

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

In the Matter of)	
)	
Protecting Against National Security)	
Threats to the Communications Supply)	WC Docket No. 18-89
Chain Through FCC Programs)	
)	

**REPLY COMMENTS OF KELLOGG & SOVEREIGN® CONSULTING, LLC.
July 2, 2018**

Introduction

Kellogg & Sovereign® Consulting, LLC (“KSLLC”) submits these Reply Comments in response to the FCC’s Notice of Proposed Rulemaking (“NPRM”) released April 18, 2018¹.

The professionals with KSLLC have been managing E-rate schools and libraries applications since 1998 and Rural Health Care (RHC) applications on behalf of health care entities since 2007. In FY 2018, KSLLC managed applications for over 600 E-rate and RHC applicants. The E-rate applicants range in size from a single school building and small library in a small rural town, to large urban districts and library systems, and everything in between. The RHC applicants range in size from small rural health clinics to regional consortia and large urban hospital systems.

The firm’s diverse client base provides KSLLC with a unique perspective to share the successes and challenges faced by various types and sizes of applicants in securing funding from the E-rate and Rural Health Care programs. Our reply comments, therefore, will focus on the impact the proposed rules will have on schools, libraries, health care providers and the service providers that provide the eligible products and services used for telecommunications and broadband networks.

¹ Protecting Against National Security Threats to the Communications Supply Chain Through FCC Programs [WC Docket No. 18-89, FCC 18-42]. 83 Fed. Reg. 85 (May 2, 2018) Proposed Rules. (“NPRM”).

In June 2018, KSLLC conducted a survey (“KSLLC Survey”) of local service providers along with KSLLC client schools, libraries, and health care providers to gather feedback regarding the questions posed in the NPRM.

32 surveys were returned representing 22 school districts, 1 library system, 4 health care providers, 4 service providers and 1 other entity. The following reply comments incorporate the information from these survey responses along with the KSLLC’s experiences while managing the E-rate and RHC filing process from the beginning through funding recovery.

Impact on Schools and Libraries

The American Library Association (ALA), and the State E-rate Coordinators Alliance (SECA) filed comments regarding schools and libraries. KSLLC supports the comments from both groups and provides reply comments related to the impact on schools and libraries later in this document.

Impact on Health Care Providers

Since there were no initial commenters that addressed the potential impact to participating healthcare providers, KSLLC has also included initial comments from the perspective of healthcare applicants.

Reply Comments

The Reply Comments below are organized with titles that reference the related paragraph in the NPRM.

13. Prohibition on Use of USF Funds

KSLLC agrees with the Commission’s proposal that, “*no Universal Service Funds (USF) should be used to purchase or obtain any equipment or services produced or provided by a company posing a national security threat to the integrity of communications networks or the communications supply chain.*”²

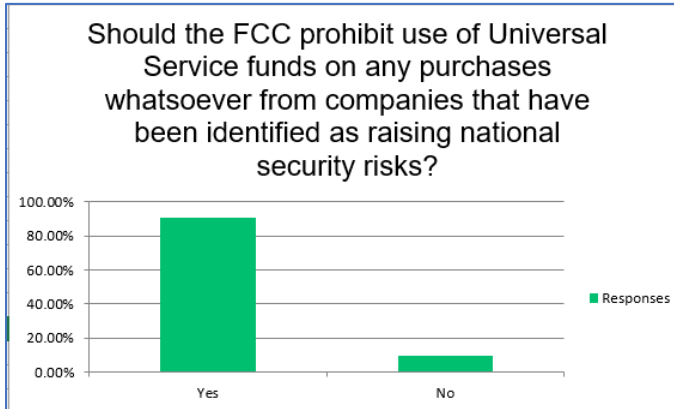
The American Library Association (“ALA”) commented that, “We suggest the Commission’s ‘bright-line approach’ prohibiting purchase of hardware or services from companies identified as national security risks is likely the clearest way to differentiate compliant from non-compliant companies.”³

² NPRM, para 13.

³ See American Library Association Comments at 1

Survey Question # 2 - Should the FCC prohibit use of Universal Service funds on any purchases whatsoever from companies that have been identified as raising national security risks?

Ninety percent (90.63%) of the respondents to the KSLLC survey agreed.



15. Types of Equipment and Services

We seek comment on the types of equipment and services covered by our proposed rule.

Respondents commented that “while the equipment or services provided by banned equipment manufacturers that are listed can easily be identified, it is not always possible to identify the company that produces the components of products or services.” Consequently, the FCC or USAC would need to provide a specific list of banned products and services.

The following KSLLC survey questions were related to this issue:

Survey Question # 3 - Should the FCC limit the scope of the proposed rule to equipment and services that relate to the management of a network, data about the management of a network, or any system the compromise or failure of which could disrupt the confidentiality, availability, or integrity of a network?

Seventy-seven percent (67.74%) of respondents agreed with this suggestion .

Commenters added:

- If there’s a known and verified threat, these entities should be disqualified from the bid process. FCC should not impose a penalty on schools and libraries if not identified prior to the bid acceptance.
- The integration of networks today is so complex, trying to address limited componets won't have

the desired security effect.

Survey Question # 4 - Should the rule cover only software that manages the communications network or extend to devices used on the network?

Respondents had a mixed reaction to this recommendation. Fifty-four percent (54.84%) did not think that the rule should cover only software that manages the communications network or extend to devices used on the network, while forty-five percent (45.16%), thought that it should.

10 commenters stated that it should extend to devices.

Survey Question # 5 - Are there any categories of services that would not pose a potential risk to communications networks or the communications supply chain that, should not be covered in the scope of the proposed rule?

Whether there were any categories of service that should not be covered, eighty-five percent (85.71%) of respondents said no with only fourteen percent (14.29%) saying that there were.

Commenters added that consulting services should be considered and personal devices and accounts should be out of scope. One respondent noted that “if you think about it, even a UPS is now smart enough to shut down a system, so a software vulnerability in a UPS could end up allowing a denial of service attack.”

Survey Question # 6 - Should the Commission convene an advisory group or voluntary industry panel that would be able to provide a certification of compliance?

Eighty-seven percent (87.10%) of the respondents supported the formation of an advisory group. However, one responder commented that they were “concerned over the level of effort and amount of bureaucracy this may create thereby increasing the lead time of product availability to schools and libraries.” Another respondent recommended that “this panel should include IT professionals from education, medical, business and government on the panel.”

16. Use of Funds

We expect that our proposed rule would limit use of USF funds both directly by the recipient of that funding as well as indirectly by any contractor or subcontractor of the recipient. We seek comment on this view.... Are there different practical or policy questions that necessitate crafting rules on a program-specific basis across the four separate USF programs?

We agree with ALA comments that, “The Notice asks about the proposed rule’s impact on subcontractors and if there is a need to develop specific rules for each of the four USF programs. We think any rule that goes beyond the level of a single subcontractor will place an undue burden on service providers and will be challenging to enforce. Regarding separate rules for each USAC program, we think there is a need for specific language referencing E-rate because it is the only USF program where funds can go directly to end users—our libraries and schools.”⁴ We would add that the health care providers also receive program funds directly from the program.

17. Effective Date

The NPRM asks the question: How long would USF recipients need to begin compliance with the rules?

ALA stated, “ALA proposes that any rule on this issue be effective a full E-rate funding year after adoption. For example, a rule adopted in September 2018, will be effective July 1, 2020. The Notice also asks if there are concerns that libraries and schools may not be as knowledgeable as service providers about any equipment or services which are a security risk. We think it very likely that libraries and schools will not be as aware as providers.”⁵

The State E-Rate Coordinators’ Alliance (“SECA”) stated the same timeframe, “for E-rate purposes, ‘prospectively’ should refer to the first E-rate funding year occurring at least one full year after the effective date of any new security requirements governing the use of the USF’s E-rate program by schools and libraries. A one-year grace period would allow time for E-rate applicants to be trained to include service provider security compliance as a necessary factor in the selection of providers for the forthcoming funding year.”⁶

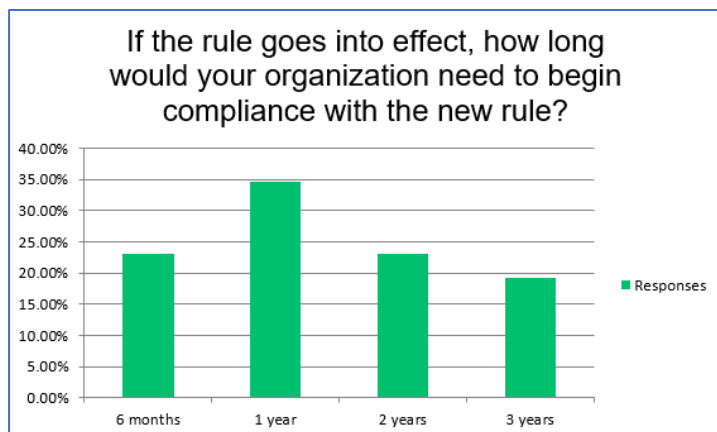
We agree with ALA and SECA that for proper procurement, a minimum of one year is required. Both the E-rate and RHC programs require competitive bidding periods and need sufficient time to not only update the program rules and forms but also online programs as well as provide notice and training to program participants.

⁴ See ALA Comments at 1

⁵ See ALA Comments at 2

⁶ State E-Rate Coordinators’ Alliance (“SECA”) Comments at 3

The KSLLC survey posed this question (See Exhibit A, Survey Question # 10). Schools and libraries answers ranged from six (6) months to three (3) years according to their specific situation. Health care providers and service providers unanimously said they could be ready in six (6) months. We believe the six month responses did not include the time necessary for each program to be updated with online programs and instructions as well as sufficient time for training and outreach not to mention the time required by the FCC or USAC to develop lists of approved or banned companies.



18. Multiyear Contracts

Multiyear Contracts. How should the proposed rule affect multiyear contracts or contracts with voluntary extensions between USF recipients and companies identified as posing a supply chain integrity risk, if any such contracts exist?

ALA stated, “Ideally, multi-year contracts executed before the rule becomes effective should be exempt (i.e., ‘grandfathered’) from rule compliance but if the Commission is concerned about the lengthy time a provider may be out of compliance it could set a maximum date of, say, two years. This means that in a finding of non-compliance the provider has two years to correct the issue (e.g., provide acceptable hardware). If this does not occur the library or school then has the right to submit a SPIN change for the next funding year to select a compliant service provider.”⁷ We agree and add that this same rule should apply to health care providers.

SECA highlighted the issue that schools and libraries should be able to make service provider (“SPIN”) changes if providers they have selected are non-compliant. SECA stated, “The provision of ongoing service under a multi-year E-rate contract should be governed by whatever rules and/or timetable that Commission adopts requiring service providers to bring existing equipment and services into compliance. To the extent a service provider cannot or does not comply, the affected E-rate applicants should be granted authority to request Operational SPIN Changes to compliant providers. We urge the Commission to be mindful that applicants who wish to invoke restrictions sooner rather than later should be given this latitude in the rules, but the *requirement* to do so should be one funding year later.”⁸

⁷ ALA p 3

⁸ SECA p 3

We would apply the same process for health care providers. For both Erate and RHC applicants we recommend that if a violation occurs, the service provider is responsible. The applicant, however, should be provided relief by allowing not only a service provider change but also the option to re-bid for the services in instances where a replacement product will require additional costs such as removal of the banned product and replacement with a compliant product that may be more costly than the original.

Survey Question # 11 - Should the proposed rule apply if a USF recipient has entered into a contract to purchase equipment or services from a company identified as posing a supply chain integrity risk, but the USF recipient has not received installation of equipment at the time that the proposed rule would go into effect?

Eighty-eight percent (88%) of respondents to the KSLLC survey stated that the FCC should grandfather in contracts that are already in place regardless of whether they had not installed the equipment or not. Many multi-year contracts do not have provisions that would allow for termination without substantial fees. If existing contracts were not grandfathered in, the applicants would still be bound to the contract but deemed ineligible to receive funding if the equipment or services were non-compliant, therefore it is essential that any new rule include a provision to grandfather in existing contracts.

If we do grandfather contracts, should we only grandfather unexpired annual or multiyear contracts, or also grandfather one- year contracts with voluntary extensions?

Fifty percent (50%) of respondents said that they currently have multi-year agreements that cover equipment or services that might be affected by the proposed rule.

Even if the contract is not in a multi-year agreement but has been funded by USAC for equipment before the rule is implemented, the applicant should not be penalized since the applicant conducted a fair and open competitive bidding process by posting a Form 470 and RFP for services and may unknowingly have selected a product that may be banned in the future application of rules as a result of this NPRM.

While the proposed rule would not apply to equipment already in place, as discussed above, we anticipate that rule would extend to upgrades of existing equipment or services.

The prospect of being unable to upgrade existing equipment or maintenance services from the original service provider is a concern expressed by applicants. This could be problematic as applicants can only request E-rate funding for maintenance one year at a time even if they have a multi-year maintenance

agreement in place. Additionally, equipment from different providers is rarely 100% compatible with products from a different company.

Applicants stated that if they have received approval for the equipment and funding from USAC /FCC prior to the equipment being banned, they believe that funding should continue through the life of the equipment previously approved. This would include USAC approval for funding additional modules and access points to ensure individual sites do not have a mix of equipment until the bulk the equipment can be replaced if required. If this is not allowed, applicants could end up with two different types of equipment at a single site causing configuration and maintenance issues for each site and result in disruption in access to data and programs.⁹

19. Identifying Companies

We seek comment on how to identify companies that pose a national security threat to the integrity of communications networks or the communications supply chain for purposes of our proposed rule. How should we define the universe of companies covered by our proposed rule (i.e., a covered company)? We seek comment broadly on possible approaches to defining the universe of companies covered by our proposed rule.

Survey Question # 7 – Service Providers - how would your organization be able to know if the services/equipment you sell are being provided by an entity that poses a supply chain integrity risk?

Survey Question # 8 - Applicants - rank which methods would work best for your organization to determine if the services/equipment you purchase are being provided by an entity that poses a supply chain integrity risk?

Based on the options listed in paragraphs 20-23, the option that both applicants and service provider respondents requested in the KSLLC survey, is listed in paragraph 23: FCC and USAC should maintain a list of prohibited providers.

Survey Question # 12 – Which party is in the best position to anticipate and prevent violations of the proposed rule and thus should be held liable for the recovery of disbursed funds should such a violation occur?

Seventy percent (70.37%) of the KSLLC survey respondents specified the service provider for this responsibility.

We agree with SECA that “For E-rate purposes, the responsibility for identifying prohibited companies falling within the scope of the Commission’s proposed rule must rest with the E-rate service providers — carriers and non-carriers (including manufacturers and/or resellers) alike. As specialists in their

⁹ Moore Public Schools comments at 1

respective industries, these suppliers are best equipped — certainly far more so than schools and libraries — to identify the origin of components provided and/or incorporated in their proposals for eligible E-rate products and services.”

They also agreed that “At a minimum, E-rate service providers should be required to certify via an additional certification on existing FCC Forms 473 and/or Form 498 that the products and/or services they are proposing to applicants are fully compliant with the Commission’s national security rules. In turn, E-rate applicants should be able to rely upon the certifications of their service providers to demonstrate the applicants’ own compliance with such rules.”¹⁰

Survey Question # 14 – What changes should be made to FCC Forms?

Eighty-three percent (83.33%) of respondents agreed that certification of compliance by both the applicant and service provider should be done upon application filing.

We support SECA’s recommendations regarding certification as follows:

By relying on service provider certifications, it should not matter whether the E-rate applicants are seeking USF support for products and/or services provided by third parties, or are simply purchasing equipment and installing it themselves. In either case, purchases would be made from certifying suppliers”.¹¹ SECA again urges the Commission to incorporate service provider certifications to comprehensively include attestation(s) assuring compliance with the national security concerns related to supply chain integrity risks for each service provider and their affiliates, including manufacturers and subcontractors who may be part of any service or project involving E-rate support.¹²

One issue that is a major concern for respondents and KSLLC, is the problem of being held accountable when service providers certify that they are compliant in response to posted Forms 470 (for E-rate), Forms 465 and 461 (for RHC) and RFP’s which are later found to be noncompliant.

We agree that SECA’s statement below should be adopted by the Commission to protect schools, libraries and healthcare providers from errors made by service providers and equipment vendors.

To the extent a service provider cannot or can no longer certify compliance, the affected E-rate applicants should be granted authority to request an Operational SPIN Change to a compliant provider. In the FCC’s 6th Report and Order, the Commission clarified and codified its rule(s)

¹⁰ SECA at 4

¹¹ *Id.*

¹² *Id.*

governing allowable reasons for an Operational SPIN Change request for FY 2011 and beyond. One reason for a SPIN change is when “There is a legitimate reason to change providers.” We ask the Commission to confirm that a provider’s failure to certify compliance constitutes “a legitimate reason to change providers.”¹³

26. Enforcement

We seek comment on how to enforce our proposed rule. We expect that USF recipients would comply with the rule and that USAC, through periodic audits, would be able to confirm such compliance. We also note that all USF recipients are required to maintain records demonstrating that they use the support in the manner in which it is intended to be used.

If a recipient of USF support is found to have violated our proposed rule, what steps should we take in response? Are there any mitigating factors we should consider when taking such responsive steps?

We strongly agree with ALA’s comments that, “The Commission acknowledges that in the E-rate program recovery of improperly distributed E-rate funds can fall on the service provider, the applicant or both. But as we have made clear in our comments thus far, it is definitely the service provider who is in the best position to prevent any violations of the Commission’s proposed rule. Thus, when a violation occurs, the recovery of funds should be sought from the service provider, not the applicant.”

The supply chain issue should always be the service provider’s responsibility. As stated earlier, the FCC or USAC will need to provide very clear lists of banned companies so that service providers can certify compliance with confidence.

27. We seek comment on how USAC should recover funds disbursed in violation of the proposed rule.... We seek comment on which party, in the E-Rate context, is in the best position to anticipate and prevent violations of our proposed rule, and thus, which party should be held liable for the recovery of disbursed funds should such a violation occur. How can non-provider recipients of USF support, such as school districts or libraries, determine whether their service provider has purchased prohibited services or equipment?

We agree with ALA that, “Holding service providers responsible removes the need for libraries and schools to know this. If at some later date (e.g., via an audit) it is determined the provider was not truthful there is no way in which the library or school should be held accountable for this. Certification language holding service providers

¹³ SECA p 5

responsible can be done by adding appropriate language to block #2 of the Service Provider Annual Certification (SPAC) Form 473.”

We agree with SECA that,

E-rate applicants should always exercise due diligence in their selection of vendors, equipment, and services. Once national security rules are established for the purchase of USF-funded products and services, if not before, the Commission should expect applicant adoption of “best practice” procurement policies consistent with such rules and the underlying security threats. In the absence of clear evidence to the contrary, however, applicant reliance on certifications of its service providers should place the presumptive burden for the recovery of disbursed funds on such providers in all instances involving violations of the proposed rules contemplated in this proceeding. To the extent rule violations may be attributed, not to those suppliers directly, but to other firms further up or further down the supply chain, it will be incumbent on the E-rate providers to have covered themselves contractually with their own suppliers.¹⁴

We would apply the same expectations for health care providers and follow “best practice” procurement policies consistent with such rules and the underlying security threats as expressed by SECA above. For both E-rate and RHC applicants we recommend that if a violation occurs, the service provider is responsible. The applicant, however, should be provided relief by allowing not only a service provider change but also the option to re-bid for the services in instances where a replacement product will require additional costs such as removal of the banned product and replacement with a compliant product that may be more costly than the original.

Survey Question # 13 – What should the penalty(ies) be for violation of the proposed rule?

Seventy seven percent (77.27%) of respondents supported denial of funding, fifty percent (50.00%) supported suspending violators from participation in the program and only nine percent (9.09%) supported permanently barring an offender from receiving USF support.

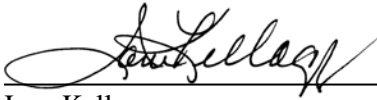
One respondent emphasized “Again, penalties should be exacted against service providers. The beneficiary should be held harmless if violations are beyond the scope of their control.”

Conclusion:

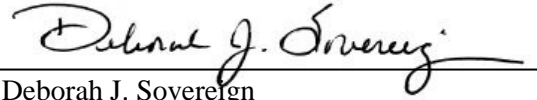
We applaud the efforts of the Commission to address the potential risk to the communications supply chain by establishing the proposed rules stated in the NPRM. As stated within our comments in this document, the E-rate and RHC applicants are dependent on the receipt of accurate information regarding the eligibility of equipment and services proposed by service providers in their responses to requests for bids. The best methodology will be for the FCC to provide clear guidelines to service providers participating in the USF programs. Applicants must

¹⁴ *Id.*

be able to rely on service provider certifications that the equipment purchased is in compliance. Furthermore, the applicants should not be penalized in any way if they request the recommended equipment only to find out later that the equipment was banned.



Jane Kellogg



Deborah J. Sovereign

Kellogg & Sovereign® Consulting, LLC
1101 Stadium Drive, Ada, OK 74820

Exhibit A: KSLLC Survey Results

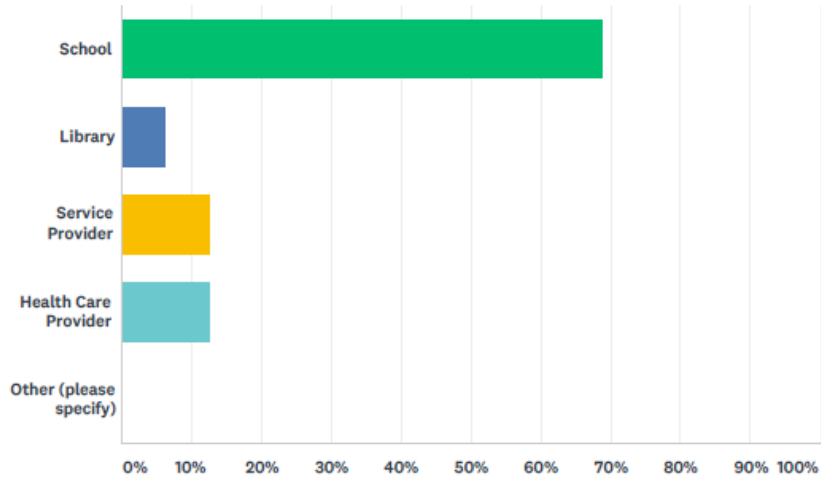
EXHIBIT A

SURVEY RESULTS Kellogg & Sovereign® Consulting, LLC

Protecting Against National Security Threats to the Communications Supply Chain Through FCC Programs

Q1 Select your organization type

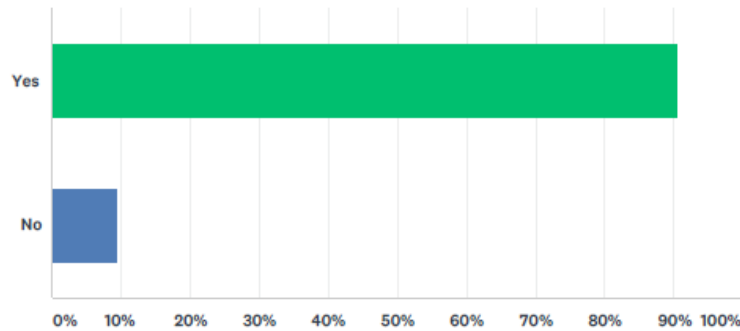
Answered: 32 Skipped: 1



ANSWER CHOICES	RESPONSES	
School	68.75%	22
Library	6.25%	2
Service Provider	12.50%	4
Health Care Provider	12.50%	4
Other (please specify)	0.00%	0
TOTAL		32

Q2 Should the FCC prohibit use of Universal Service funds on any purchases whatsoever from companies that have been identified as raising national security risks?

Answered: 32 Skipped: 1



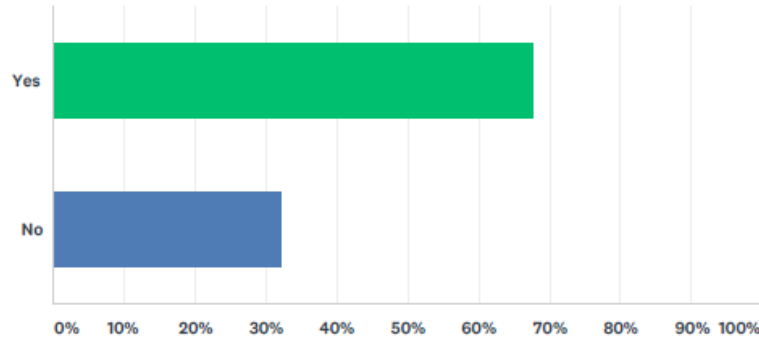
ANSWER CHOICES	RESPONSES	
Yes	90.63%	29
No	9.38%	3
TOTAL		32

Comments:

- Companies that are determined to be a national security risk should not receive any benefit for any program.
- The vendors identified are typically not quality vendors [Huawei and ZTE]. Federal Funds should not encourage poor vendor's utilization.
- Unless there is a felony conviction there should be very limited prohibitions.
- If a viable threat is verifiable, the identified entity should not be eligible to receive funds, thus marked as ineligible to bid. However, those who have awarded [USF] or are in the process should be exempt and allowed to receive funds through the cycle. However, I am concerned that this could extend to companies that support individual privacy and don't support governmental access to their information.
- With equipment, many components are outsourced and would be difficult for end user to know in advance (from Form 470 filing to final approval, often a 6-9 month process), in which time equipment that was subjected to this process may have gone from no problem, to having been identified as from a company raising national security risks. Unless the FCC is able to vet every piece of equipment, they should not be able to prohibit use of funds.

Q3 Should the FCC limit the scope of the proposed rule to equipment and services that relate to the management of a network, data about the management of a network, or any system the compromise or failure of which could disrupt the confidentiality, availability, or integrity of a network?

Answered: 31 Skipped: 2



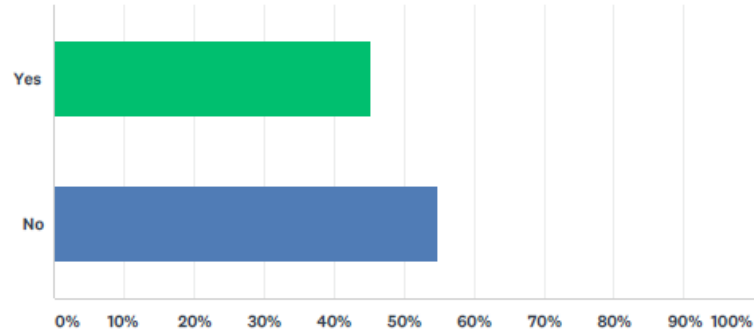
ANSWER CHOICES	RESPONSES	
Yes	67.74%	21
No	32.26%	10
TOTAL		31

Comments:

- Management should be responsible for knowing what their network needs however in a rural setting those options are very limited.
- Any vendor that is identified as not keeping to stringent standards should be excluded.
- Not all the necessary expenses of providing services to school children are related to management of a network, etc.
- If there's a known and verified threat, these entities should be disqualified from the bid process. FCC should not impose a penalty on schools and libraries if not identified prior to the bid acceptance.
- The integration of networks today is so complex, trying to address limited components won't have the desired security effect.
- The threat landscape at this time would say that rule would have to be at the level of any system where the compromise or failure could disrupt. Again, unless they [FCC] vets the product, then creating too great a burden.

Q4 Should the rule cover only software that manages the communications network or extend to devices used on the network?

Answered: 31 Skipped: 2



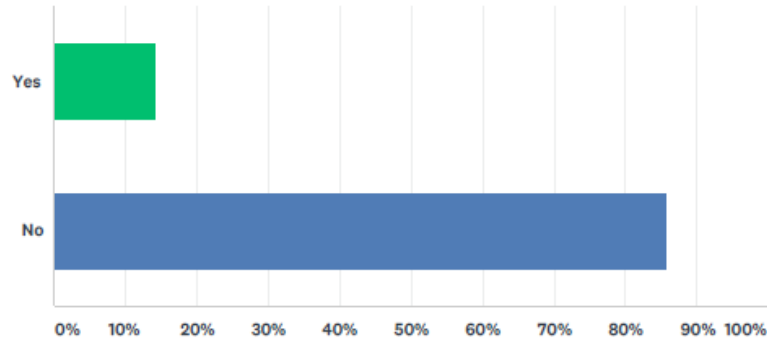
ANSWER CHOICES	RESPONSES	
Yes	45.16%	14
No	54.84%	17
TOTAL		31

Comments:

- Should extend to the Product and Services Required
- Extend to devices
- Devices as well
- Any software, device or combination should be allowed.
- Extend to devices used on the network
- Extend to devices.
- The rule should extend to devices used on the network.
- Has to extend to devices on the network, but not sure if this would include personal devices.
- It would really have to cover everything, could possibly extend to student BYOD, mobile phones, etc. Again, too great a burden.
- Software and hardware work together
- Extend to devices
- Extend to devices

Q5 Are there any categories of services that would not pose a potential risk to communications networks or the communications supply chain that, should not be covered in the scope of the proposed rule?

Answered: 28 Skipped: 5



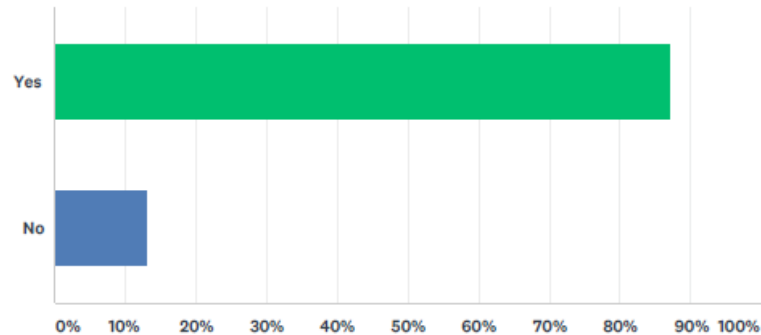
ANSWER CHOICES	RESPONSES	
Yes	14.29%	4
No	85.71%	24
TOTAL		28

Comments:

- Consulting Services should be considered
- I believe that personal devices and accounts should be out of scope.
- If you think about it, even a UPS is now smart enough to shut down a system - so a software vulnerability in a UPS could end up allowing a denial of service attack.
- Closed-circuit applications

Q6 Should the Commission convene an advisory group or voluntary industry panel that would be able to provide a certification of compliance?

Answered: 31 Skipped: 2



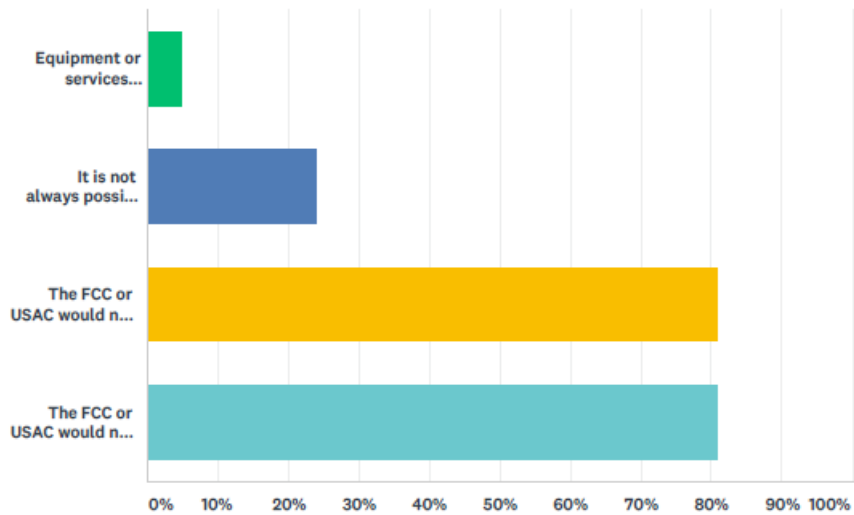
ANSWER CHOICES	RESPONSES	
Yes	87.10%	27
No	12.90%	4
TOTAL		31

Comments:

- So long as it doesn't become burdensome, I am in favor of a list of vendors who meet requirements.
- Only if it does not create additional barriers and increase costs.
- Especially those who have received funding or have been awarded the bid
- Concerned over the level of effort and amount of bureaucracy this may create. May also increase the lead time of product availability to schools and libraries.
- This is the only way they [the FCC] could get this rule into effect and not place an undue burden on the schools & libraries - would have to have some way to vet the equipment.
- This panel should include I.T. Professionals from education, medical, business, and government.

Q7 Service Providers - how would your organization be able to know if the services/equipment you sell are being provided by an entity that poses a supply chain integrity risk?

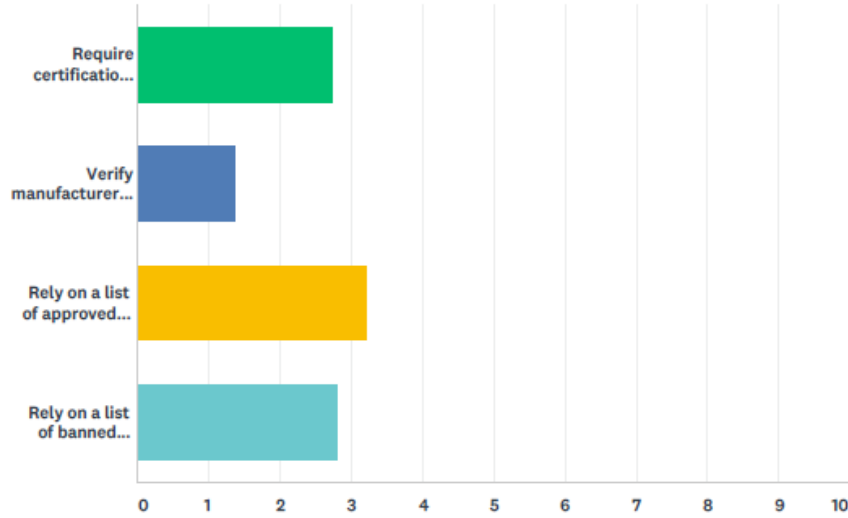
Answered: 21 Skipped: 12



ANSWER CHOICES	RESPONSES	
Equipment or services provided by banned companies can easily be identified	4.76%	1
It is not always possible to identify the company that produces the components of products or services	23.81%	5
The FCC or USAC would need to provide a specific list of banned products/services	80.95%	17
The FCC or USAC would need to provide a specific list of banned companies	80.95%	17
Total Respondents: 21		

Q8 Applicants - rank which methods would work best for your organization to determine if the services/equipment you purchase are being provided by an entity that poses a supply chain integrity risk?

Answered: 29 Skipped: 4



	1	2	3	4	TOTAL	SCORE
Require certification of compliance from the service provider	35.71% 10	7.14% 2	53.57% 15	3.57% 1	28	2.75
Verify manufacturer by reviewing product labeling	0.00% 0	11.54% 3	11.54% 3	76.92% 20	26	1.35
Rely on a list of approved resellers or manufacturers provided by USAC or the FCC	42.31% 11	38.46% 10	19.23% 5	0.00% 0	26	3.23
Rely on a list of banned products/services provided by USAC or the FCC	29.63% 8	40.74% 11	11.11% 3	18.52% 5	27	2.81

Q9 What are other methods you would recommend for determining whether or not a product or service is being provided by an entity that poses a supply chain integrity risk?

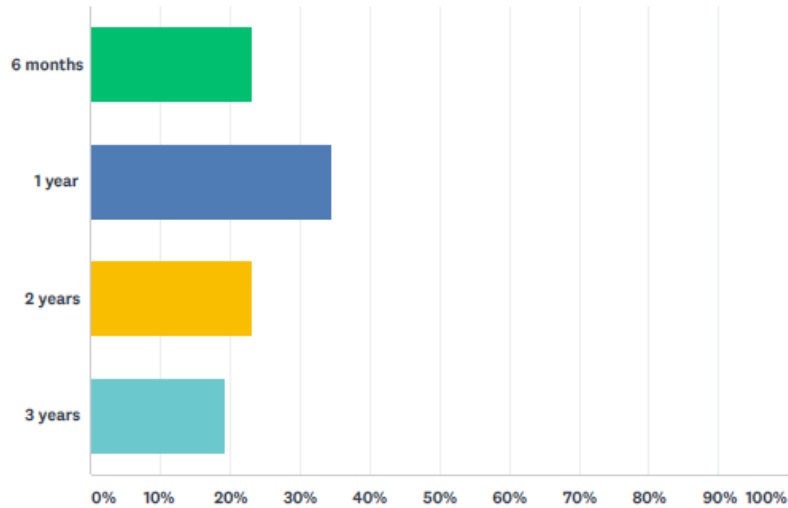
Answered: 13 Skipped: 20

Comments:

- Fines to resellers importing prohibited products
- Consistent monitoring and sharing of information.
- Specified alerts to schools that list the companies in question and list those companies approved for Erate services that use those companies.
- Information regarding an entity's non technology-related activities and practices that may be suspect.

Q10 If the rule goes into effect, how long would your organization need to begin compliance with the new rule?

Answered: 26 Skipped: 7



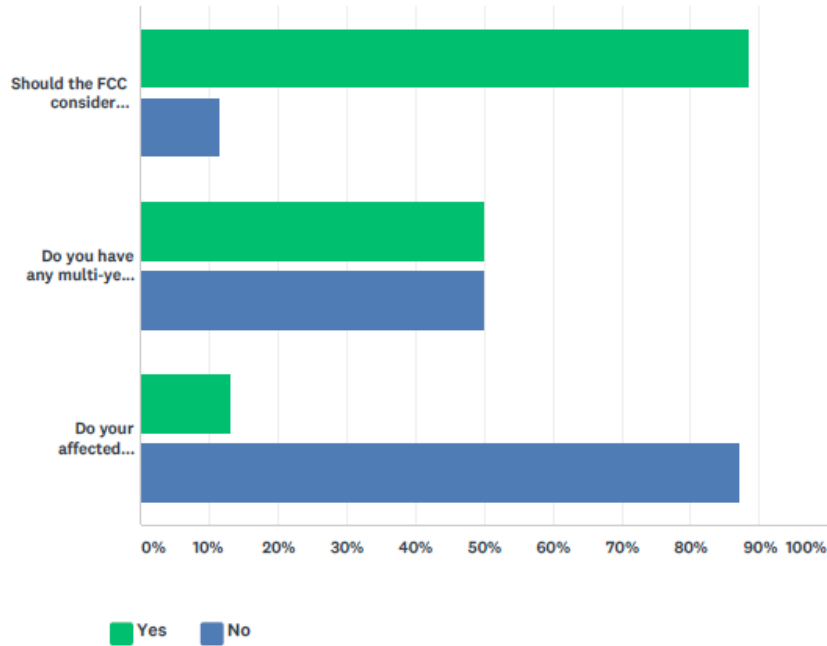
ANSWER CHOICES	RESPONSES	
6 months	23.08%	6
1 year	34.62%	9
2 years	23.08%	6
3 years	19.23%	5
TOTAL		26

Comments:

- At least one year but probably not more than two years
- Going forward with future filings. However, probably 3 years if we have to replace equipment and services that aren't in compliance.
- 6 months or sooner

Q11 Please check all that apply regarding Multi-Year contracts. (Note that the FCC has stated that the new rule would not apply to equipment already in place but would extend to upgrades of existing equipment or services that may be covered by an existing multi-year contract.)

Answered: 26 Skipped: 7



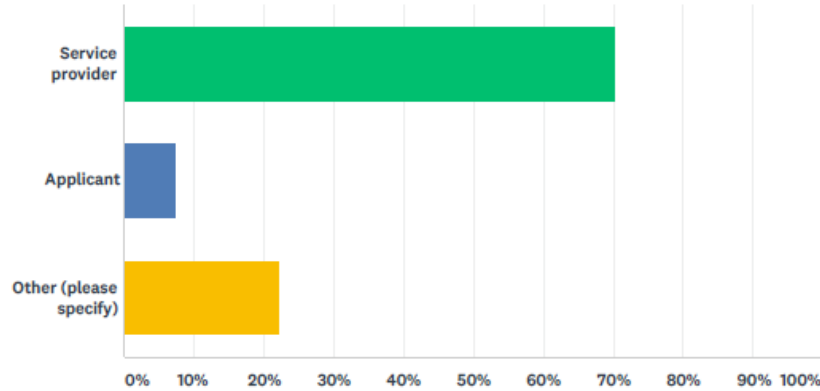
	YES	NO	TOTAL
Should the FCC consider grandfathering contracts that are already in place?	88.46% 23	11.54% 3	26
Do you have any multi-year contracts that cover equipment or services that might be affected by the proposed rule?	50.00% 13	50.00% 13	26
Do your affected contracts include change-of-law provisions that would be triggered if the proposed rule is adopted?	13.04% 3	86.96% 20	23

Comments:

- Service providers should update their equipment at their expense, if for no other reason to keep their network secure.
- Not aware of any change of law components in our contracts
- If I have submitted my bid for approval. Where do I sit? Will I have to rebid or do I go to my second place?
- Have a possible concern about 'downward' risk and how it would be identified - could a service provider be denied funds from USAC if found they were using banned items? How would that affect school/library's funding/service/etc?
- We would need information regarding third-party providers operating under the auspices of contracted providers.

Q12 Which party is in the best position to anticipate and prevent violations of the proposed rule and thus should be held liable for the recovery of disbursed funds should such a violation occur?

Answered: 27 Skipped: 6



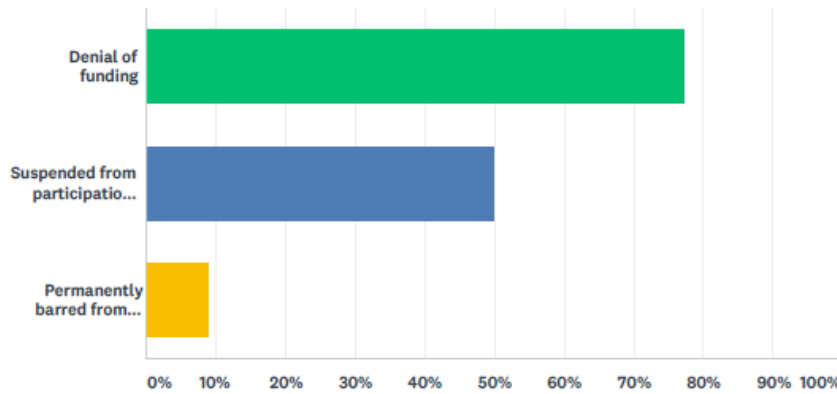
ANSWER CHOICES	RESPONSES	
Service provider	70.37%	19
Applicant	7.41%	2
Other (please specify)	22.22%	6
TOTAL		27

Comments:

- Not sure without more information.
- If properly posted by FCC, providers should know acceptable equipment.
- I think this would be dependent on who 'owns' the equipment in violation.
- FCC
- FCC
- Beneficiaries must be held harmless if the rule violation is beyond the scope of their control

Q13 What should the penalty(ies) be for violation of the proposed rule

Answered: 22 Skipped: 11



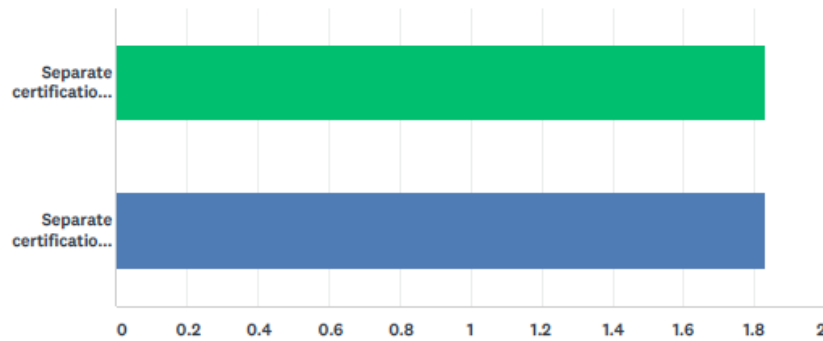
ANSWER CHOICES	RESPONSES	
Denial of funding	77.27%	17
Suspended from participation in the program	50.00%	11
Permanently barred from receiving USF support	9.09%	2
Total Respondents: 22		

Comments:

- For provider? For recipient?
- Provide option [for applicant] to rebid or select next bidder based on the scoring rubric
- I think all three based on severity and number of violations.
- All of these options seem very extreme, especially if there is no way to vet or certify products. I think there would need to be something in place prior to denial of funding, suspension, or barred from support.
- Again, penalties should be exacted against providers. The beneficiary should be held harmless if violations are beyond the scope of their control!

Q14 What changes should be made to FCC Forms?

Answered: 24 Skipped: 9



	UPON INVOICING	UPON APPLICATION FILING	TOTAL	WEIGHTED AVERAGE
Separate certification of compliance by the service provider	16.67% 4	83.33% 20	24	1.83
Separate certification of compliance by the applicant	16.67% 3	83.33% 15	18	1.83

Comments:

- Once again, there is much that is beyond the scope of the control of the beneficiary. Penalties should be exacted from provider, not the beneficiary acting in good faith.

Q15 Please provide any further information regarding this issue that you would like to be submitted to the FCC

Answered: 9 Skipped: 24

Comments:

- This concern makes sense with the current threat landscape. However, this seems to be an impossible burden upon the applicant. If any ruling is made, it needs to consider the protection of schools and libraries as well. If we purchase something and then it's found later to be out of compliance, then FCC/USAC/Federal Code should be the authority to force service providers to correct the issue, not upon each applicant to handle by themselves.
- Provisions of this sort are necessary. However, the beneficiary usually lacks the resources to determine the integrity of a provider's processes or services. Accordingly, beneficiaries must be held harmless if they follow the prescribed process.