

November 23, 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 22, 2022, I met with representatives of the Wireline Competition Bureau, Telecommunications Access Policy Division, 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: Jodie Griffin, Division Chief, Johnnay Schrieber, Deputy Division Chief, Gabriela Gross, Special Counsel, and Joseph Schlingbaum, Attorney Advisor.

To start, I described the rationale for the pilot program and how it would work. This was like the presentation that I made to the Office of Chairwoman Rosenworcel on November 21, 2022¹. For the three-year pilot:

- The E-rate program would allow funding for all firewall hardware, software, features and services, without distinction between “basic” and “advanced” capabilities.
- The total annual funding for firewalls would be capped. Funds For Learning recommends a range of \$60-to-\$120 million per year. Requests would be prioritized for applicants with higher discount rates.
- Firewalls would be eligible as Category Two (C2) funding. For an individual applicant, firewall expenses would be tallied as part of their C2 spending and would be limited by their existing five-year C2 budget.

I then provided more detail and explanation concerning the importance of using the C2 designation for firewalls, the need for a three-year timeline, the mechanism to implement the spending cap, and the types of firewall functionalities to be included.

¹ See <https://www.fcc.gov/ecfs/document/1122304899639/1>

CATEGORY TWO DESIGNATION

I described the importance for this pilot program of using the C2 designation for firewalls. Category Two funding will encourage effective technology planning, protect the integrity of the Universal Service Fund, and simplify administration of the pilot program. Because it is a discount, the E-rate program already encourages applicants to make cost-effective technology purchases. The C2 designation further prioritizes spending choices by limiting the overall discounts received over a five-year period. This provides incentives for applicants to plan their purchases wisely.

Furthermore, I shared that it would not be an effective pilot program if the Commission were to fund firewalls under the Category One (C1) designation. The overall annual demand for C1 discounts is less restricted than C2 discounts and, unlike C2 spending, could increase significantly. If using C1 funding for firewalls, the Commission would need to create and then constantly update the specifics of what constituted a C1-eligible firewall. This would increase complexity and create delays in funding while generating more uncertainty for the overall demand placed on the Universal Service Fund.

Finally, I explained that leveraging the C2 designation for firewalls would help the Commission better predict and regulate firewall expenses. C2 budgets would help govern spending, reducing the need for subjective technical definitions. We have observed this phenomenon work successfully with other C2-eligible goods and services. For example, network data switches have evolved significantly over the past 25 years; however, the Commission has not had to refine its definitions of these devices, in part, because of funding limitations like the C2 budgets. In the same way, designating firewall hardware, software, features and services as eligible for Category 2 discounts will reduce the need to narrowly define (and redefine) the eligibility of a firewall.

THREE-YEAR PILOT

I explained that a three-year pilot program would (1) help applicants plan their purchases, (2) align with the current C2 budget cycle, and (3) provide the Commission with a clearer picture of true demand. A key factor in the success of the current C2 budget system has been the opportunity for applicants to plan their investments over time. A single year of support for firewalls would accelerate purchasing decisions and create spikes in demand. Even the first year of the C2 budget system in 2015 saw a massive spike in funding requests due to pent up demand from years of insufficient support. Applicants would benefit from the ability to plan and budget their firewall expenditures over a three-year period, and this would align with the current C2 budget cycle that expires in 2025.

I also shared that having a three-year pilot would provide the Commission with more data from which to draw conclusions. In particular, having data from funding years 2023 and 2024 would help the Commission consider permanent eligibility for cybersecurity in the new C2 budget cycle commencing in funding year 2026.

ANNUAL CAP

I detailed how financial support for the pilot program could be capped annually. If, in a particular year, the sum total of all firewall requests exceeds a designated cap amount, funding commitments would be prioritized by E-rate discount rate. Applicants who qualify for the highest E-rate discount rate would receive firewall funding

commitments first. Funding then would proceed to lower discount rate applicants until the funding cap was exhausted, at which point the remaining firewall funding requests would be denied.

Concerning the specific amount of the firewall funding cap, I explained that up to \$120 million per year of C2 spending may be available to support this initiative.²

FIREWALL FUNCTIONS

I described that applicants are currently denied funding for firewall features that include intrusion detection/prevention, malware detection/filtering, application control/visibility, antispam services, URL/DNS filtering, and endpoint-related protections. These are all features that today are commonly thought of as components in a standard “firewall” configuration. Information technology experts consider these components necessary for a computer network to be reliable and secure. Many of these features are subject to on-going subscription license fees because they require constant updates in order to guard against new threats.

I concluded our meeting by urging that the Commission take immediate steps to implement this pilot project in time for the 2023 funding application window, and I also referenced a letter of support from the Chief Technology Officer of the State of Arkansas which I have attached to this filing.

Respectfully submitted,

/s/ John D. Harrington

John D. Harrington
Chief Executive Officer

Enclosure

cc: Jodie Griffin (FCC)
Johnnay Schrieber (FCC)
Gabriela Gross (FCC)
Joseph Schlingbaum (FCC)
Jonathan Askins (Arkansas DIS)

² See <https://www.fundsforlearning.com/news/2022/10/estimating-cybersecuritys-impact-on-c2-funds/>



Department of Transformation and Shared Services
Governor Asa Hutchinson
Secretary Mitch Rouse
Director Jonathan Askins

November 22, 2022

Mr. John Harrington
CEO, Funds for Learning
2575 Kelley Pointe Parkway, Suite 200
Edmond, Oklahoma 73013

Dear John,

I am writing in support of the Funds for Learning Pilot Program for Cybersecurity proposal you recently made to members of the Federal Communications Commission.

Our schools are literally under attack 24 hours a day from threat actor groups, and we owe it to all our students, teachers, and administrators to provide the means to the very best protection possible. While I applaud the funding for advanced firewall protection, I will continue my crusade to increase protection at the endpoints of our school networks. We've discussed this previously and I believe this more strongly than before due to the fact I have recently reviewed attacks on our school networks that could have been prevented with good end point protections.

Thank you for your continued good work in this area. We firmly stand behind any effort to better protect our student and teachers.

Sincerely,

A handwritten signature in black ink, appearing to read "Jonathan Askins".

Jonathan Askins
Director