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Funding Status for E-Rate and ECF

E-Rate for FY 2022:

Wave 32 for FY 2022 was issued on Wednesday, November 23rd, for \$18.7 million, none for North Carolina. Cumulative commitments to date are \$2.72 billion including 66.1 million for North Carolina. Nationwide, USAC has funded 97.6% of the FY 2022 applications representing 90.3% of the requested funding.

ECF for 2021-2023:

Total commitments for all three ECF windows are \$6.35 billion including \$179 million for North Carolina. Nationwide, USAC has funded 78.8% of the ECF applications representing 64.9% of the requested funding. Total disbursements as of last Friday were \$2.28 billion.

Industry Support for Cybersecurity Eligibility

In a <u>letter</u> to the FCC last week, five major E-rate suppliers — Cisco Systems, ENA by Zayo, Fortinet, Hewlett Packard, and Microsoft — urged the FCC to permit applicants to use their existing Category 2 budgets to provide discounted funding on next-generation firewalls. A similar position was espoused by the Schools, Health & Libraries Broadband ("<u>SHLB</u>") Coalition.

The suppliers' proposal to permit advanced firewall support within existing Category 2 budgets was perhaps triggered by earlier FCC comments in response to a General Accounting Office ("GAO") report indicating the need for additional Federal coordination to enhance K-12 cybersecurity protection. At the time, pointing to an estimate by the Consortium for School Networking ("CoSN") that it would cost the E-rate program almost \$2.4 billion/per year to provide advanced security systems for all K-12 schools, the FCC indicated that this would push E-rate discounts well above the annual E-rate cap. As we pointed out in our newsletter of October 31st, however, existing Category 2 budgets should be able to support roughly \$550 million per year towards cybersecurity support — a clear step in the right direction.

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As a fallback position to full Category 2 budget funding for advanced firewalls, the five-suppliers, SHLB and <u>CoSN</u> also expressed support — as do we — for a more modest three-year <u>pilot</u> program recently proposed to the FCC by Funds For Learning ("FFL") that would:

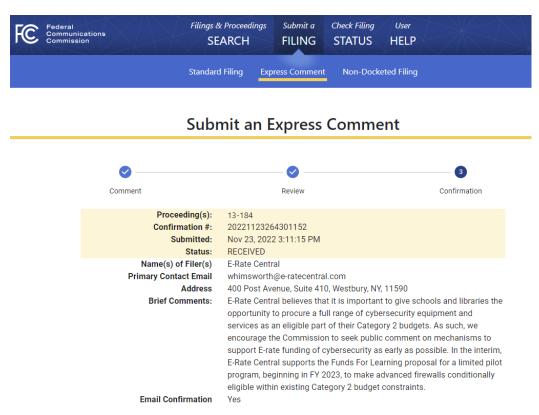
- Offer up to \$60 million per year in annual Category 2 funding for advanced firewalls.
- Seek public comment on mechanisms for the FCC to support cybersecurity.
- Continue the FCC's interagency cybersecurity work.

FFL's proposal would place little to no additional burden on annual E-rate funding while providing some indication of applicant cybersecurity priorities as the FCC considers a broader public rulemaking. Recognizing that \$60 million in annual E-rate discounts would fall far short of total demand, FFL proposes that pilot funding be prioritized by economic need (i.e., discount rate).

Although the formal comment period for the FY 2023 Eligible Services List is closed, we encourage E-rate applicants and service providers to continue contacting the FCC to express support for cybersecurity eligibility and, as an interim measure, for FFL's proposed pilot program. Support need not require an extensive filing. We believe that the arguments in favor of making cybersecurity eligible have been well documented. But there is strength in numbers and there is a simple mechanism for submitting "Express" comments.

To submit an express comment, go to the FCC's <u>Express Comment</u> site, select Proceeding 13-184, "Modernizing the E-rate Program for Schools and Libraries", fill in your basic contact information, type (or paste) your "Brief Comments" into the textbox, review and submit.

As an example, here is a copy of E-Rate Central's submission:



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In a related initiative, the State Educational Technology Directors Association ("SETDA") recently released a <u>report</u> outlining steps that states can take to promote cybersecurity best practices in developing an "Incident Response Plan." SEDTA focused on the following four areas:

- <u>Procurement Practices</u>: establish procurement processes to help districts vet vendors more efficiently and reduce administrative burden.
- Convening: counteract shortcomings in expertise through collaboration with other districts.
- <u>Incident Response Plan</u>: encourage sharing of response plans to help districts prepare for inevitable cyber events.
- <u>Phishing and Awareness Training</u>: professional training for school staff to better identify vulnerabilities and build districtwide cybersecurity awareness.

Updates and Reminders

Upcoming Dates:

December 2 The Form 486 deadline for FY 2022 Wave 16. More generally, the Form

486 deadline is 120 days from the FCDL date or from the service start date (typically July 1st), whichever is later. Upcoming Form 486 deadlines are:

Wave 17 12/09/2022 Wave 18 12/16/2022 Wave 19 12/23/2022 Wave 20 12/30/2022

January 9

ACP application window deadline (<u>DA 22-1213</u>) for the FCC's outreach pilot programs for potential participation by schools, libraries, and others (see our <u>newsletter of August 15th</u>). See also the <u>FCC</u> and <u>USAC</u> announcements of the opening of the ACP application window last Monday.

FCC Establishes an ACP Transparency Data Collection Program:

The FCC adopted an Order (FCC 22-87) creating the "Affordable Connectivity Program Transparency Data Collection," a statutorily mandated annual data collection describing all internet service plans subscribed to by households enrolled in the ACP discounted internet program. Under the Order, internet providers must also submit plan characteristics including speed, latency, and bundle characteristics, and a unique identifier associated with a broadband label if applicable, as well as certain aggregated plan enrollment subscriber data.

FCC Adopts a New Order Dealing with National Security Threats:

The FCC issued a new Report and Order, Order, and Further Notice of Proposed Rulemaking (FCC 22-84) dealing with the identification and treatment of Chinese "covered companies" and their equipment deemed to present a national security threat to the national communications supply chain. (See our <u>newsletter of December 2, 2019</u> for a discussion of the original national security order FCC 19-121.) The new Order deals with such issues as:

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- The FCC's legal authority.
- Revisions to the equipment authorization program.
- Definitions of "covered" equipment.
- Other issues including cost-effectiveness and economic impact.

The Further Notice of Proposed Rulemaking includes considerations for revoking existing equipment authorizations. Comments on these issues will be due 30 days after publication in the *Federal Register*.

USAC E-Rate Special Edition News Brief Dated November 21 – BEAR-to-EPC Transition

<u>USAC's Special Edition E-Rate News Brief of November 21, 2022</u>, provides additional details (including FAQs) of USAC's plan to transition the existing BEAR submission within One Portal into the EPC system (see also our <u>newsletter of November 14th</u>). The key points are as follows:

- The transition will fortunately take place <u>after</u> January 29th, the invoicing deadline for FY 2021 non-recurring services. The exact transition date will be announced later.
- Most user permissions will be transferred from the existing BEAR system into the new EPC version, but applicants will want to check that the appropriate users are properly authorized. Any changes required will have to be made by the applicant's current EPC Account Administrator (see our newsletter for details).
- USAC will be providing additional training webinars and resources.
- Under the new system, invoicing notifications (e.g., remittance statements) will be sent via the EPC platform. They will no longer be mailed.

Newsletter information and disclaimer: This newsletter may contain unofficial information on prospective E-rate developments and/or may reflect E-Rate Central's own interpretations of E-rate practices and regulations. Such information is provided for planning and guidance purposes only. It is not meant, in any way, to supplant official announcements and instructions provided by USAC, the FCC, or NCDPI.

Additional North Carolina specific E-rate information is available through our Web site — http://www.e-ratecentral.com/us/stateInformation.asp?state=NC. Note that this site provides easy access to formatted North Carolina applicant E-rate histories via the Billed Entity Number ("BEN") search mechanism in the upper left-hand corner. Detailed information can be obtained by "drilling down" using the links for specific funding years and individual FRNs.

If you have received this newsletter from a colleague and you would like to receive your own copy of the North Carolina E-Rate Forum, send an email to join-ncerate@lists.dpi.state.nc.us. Please include your name, organization, telephone, and e-mail address.

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