year; however, I also mentioned that a higher cap, up to $120 million per year, would be extremely useful in supporting safe and secure school and library networks.

CATEGORY TWO SUPPORT MECHANISM

I explained that the pilot program could leverage the existing Category Two (C2) budget system. For an applicant, firewall expenditures would be limited by their C2 budget amount and local funding support:

- **Budget-limited for each applicant.** As is currently the case, the combined price of firewalls and other C2 items could not exceed an applicant's five-year C2 budget.

- **Discounted based on the E-rate discount rate matrix.** All applicants would be required to pay a portion of the cost of a firewall based on their needs and available funding, using the C2 discount matrix.

I finished by summarizing the proposed pilot program: All firewalls would be eligible for E-rate discounts, and these discounts would be limited at the macro and micro level, using an overall spending cap, as well as individual applicant C2 budgets.

I concluded our meeting by urging that the Chairwoman take immediate steps to implement this pilot project in time for the 2023 funding application window.

Respectfully submitted,

/s/ John D. Harrington

John D. Harrington
Chief Executive Officer

  cc: Priscilla Delgado Argeris
       Ramesh Nagarajan
       Elizabeth Cuttner

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[1] See https://www.fundsforlearning.com/news/2022/10/estimating-cybersecuritys-impact-on-c2-funds/