

**Before the
Federal Communication Commission
Washington, D.C. 20554**

In the Matter of the	)	
	)	
Proposed E-Rate Eligible Services	)	WC Docket No. 13-184
List for Funding Year 2026	)	
	)	

**COMMENTS OF FUNDS FOR LEARNING, LLC
ON THE PROPOSED ELIGIBLE SERVICES LIST
FOR FUNDING YEAR 2026**

I. Introduction

Funds For Learning, LLC (“FFL”) respectfully submits these comments in response to the Wireline Competition Bureau’s Public Notice regarding the proposed Eligible Services List (“ESL”) for Funding Year 2026.

For more than 25 years, FFL has provided E-rate applicants nationwide with professional guidance and data-driven insights on program participation, administration, and modernization. Each year our work directly supports millions of students and library patrons. We are dedicated to helping schools and libraries secure funding efficiently while strengthening the program’s long-term integrity.

The Commission’s proposed updates to the FY 2026 ESL address several issues that FFL has highlighted for over a decade: outdated definitions of network security, inconsistent treatment of maintenance agreements, and the need for clarity around core network functions such as DNS and DHCP. These changes represent important steps toward modernizing the E-rate program so that it remains technologically neutral, transparent, and aligned with the realities of school and library networks.

Our recommendations are informed not only by our direct work with applicants, but also by empirical evidence from the 2024 E-rate Trends Report, FFL’s 14th annual national survey of more than 2,300 applicants. That survey found that 95% of respondents believe cybersecurity services should be eligible for E-rate support and that applicants continue to view the program as essential to their connectivity goals. This feedback demonstrates broad consensus on the importance of updating the Eligible Services List to reflect current needs.

II. Modernizing Firewall Definitions and Eligibility

Firewalls are foundational to the security and functionality of modern broadband networks. Over time, the distinction between “basic” and “advanced” firewall functionality has become artificial. Today’s devices and managed services integrate multiple functions that are inseparable from connectivity itself.

Applicants should not be forced to perform cost allocations or lose eligibility based on how a manufacturer labels a feature that is necessary for the secure operation of their network. The Commission should therefore modernize the ESL definition of “firewall” to reflect industry standards and explicitly recognize that core security functions, such as stateful inspection, intrusion detection and prevention, VPN support, and application-layer filtering, are integral to safe broadband connectivity.

Updating the definition would provide clarity for applicants, eliminate uneven funding determinations, and reduce administrative burdens on USAC reviewers. A modernized definition would also align policy with practice: today, nearly every E-rate-supported network device includes security functionality by default, and the cost of separating these elements is unnecessary and counterproductive.

III. Treating Basic Maintenance as a Non-Recurring Service

FFL strongly supports reclassifying Basic Maintenance of Internal Connections (BMIC) as a non-recurring service. This recommendation is based on market reality: manufacturers and applicants alike procure maintenance agreements as one-time transactions linked to specific equipment, typically for one- to three-year terms. Treating these as recurring creates administrative complexities and eligibility gaps that do not exist in practice.

By classifying BMIC as non-recurring, the Commission would allow schools and libraries to budget based on actual service initiation and equipment lifecycles rather than arbitrary funding windows. This change would also mirror the treatment of software licenses -- which are already eligible on a non-recurring basis -- and reduce program complexity without expanding scope.

IV. Clarifying the Eligibility of DNS, DHCP, and IP Address Management (DDI)

DNS and DHCP are fundamental protocols of any IP network. They are not optional enhancements but essential functions that enable devices to communicate across a local area network. Historically, these functions were recognized as eligible under the broader category of “servers,” and their exclusion in recent years has caused confusion.

Explicitly recognizing DDI as an eligible internal connection function would not create a new category of service; instead, it would simply codify existing practice and ensure consistent treatment whether these functions are delivered via software, hardware, or managed service. This clarification would advance technological neutrality and support the Commission’s goals of equity and efficiency.

V. Streamlining Program Administration and Services Categories

E-rate participants continue to report confusion around the distinctions between Internal Connections, Managed Internal Broadband Services (MIBS), and Basic Maintenance of Internal Connections. These sub-categories serve no practical purpose in ensuring program integrity and often lead to avoidable application errors and funding denials.

FFL recommends consolidating these into a single Category Two designation on FCC Forms 470 and 471.

These recommended changes are fully aligned with the Commission's *Delete, Delete, Delete* initiative, which seeks to eliminate outdated, redundant, or unnecessarily burdensome requirements across Universal Service programs. Consolidating the E-rate service-type structure would directly advance that goal by simplifying competitive bidding, reducing confusion, and improving efficiency for applicants and program administrators alike.

Findings from the 2024 E-rate Trends Report show that nearly 70% of applicants describe the current application process as difficult or very difficult. Simplifying service categories would directly respond to this feedback and strengthen confidence in the program's administration.

VI. Conclusion

The E-rate program is one of America's most successful education initiatives, but its continued success depends on keeping pace with technological change and real-world practice. Modern firewalls, maintenance agreements, and network management tools are core to delivering secure, reliable broadband to schools and libraries.

By adopting the clarifications outlined in these comments, modern firewall definitions, non-recurring treatment of BMIC, explicit recognition of DDI, and simplified service categories, the Commission would align E-rate policy with current market conditions and the needs of its stakeholders. These reforms will reduce administrative burden, improve funding consistency, and ensure that E-rate resources continue to empower educational institutions for years to come.

Respectfully submitted by:

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