

CYBERSECURITY PILOT PROGRAM FREQUENTLY ASKED QUESTIONS

Timing

1.1 Q: When was the application window open for the FCC's Cybersecurity Pilot Program?

A: The application filing window for the FCC Form 484 Part 1 was open from September 17, 2024, through November 1, 2024. The FCC announced selected Pilot participants and provided information regarding next steps in a <u>Public Notice</u> that was released on January 16, 2025.

1.2 Q: Will USAC provide training on how to complete the FCC Form 484? Will prospective applicants and Pilot participants be able to view screenshots of the form?

A: Yes, USAC has and will continue to provide training that is specifically focused on the requirements of FCC Form 484. USAC has offered and will continue to announce trainings regarding the Part 2 and other requirements through its newsletters and on its Cybersecurity Pilot Program webpage. USAC and the FCC will make screenshots of the form available as part of the FCC Form 484 training for reference.

1.3 Q: How long was the FCC Form 484 Part 1 application window open?

A: The application window for FCC Form 484 Part 1 was open for 45 days from September 17, 2024 through November 1, 2024. In establishing the application window, the FCC balanced stakeholders' desire to expeditiously implement the Pilot Program with the need to provide sufficient time for applicants to compile the required Part 1 information.

1.4 Q: Does the Pilot Program application cycle align with the E-Rate 2025 funding year?

A: The Pilot Program is separate from the E-Rate program, including the application and funding processes. That said, in implementing the Pilot Program, the FCC has considered the timeframe for the corresponding E-Rate funding year, as well as school breaks, school/library resource limitations, and time needed for applicant training.

The FCC Form 471 application filing window opened on March 18, 2025, and will close on September 15, 2025. Pilot participants can submit requests for funding to cover the full three-year term of the Pilot Program during this application filing window.

*1.5 Q: When will Pilot funding be available to purchase cybersecurity equipment and services? Will funds be available beginning July 1, 2025, like in the E-Rate program?

A: Pilot funds will be available as soon as a Pilot participant receives a Funding Commitment Decision Letter (FCDL) from USAC and has successfully completed Part 2 of the FCC Form 484 application. Unlike the E-Rate program, the Pilot does not utilize specific funding years, so participants need not wait until a specific date (e.g., July 1, 2025) to purchase cybersecurity equipment and services, provided they have otherwise completed the necessary requirements. Pilot participants and service providers will be able to request reimbursement after the receipt or delivery of eligible cybersecurity services and/or equipment through the Pilot Program.

The earliest service delivery start date for the Pilot Program is March 18, 2025, i.e., the first day of the FCC Form 471 application filing window. The last date to receive service is three years from the date of

the first FCDL for each funding request number (FRN). See 47 CFR §§ 54.2001(c) and 54.2008(d). See also FAQs 1.5a, 1.8, and 4.3.

*1.5a Q: What start/end dates should I use when preparing the FCC Form 471?

A: For month-to-month services, Pilot participants should use their actual service delivery start and end dates on the form. For contracted services, Pilot participants should use their contract start and end dates on the form.

*1.6 Q: I have been selected as a Pilot participant. When are the deadlines for submitting the FCC Form(s) 470, FCC Form 484 Part 2, FCC Form(s) 471, and FCC Form(s) 472/474?

A: The following are the deadlines associated with the FCC Form 470, FCC Form 484 Part 2, FCC Form 471, and FCC Forms 472/474.

<u>FCC Form 470</u>: The FCC Form 470 is currently available through the Cybersecurity Pilot Program portal and must be completed and submitted no later than August 18, 2025, at 11:59 p.m. E.T. (i.e., 28 days before the close of the FCC Form 471 application filing window). As in the E-Rate program, Pilot participants are required to wait until the Allowable Contract Date (ACD), which is 28 days from the date that the Pilot FCC Form 470 is certified and posted on USAC's website, before entering into a legally binding agreement or contract with a service provider.

FCC Form 471: The application filing window for the FCC Form 471 opened on March 18, 2025, at 8:00 a.m. E.T. and will close on September 15, 2025, at 11:59 p.m. E.T. To request funding for Pilot-eligible services and equipment, Pilot participants must complete and submit this form through USAC's Cybersecurity Pilot Program portal. Pilot participants are not allowed to certify and submit the Pilot FCC Form 471 until they have waited at least 28 days (i.e., the ACD) after the FCC Form 470 is certified and posted.

FCC Forms 472/474: Once a Pilot participant receives a Funding Commitment Decision Letter (FCDL) committing funding for the requested eligible services and/or equipment, it may begin to submit requests for reimbursement (i.e., the FCC Form(s) 472/474) after the receipt or delivery of the eligible services and/or equipment. Requests for reimbursement must be submitted to USAC through the Cybersecurity Pilot Program portal within 90 days after the last date to receive service. Pilot participants or service providers may request a one-time extension of the invoice filing deadline, if the request is timely filed (i.e., before the invoice filing deadline date). See 47 CFR § 54.2008(d)-(e).

*1.7 Q: I have been selected as a Pilot participant. When can I expect to receive my Funding Commitment Decision Letter (FCDL) and when will funding be made available? Will there be funding waves as in the E-Rate program?

A: USAC will issue a FCDL to both the participant and the selected service provider(s) approving, modifying, or denying the funding requests following review of the FCC Form(s) 471 and the submission of the FCC Form 484 Part 2. The FCDL will provide the amount of committed funding available for each funding request number (FRN) based on the Pilot participant's pre-discount three-year budget, will cover the three-year term of the Pilot Program, and will include a reminder to participants that receipt

of funding is contingent upon full compliance with the FCC rules. USAC will issue the commitments in waves as in the E-Rate program following the first commitment wave for the Pilot Program.

Once a Pilot participant receives an FCDL committing funding for the requested eligible services and/or equipment, the participant or service provider may begin to submit requests for reimbursement (i.e., the FCC Form(s) 472/474) after receipt or delivery of the services and/or equipment. See FAQ 1.5. As in the E-Rate program, USAC will review and process requests for reimbursement in batches and submit them for approval to the Commission. Disbursements are then made through the U.S. Department of Treasury.

*1.8 Q: When is the service delivery start and end date for the Pilot Program?

A: The earliest service delivery start date for the Pilot Program is March 18, 2025 (i.e., the first day of the FCC Form 471 application filing window), and the last date to receive service for each funding request number (FRN) is three years from the date of the first Funding Commitment Decision Letter (FCDL) issued for each funding request. *See* FAQs 1.5 1.5a, and 4.3.

Budget

2.0 Q: How do I calculate my budget for the Cybersecurity Pilot Program?

A: Budgets are fixed for the three-year program term and are calculated based on the entity type and the number of students or library sites the Pilot participant has. While budgets, including associated funding floors and caps, are expressed in terms of annualized dollar amounts in the Cybersecurity Pilot Program Report and Order, funding is capped based on the full three-year duration of the Pilot Program and not on an annual basis. This means that the amount of funding disbursed to a participant in a given year of the program may exceed the annual budget, so long as the total amount disbursed to a participant over the three-year term does not exceed three times that annual budget. Budget calculations must also take into account a Pilot participant's non-discounted portion of the budget, which, in turn, is based on a participant's discount rate.

The following provides a few illustrative examples of how the budget for certain entity types is calculated both annually and based on the three-year program term, as well as on a pre-discount and post-discount basis.

Schools and School Districts

Schools and school districts are eligible to receive up to \$13.60 per student annually on a pre-discount basis, subject to a \$15,000 pre-discount, annual funding floor and a \$1.5 million pre-discount, annual cap. This means that a school or a school district with 1,100 or fewer students will receive a pre-discount, annual budget of \$15,000 (or \$45,000 during the three-year period), and a school or a school district with more than 1,100 students and up to 110,000 students will receive a maximum pre-discount, annual budget of \$13.60 per student up to \$1.5 million (or \$4.5 million during the three-year period).

Thus, for example, a school with 1,200 students would calculate its pre-discount, annual budget by multiplying the total number of students by \$13.60 (i.e., 1,200 students x \$13.60). Using this formula,

the school's pre-discount, annual budget would be \$16,320 per year, over the three-year program. To calculate the pre-discount, three-year budget, the school would multiply the pre-discount, annual budget by three ($$16,320 \times 3$) for a total of \$48,960. If the school qualified for a discount of 75%, the school's annual non-discount portion would be \$4,080 ($$16,320 \times .25$) or \$12,240 total ($$48,960 \times .25$) for the three-year term. The Pilot Program's share of the total three-year budget would be \$36,720, and the school's share would be \$12,240.

Libraries and Library Systems

Libraries and library systems with up to 11 libraries/sites are eligible to receive a pre-discount, annual budget of \$15,000 per library, while those with 12 libraries/sites or more are eligible to receive a pre-discount, annual budget of up to \$175,000.

As an example, the pre-discount annual budget for a library with a single library site would be \$15,000 per year. The same would be true for a library system with up to 11 libraries/sites. To calculate the pre-discount, three-year budget for either the library or library system, the library would multiply the pre-discount annual budget by three ($$15,000 \times 3$) to get \$45,000 total for the three-year term. If the library qualified for a 90% discount, the Pilot Program's share of the total three-year budget would be \$40,500, and the library's share would be \$4,500.

In contrast, the pre-discount annual budget for a library system with 12 or more libraries/sites would be the maximum annual budget of \$175,000 per year, over the three-year program. To calculate the pre-discount, three-year budget, the library system would multiply the pre-discount annual budget by three $($175,000 \times 3)$ to get \$525,000 total. If this library system qualified for a discount of 90%, the library system's annual, non-discount portion would be \$17,500 (\$175,000 \times .10) or \$52,500 total (\$525,000 \times .10) for the three-year term. The Pilot Program's share of the total three-year budget would be \$472,500, and the library system's share would be \$52,500.

Consortia

Consortia comprised of eligible schools and libraries are eligible to receive up to \$13.60 per student annually on a pre-discount basis, subject to \$1.5 million pre-discount, annual cap for schools and a \$15,000 pre-discount, annual budget if comprised of up to 11 libraries/sites, subject to the \$175,000 pre-discount, annual cap for libraries. Note that consortia that are solely comprised of schools are subject to the \$1.5 million pre-discount, annual budget cap applicable to schools, and consortia that are solely comprised of libraries are subject to the \$175,000 pre-discount, annual budget cap for libraries. Consortia comprised of both eligible schools and libraries are subject to the \$1.5 million pre-discount, annual cap applicable to schools.

Thus, for example, a consortium comprised of both eligible schools and libraries with 1,200 students and 10 library sites would first calculate its school-only, pre-discount, annual budget by multiplying the total number of students by \$13.60 (i.e., 1,200 students x \$13.60). Using this formula, the consortium's school-only, pre-discount, annual budget would be \$16,320 per year, over the three-year program. To calculate the school-only, pre-discount, three-year budget, the consortium would multiply the school-only, pre-discount, annual budget by three ($$16,320 \times 3$) to get \$48,960 total.

Next, the consortium would calculate its library-only, pre-discount, annual budget by multiplying the total number of libraries/sites by \$15,000 (i.e., 10 library sites x \$15,000). Using this formula, the consortium's library-only, pre-discount, annual budget would be \$150,000 per year, over the three-year program. To calculate the library-only, pre-discount, three-year budget, the consortium would multiply the library-only, pre-discount, annual budget by three (\$150,000 x 3) to get \$450,000 total.

To calculate the consortium's final pre-discount, annual budget, the consortium would add its school-only, pre-discount, annual budget and library-only, pre-discount, annual budget, which totals \$166,320 per year over the three-year program (\$16,320 + \$150,000 = \$166,320 per year). The consortium's final, pre-discount, three-year budget would be three times that amount or \$498,960 total ($$166,320 \times 3$). If the consortium qualified for a discount of 65%, the consortium's annual, non-discount portion would be \$58,212 ($$166,320 \times .35$) or \$174,636 total ($$498,960 \times .35$) for the three-year term. The Pilot Program's share of the total three-year budget would be \$324,324, and the consortium's share would be \$174,636. For further information on and examples of how budgets are calculated, please refer to the <u>Budget Examples</u>.

2.0a Q: How do I calculate my non-discount share of costs associated with the services and equipment for which I seek funding?

A: A Pilot participant's non-discount share of costs for the eligible equipment and services is calculated by subtracting 1 from its discount rate expressed as a decimal (e.g., a 90% discount rate would be .90), then multiplying the resulting number by the pre-discount budget.

Equation: $P = B \times (1 - R)$

B is the annual, pre-discount budget total

R is the discount rate expressed as a decimal (90% discount rate = .90)

P is the portion a school would pay (i.e., the non-discount share)

Thus, for example, the non-discount share of costs for a school with a pre-discount, annual budget of \$15,000 and a discount rate of 90% would be calculated as follows:

 $P = $15,000 \times (1 - .90)$

(1 - .90) = .1

\$15000 x .1 = \$1,500

P = \$1,500

The school's non-discount share of costs is \$1,500 per year (or \$4,500 total).

2.1 Q: Are applicants expected to pay a portion of the costs of the equipment and services purchased through the Pilot Program?

A: Yes. Like the E-Rate program, Pilot participants are required to pay the non-discounted share of costs for the eligible services and equipment they purchase with Pilot Program funds. The percentage of the eligible costs that a Pilot participant is required to pay will be based on the participant's discount percentage rate. See 47 CFR § 54.2007(e).

*2.2 Q: Can I use other funds, including universal service, state, local, federal or Tribal resources, to pay for cybersecurity equipment and services?

A: Participants are not precluded from using other state (including state universal service fund), local,

federal, or Tribal sources of funding to pay for cybersecurity equipment and services. Other federal universal service funding is not an eligible source of funding to pay for Pilot Program funded equipment and services. To ensure efficient and appropriate use of the limited Pilot funds and avoid duplicative funding, Pilot participants may also not receive Pilot funding for the same cybersecurity equipment and services funded through other sources.

2.3 Q: Will I receive my Pilot funding in equal amounts each year or can I request funding as I incur expenses?

A: Pilot participants can request reimbursement as eligible expenses are incurred, so long as they do not exceed their overall funding commitment for the three-year term of the Pilot Program. Participants must wait until after the receipt or delivery of Pilot-eligible services and equipment to submit invoices.

2.4 Q: Is the per-student funding amount calculated based on a school's total student enrollment or is it limited to those students that qualify as low income?

A: The per-student budget is based on a school's total student enrollment.

2.5 Q: How should I estimate the cost of the eligible services and equipment of my Pilot project on the FCC Form 484? I won't know exactly what it will cost until I complete the competitive bidding process.

This FAQ is no longer relevant as the application filing window for the FCC Form 484 Part 1 closed on November 1, 2024, and Pilot participants have since been selected. The FCC announced the participants selected for the Pilot Program in a <u>Public Notice</u> released on January 16, 2025. *See* FAQs 1.1 and 5.1.

A: Pilot applicants should make a reasonable effort to estimate the costs associated with their Pilot project. The FCC expects to use this information to get a sense of the different sizes and types of projects that are being proposed, to ensure a diverse pool of participants. Where available, applicants can use published pricing or reports, past estimates or incurred costs, or other sources of information. Once applicants have submitted their cost estimates on the FCC Form 484, they will not be able to modify them. As discussed in FAQ 2.6, however, Pilot Program participants will have an opportunity to adjust their projected costs after completing the competitive bidding process and making final decisions about the services and equipment to be purchased on the FCC Form 471.

2.6 Q: Is a Pilot participant's commitment limited to the cost estimate provided in its FCC Form 484 Part 1? If selected for the Pilot Program, can a participant apply for funding greater than their estimated cost, provided it doesn't exceed their maximum budget?

A: A Pilot participant is not limited to the cost estimate provided in Part 1 of its FCC Form 484. A Pilot participant can apply, and receive funding, for eligible services and equipment up to its maximum prediscount, three-year budget.

*2.7 Q: Can I participate in the Pilot Program even if I've already received (or intend to apply for) state funding for cybersecurity services and equipment?

A: Yes, but you may not use Pilot funding to cover the same costs that are funded through another source (i.e., no "double dipping" or duplicative funding). Consistent with the E-Rate rules, you may use another eligible source to cover the non-discounted share of costs for your Pilot-funded project or to supplement Pilot funds to fully cover the cost of the solution you intend to implement.

2.8 Q: Is there any chance that entities that have uncommitted Category Two funds can have those redirected to services eligible under the Cybersecurity Pilot?

A: No. E-Rate Category One or Category Two funding may not be used for advanced cybersecurity services and equipment that is eligible in the Pilot Program. The Commission will explore whether and how universal service funds, including E-Rate funds, should be used to support these types of services based on lessons learned from the Pilot Program.

2.9 Q: Is funding available through the Pilot Program considered Category One or Category Two?

A: Neither. The Pilot Program is separate from the E-Rate program and, as such, the funding is considered neither Category One nor Category Two funding. As noted in FAQ 2.8, the Commission will explore whether and how universal service funds, including E-Rate funds, should be used to support advanced cybersecurity services and equipment after the conclusion of the Pilot Program.

2.10 Q: How is my total budget for the Pilot Program determined?

A: A participant's reimbursable spending on eligible services and equipment is subject to an overall prediscount, three-year budget cap. The cap is based on a participant's type (school, library, or consortium) and size (student count and/or number of libraries and sites). See 47 CFR § 54.2001(b). To assist participants in determining their pre-discount, three-year budget cap for the Pilot Program, the Bureau has prepared a set of illustrative examples of budget calculations. See FAQ 2.0.

Eligibility

3.1 Q: Does eligibility to participate in the Pilot depend on an entity's level of cybersecurity experience? Can an entity without any cybersecurity experience participate in the Program?

A: Eligibility to participate in the Pilot Program does not depend on an entity's level of cybersecurity experience. However, consistent with the Commission's directives regarding Pilot participant selections, and as reflected in the list of selected Pilot participants announced in the FCC's January 16, 2025 Public Notice, an applicant's level of exposure to cybersecurity threats and attacks is one of many factors the Wireline Competition Bureau considered in making selections to ensure a diverse array of participants with differing cybersecurity needs and experiences.

3.2 Q: Can a school district or library collaborate with a nonprofit organization to participate in the Pilot Program?

A: Non-eligible entities, such as state, local, and Tribal government entities, and other not-for-profit organizations may serve as Consortium Leaders. However, these types of Consortium Leaders are ineligible to receive Pilot benefits, discounts, and funding, and therefore must pass through the benefits, discounts, and funding to their eligible school and library consortium members. *See* 47 CFR § 54.2002(c)(1) (requiring ineligible entities serving as Consortium Leaders to pass through the full value of the Pilot Program benefits to the eligible Pilot consortium members).

3.3 Q: Can an Educational Service Agency (or ESA) participate in the Pilot Program?

A: Educational Service Agencies (ESAs), also known as Educational Service Units (ESUs), Local

Educational Agencies (LEAs), and Board of Cooperative Educational Services (BOCES), are eligible to serve as Consortium Leaders.

In addition, if a state recognizes an ESA as an eligible school under its state law, the ESA may apply as an applicant and seek support for its eligible members as it is currently allowed to in the E-Rate program. As with consortia applicants, an individual school may not participate as part of an ESA application and as an individual applicant and must decide how it would like to participate in the Pilot Program.

3.4 Q: Can I participate in the Pilot Program individually, as well as part of a consortium?

A: No. Given the limited funding for the Pilot Program, schools and libraries may participate only once, either as an individual school, library participant, or as part of a consortium.

3.5 Q: What does "E-Rate eligible" mean in terms of determining eligibility for the Pilot Program? Do I need to be a current participant in the E-Rate program to be eligible?

A: To evaluate Pilot Program eligibility, the FCC adopted the same definitions of elementary school, secondary school, library, and library consortium that it uses for the E-Rate program. Therefore, entities that are eligible to participate in the E-Rate program are also eligible to participate in the Pilot Program. A school, library, or consortium does not need to be an E-Rate applicant in order to be eligible for the Pilot Program.

Eligible Services and Equipment

4.1 Q: Can I purchase cybersecurity services and equipment from more than one of the four categories that the FCC has identified as eligible?

A: Yes. Equipment and/or services are eligible if they "constitute a protection designed to improve or enhance the cybersecurity of a K-12 school, library, or consortia." The four categories identified by the Commission are examples of eligible equipment and services but are not the only ones. Other equipment and/or services are eligible if they meet the Commission's broad eligibility criteria.

4.2 Q: Can funds be used to pay for cybersecurity services and equipment (including renewal licenses) that I'm already receiving?

A: It depends. Pilot funding may be used to pay for existing cybersecurity services and equipment to the extent such services or equipment are not being paid for through another funding source and were awarded consistent with the competitive bidding exemption adopted in the Order. The exemption applies if the services or equipment were awarded pursuant to a master services agreement (MSA) or state master contract (SMC) negotiated by a federal, state, Tribal, or local governmental entity on behalf of a Pilot participant(s); and such MSA(s) or SMCs were awarded pursuant to the E-Rate program FCC Form 470 process for Funding Years 2023-2025, as well as applicable federal, state, Tribal, or local competitive bidding requirements. See FAQ 6.4. The previously purchased services and equipment are otherwise ineligible for reimbursement through the Pilot Program.

*4.3 Q: Can funds be used retroactively to pay for services and equipment that were purchased and used last year?

A: No. Pilot Program funds must be used prospectively during the three-year Pilot period. The earliest service delivery start date for the Pilot Program is March 18, 2025, i.e., the date the FCC Form 471 application filing window opens, and the last date to receive service is three years from the date of the first Funding Commitment Decision Letter (FCDL) issued for each funding request. *See* 47 CFR §§ 54.2001(c) and 54.2008(d). *See also* FAQs 1.5, 1.5a, and 1.8.

4.4 Q: Can I receive reimbursement for a new multi-year license provided it is for eligible services?

A: Yes, provided they meet all other procurement and competitive bidding requirements, participants are permitted to seek funding for multi-year licenses for eligible recurring services that are longer than three years. However, only services delivered within the three-year Pilot Program period can be reimbursed through the program.

4.4a Q: If I paid for the cost of the multi-year license upfront, can I get reimbursed for the total cost in year 1?

A: Yes, you may receive reimbursement for the cost of the license in the first year of the Pilot Program if you paid for the cost upfront. However, only services delivered within the three-year Pilot Program time period can be reimbursed through the Program. See FAQs 4.4 and 6.9.

Thus, for example, if you had a five-year multi-year license and paid for the total cost upfront, the Pilot Program would only reimburse you for the portion of the multi-year license cost covering the services delivered within the three-year Pilot Program term. The portion of the license cost covering the remaining two years is not reimbursable through the Pilot Program.

4.5 Q: For firewalls, does the Pilot cover high availability pairs or just a single firewall?

A: High availability firewall solutions are eligible as long as all other eligibility and program requirements are met.

4.6 Q: To what extent are consulting services eligible for reimbursement through the Pilot Program?

A: Consulting services tied directly to the actual installation and initial configuration of eligible equipment and services are eligible, provided that all other eligibility and competitive bidding requirements are met. Other consulting services are not eligible for reimbursement through the Pilot Program. *See* Eligible Services List.

4.7 Q: Does the Pilot Program cover staff salaries and other labor expenses?

A: Staff salaries and labor costs are not eligible for reimbursement through the Pilot Program. *See* Eligible Services List.

4.8 Q: Why doesn't the Pilot Program pay for staffing and cybersecurity training for staff and students?

A: The Pilot has a limited amount of funding available, and the Commission has focused on funding specific technologies rather than staff and training programs. That said, training costs are eligible in some scenarios. For example, training is eligible as part of the installation of equipment and services, if it is basic instruction on the use of the eligible equipment and services directly associated with equipment

and services installation, and part of the contract or agreement for the equipment and services. It must occur concurrently with or within a reasonable time after installation.

We note that vendors are also likely to include basic training at no additional cost as part of their sale of the eligible equipment and services and there are many free and low-cost cybersecurity training resources available through CISA and other federal government partners.

4.9 Q: If a service includes both eligible and ineligible components, can I cost-allocate out the ineligible portion?

A: Yes, as is also required in E-Rate, Pilot participants are required to perform a cost-allocation to remove from their Pilot Program funding requests any costs associated with ineligible components or functions of otherwise eligible equipment or services. *See* 47 CFR § 54.2006(c).

4.10 Q: Can I use Pilot funding to purchase cybersecurity protection for end-user devices, such as tablets, smart phones and laptops?

A: Cybersecurity services used on end-user devices that are owned or leased by a participating school or library are eligible, regardless of whether the services are network-based or locally installed on the end-user device. *See Report & Order*, FCC 24-63, Appendix B, note 4.

4.11 Q: Can I use Pilot Program funds to cover the costs associated with a basic firewall if I don't plan to seek E-Rate funding next year?

A: No. Basic firewalls are not covered by the Pilot Program.

4.12 Q: Can equipment purchased with Pilot funds be physically installed or located at a facility that is ineligible for funding (i.e., not an eligible school or library)? For example, could a consortium purchase equipment that would be located at a facility owned or operated by its consortium leader, if the consortium leader is ineligible for Pilot funds?

A: Equipment purchased with Pilot funds can be installed or located at a facility that is owned or maintained by an entity that is ineligible for funding, so long as the equipment is for the exclusive use and benefit of the Pilot-eligible schools and libraries. In addition, Pilot-funded services and equipment cannot be sold, resold, or transferred in consideration of money or anything of value, until the conclusion of the Pilot Program. See 47 CFR § 54.2003(b). The Pilot-funded equipment must be used exclusively by the eligible schools and libraries for the duration of the program.

*4.13 Q: Can we request support for month-to-month cybersecurity services under the Pilot Program? If so, how would we go about doing so?

A: Yes, Pilot participants may request support for the monthly service costs associated with eligible services for up to 36 months (i.e., the term of the Pilot Program) and would need to indicate that they are doing so on their Pilot FCC Form 470. Please note that participants seeking support for monthly service costs should file one Pilot Program FCC Form 470 to cover the entire three-year term of the Pilot Program. We also remind Pilot participants that they must consider all bids received and select the most cost-effective bid using the price of the eligible services as the primary factor in their bid evaluation process.

Application/Selection Process

5.1 Q: How were Pilot Program participants selected? Were they selected on a first-come, first-served basis? Lottery?

A: Participants were selected consistent with section 54.2001(d) of the Commission's rules and the Commission's directives regarding the factors to be weighed and considered in making participant selections. Specifically, to select Pilot participants, the Wireline Competition Bureau (Bureau) first looked at qualifying applicants' discount rate and National School Lunch Program (NSLP) percentages and prioritized funding to those with the highest percentages, consistent with section 54.2001(d) of the Commission's rules. To ensure diversity in the participant pool, including geographic diversity, the Bureau also considered applicants' entity type, size, and location, among other things, as directed by the Commission.

Pilot participants were announced in the Bureau's January 16, 2025, <u>Public Notice</u>. The <u>Public Notice</u> also included information regarding next steps, including the requirement for Pilot participants to submit Part 2 of the FCC Form 484 application.

5.2 Q: To the extent the FCC prioritized applicants with the "greatest need," how is that defined?

A: Need generally is determined based on an applicant's discount percentage rate. A school's discount percentage rate is determined based on the percentage of its student enrollment that is eligible for a free or reduced-price lunch under the National School Lunch Program. The discount percentage rate for libraries and consortia is calculated based on the percentage of student enrollment that is eligible for the National School Lunch Program in the public school district in which they are located. The discount rate percentage is then adjusted by geographic location (i.e., urban or rural) in the same manner as it is in the E-Rate program. See 47 CFR § 54.2007.

5.2a Q: How do the prioritization rules fit with the goal to have a diversity of participants?

A: Because demand was greater than the \$200 million cap, in making participant selections, the Wireline Competition Bureau (Bureau) first looked at qualifying applicants' discount rate and National School Lunch Program percentages and prioritized funding to those with the highest percentages, consistent with section 54.2001(d) of the Commission's rules. To ensure diversity in the participant pool, including geographic diversity, the Bureau also considered applicants' entity type, size, and location, among other things, as directed by the Commission.

5.3 Q: How did the Commission ensure diversity of stakeholder representation if it prioritized applicants with the "greatest need," as defined by an applicant's discount percentage rate?

A: The Wireline Competition Bureau (Bureau) selected Pilot program participants consistent with section 54.2001(d) of the Commission's rules and the Commission's directives regarding the factors to be weighed and considered in making participant selections. Specifically, to select Pilot participants, the Bureau first looked at qualifying applicants' discount rates and National School Lunch Program percentages and prioritized funding to those with the highest percentages, consistent with section 54.2001(d) of the Commission's rules. To ensure diversity in the participant pool, including geographic diversity, the Bureau also considered applicants' entity type, size, and location, among other things, as

directed by the Commission. Pilot participants were announced in the Bureau's January 16, 2025 <u>Public</u> Notice.

5.4 Q: When were Pilot Program participants announced?

A: The FCC announced selected participants and provided information regarding next steps in a <u>Public Notice</u> that was released on January 16, 2025.

5.5 Q: If an applicant is not selected in the first year, can they still apply to participate in future years of the Pilot?

A: No. Given the level of stakeholder interest in the Pilot Program, we expect to fully commit the available funding in the first year of the Pilot Program to selected participants.

5.6 Q: If I am selected to participate in the Pilot Program, do I need to remain in it for all three years? A: Yes, applicants selected to participate in the Pilot Program are expected to participate for the entire three-year term of the Pilot. We anticipate this will help participants maximize their benefits and ensure the Commission is able to gather the data it needs to fully evaluate the Pilot.

5.6b Q: Can selected participants withdraw from the Pilot Program? What is the process for withdrawing?

A: Although the Commission does not anticipate that many Pilot participants will need to withdraw from the program, to ensure the greatest possible disbursement of Pilot Program funds and minimal disruption to the program, Pilot participants that were selected to participate in the Pilot via the Wireline Competition Bureau's (Bureau) January 16, 2025 Public Notice are permitted to withdraw from the program for a limited period of time.

To withdraw, participants must contact the Bureau via email at CyberPilot@fcc.gov and submit a Letter of Withdrawal, which must be posted to the Commission's Electronic Comment Filing System (ECFS) under Docket Number WC 23-234, by July 1, 2025. Once the Bureau receives a withdrawal request, it will send a separate acknowledgment letter in response to the request, which will also be posted to ECFS along with the Letter of Withdrawal. Participants selected on January 16, 2025 will not be allowed to withdraw from the Pilot after July 1, 2025 and will be expected to fully comply with all of the requirements of the Pilot Program, including the annual and final reporting requirements.

5.7 Q: Was everyone who applied to the Pilot Program selected?

A: No. Because total demand for Pilot Program funds exceeded the \$200 million cap, the Wireline Competition Bureau (Bureau) was unable to select every applicant that applied to the Program as a participant and, instead, prioritized selection in accordance with section 54.2001(d) of the Commission's rules. As a result, applicants with discount rates and National School Lunch Program percentages that fell below 90% and 81%, respectively, were not selected as Pilot participants due to demand exceeding available funding.

Further information about the Bureau's selection process and a list of selected participants can be found in the Bureau's January 16, 2024 <u>Public Notice</u>.

5.8 Q: Given the limited budget and the Commission's focus on schools and libraries at the highest discount percentage level, should I take the time to submit an application?

This FAQ is no longer relevant as the application filing window for the FCC Form 484 Part 1 closed on November 1, 2024 and Pilot participants have since been selected. The FCC announced the participants selected for the Pilot Program in a <u>Public Notice</u> released on January 16, 2025. *See* FAQs 1.1 and 5.1. A: There is no way to know who is going to apply, so we encourage all eligible schools, libraries, and consortia to consider submitting an application for the Pilot Program. The FCC specifically established a streamlined application process to make it easier for prospective participants to submit an application.

5.9 Q: How many applicants did the FCC select to participate in the Pilot Program? I heard that only 50 would be chosen.

A: In total, more than 700 schools, libraries, and consortia were selected to participate in the Pilot Program. The FCC announced the participants selected for the Pilot Program in a <u>Public Notice</u> released on January 16, 2025. *See* FAQ 5.1.

5.10 Q: Can prospective applicants and selected participants use a consultant to prepare the FCC Form 484 and other forms?

A: Similar to the E-Rate program, prospective applicants and selected participants may use a consultant to help prepare their FCC Form 484 and other forms. However, Pilot applicants and participants must designate the consultants on a per-form basis and are limited to three consultants per form. Pilot applicants and participants also need to include the consultant's consultant registration number (CRN) on a per-form basis on their account profile). If needed, consultants may obtain a CRN from USAC. Consultants participating in the Pilot Program application process are subject to the same suspension and debarment rules that apply to the other universal service programs.

5.11 Q: Is special assistance available for smaller schools and libraries to help them complete the application process?

A: Yes. USAC held special training for small, less-resourced schools and libraries, as well as schools and libraries that have not participated in the E-Rate program. In addition, USAC has and will continue to host office hours and offer a help desk for applicants that require additional assistance in filling out the forms needed to apply for, and participate in, the Pilot Program. Schools and libraries are also welcome to email cyberpilot@fcc.gov if they have questions.

5.12 Q: Does our willingness to share data affect our chance of being selected?

This FAQ is no longer relevant as the application filing window for the FCC Form 484 Part 1 closed on November 1, 2024, and Pilot participants have since been selected. The FCC announced the participants selected for the Pilot Program in a <u>Public Notice</u> released on January 16, 2025. *See* FAQs 1.1 and 5.1. A: Yes. Given the underlying purposes of the Pilot and the importance of the performance goals and data reporting to the Pilot Program, the FCC will consider an applicant's willingness to provide data when selecting Pilot participants. Specific data reporting requirements will be established in forthcoming Public Notice(s). *See* FAQ 8.1.

5.13 Q: Will I improve my chances at being selected if I only ask for funding to support basic cybersecurity needs or should I opt for a more comprehensive solution?

This FAQ is no longer relevant as the application filing window for the FCC Form 484 Part 1 closed on November 1, 2024 and Pilot participants have since been selected. The FCC announced the participants selected for the Pilot Program in a Public Notice released on January 16, 2025. See FAQs 1.1 and 5.1. A: There is no "right" or "wrong" answer to any of the questions regarding an applicant's experience, needs, or resources. Applicants should answer truthfully and thoughtfully about what solutions best fit their needs, given resource and other considerations. One of our goals is to ensure the Pilot contains a diverse cross-section of applicants with differing cybersecurity postures and experiences.

5.14 Q: Will I improve my chance of being selected for participation in the Pilot if my project will be "self-sustaining" at the conclusion of the Pilot Program? What does it mean to be "self-sustaining"? This FAQ is no longer relevant as the application filing window for the FCC Form 484 Part 1 closed on November 1, 2024 and Pilot participants have since been selected. The FCC announced the participants selected for the Pilot Program in a Public Notice released on January 16, 2025. See FAQs 1.1 and 5.1. A: There is no "right" or "wrong" answer to the question regarding whether an applicant's Pilot project will be self-sustaining at the conclusion of the Pilot Program. Applicants should answer truthfully and thoughtfully, based on their best estimate regarding resources that will be available at the conclusion of the Pilot Program.

A project is considered "self-sustaining" if it can remain operational (i.e., the applicant has the ability to continue the service or maintain the equipment) without additional Pilot funds at the end of the program. Applicants will be requested to identify what funding source, if any, they expect to utilize, including federal, state, local, Tribal, or other funding sources.

5.15 Q: Can I modify the proposed Pilot project I submitted with the FCC Form 484 Part 1 after I am selected to participate in the Pilot Program?

A: Yes, Pilot participants may modify their Pilot project after they submit their FCC Form 484 Part 1. However, once the FCC has issued a Funding Commitment Decision Letter approving a participant's requested cybersecurity services and equipment, any subsequent changes would require approval consistent with the Pilot Program rules.

5.16 Q: What are the consequences if an individual school or library applies as both an individual and consortium (i.e., submits duplicative applications)?

This FAQ is no longer relevant as the application filing window for the FCC Form 484 Part 1 closed on November 1, 2024 and Pilot participants have since been selected. The FCC announced the participants selected for the Pilot Program in a <u>Public Notice</u> released on January 16, 2025. *See* FAQs 1.1 and 5.1. A: Individual and consortia applicants should make every effort to ensure that an individual school or library is applying only once to participate in the Pilot Program. An applicant should contact USAC as soon as it becomes aware of any duplicative applications.

If an applicant inadvertently applies both individually and as part of a consortium, it will need to decide which application it wants to be included on and which application USAC should remove it from. If the applicant decides to pursue an individual application and asks USAC to remove it from a consortium application, the applicant should notify the Consortium Leader that it no longer wants to be listed on the consortium application so that the consortium may modify its application accordingly.

Failure to correct the duplicative applications could result in the applicant and/or the consortium being removed from the Pilot Program.

5.17 Q: Does a Consortium Leader need to obtain authorization to act on behalf of a consortium member in conducting the competitive bidding process and/or requesting and applying for Pilot Program funding on behalf of each consortium member?

A: Yes, Consortium Leaders are required to collect and retain letters of agency (LOAs) from their consortium members affirming their authorization to act on the member's behalf in the Pilot Program, similar to the requirement in the E-Rate Program. If the Consortium Leader is authorized by the terms of an existing E-Rate LOA, a Consortium Leader may rely on the existing LOA to act on behalf of the consortium member for the Pilot Program, otherwise a new LOA is required for the Pilot Program. The Consortium Leader is also required to retain LOAs from their members as required by the program rules and provide them upon request.

5.17a Q: I have an existing, E-Rate LOA, but it does not specifically reference the Pilot Program. Is this sufficient for purposes of demonstrating that the Consortium Leader is authorized to act on behalf of its consortium members as required by the Program rules?

A: If an existing letter of agency (LOA) for the E-Rate program does not specifically reference the Cybersecurity Pilot Program, you may use the existing E-Rate LOA for purposes of the Cybersecurity Pilot if the E-Rate LOA is broad enough to grant the Consortium Leader authority to act on your behalf in the Pilot.

In lieu of LOA, consortia that have a statutory or regulatory basis for which participation by the schools or libraries is mandatory in the consortium, may provide copies of the relevant state statute or regulation to demonstrate that the Consortium Leader has the authority to act on behalf of the consortium members. See Request for Review of the Decision of the Universal Service Administrator by Project Interconnect, CC Docket Nos. 96-45, 97-21, Order, 16 FCC Rcd 13655, 13659, para. 10 (Common Car. Bur. 2001) (Project Interconnect Order) (affirming USAC's letter of agency (LOA) requirement for consortia); see also Request for Waiver of the Decision of the Universal Administrator by South Carolina Division of the Chief Information Officer, CC Docket Nos. 96-45, 02-6, 21 FCC Rcd 5987, 5991, para. 9 (WCB 2006) (finding that the Consortium Leader was authorized under SC statute to apply for E-Rate funding on behalf of the consortium members).

Although LOAs are one way for the Consortium Leader to demonstrate that it has authority to act on behalf of its consortium members in the Pilot Program, there may be other documentation that can also be used for this purpose.

5.18 Q: What is the process for withdrawing from the Pilot Program once I am accepted? At what point will I be penalized and what are the potential consequences?

A: We expect that applicants selected to participate in the Pilot Program will be committed to participating for the entire three-year term. To the extent a Pilot participant determines that it must withdraw from the Pilot, it should contact the Wireline Competition Bureau (by emailing cyberpilot@fcc.gov) and submit a Letter of Withdrawal, which must be posted to the

Commission's <u>Electronic Comment Filing System (ECFS)</u> under Docket Number WC 23-234, by July 1, 2025. *See* FAQ 5.6b for additional information about the withdrawal process.

The scope of any potential consequence for non-compliance with the Pilot Program rules will depend on the specific circumstances, including whether any funds have been disbursed. Penalties for failure to comply with Pilot Program rules may result in a referral of a participant to the Enforcement Bureau, a hold on future disbursements, a rescission of committed funds, and/or recovery of disbursed funds. See 47 CFR §§ 54.2004(d)(5) and 54.2004(e). The Commission does not anticipate routinely referring Pilot participants to the Enforcement Bureau for rule violations.

5.19 Q: Will I be able to apply for the Pilot Program if I am on Red Light status?

This FAQ is no longer relevant as the application filing window for the FCC Form 484 Part 1 closed on November 1, 2024, and Pilot participants have since been selected. The FCC announced the participants selected for the Pilot Program in a Public Notice released on January 16, 2025. See FAQs 1.1 and 5.1. A: Prospective applicants on Red Light status (or prospective applicants that share a Taxpayer Identification Number (TIN) with an entity on Red Light) must resolve outstanding debts on or before the FCC Form 484 Part 1 application deadline, November 1, 2024, to be eligible to be selected to participate in the Pilot Program. To confirm that your entity is eligible to be selected to participate in the Pilot Program, visit the FCC's CORES webpage, to check your financial status with the FCC. If your entity is on Red Light, you must pay the amount(s) owed and resolve the Red-Light status on or before November 1 to be eligible to be selected as a Pilot Program participant.

5.20 Q: Will the information I provide on the FCC Form 484 Part 1 or Part 2 be made public?

A: Recognizing that the FCC Form 484 application would contain sensitive information, the Commission bifurcated the application into Parts 1 and 2, in part to limit the amount of sensitive cybersecurity information provided by applicants at the application stage and by participants after being selected for the Pilot Program. As such, the FCC Form 484 Part 1 required applicants interested in participating in the Pilot to provide basic information about their cybersecurity needs, experience, and plans to use Pilot Program funding if selected for the Pilot. In contrast, the FCC Form 484 Part 2 collects more detailed cybersecurity information, but only from those applicants who have been selected as Pilot participants. To protect the sensitive cybersecurity information collected on both Parts 1 and 2 of the form, the form can only be accessed by persons designated by the applicant's or participant's Account Administrator, USAC, and the FCC. Neither applicants nor participants can view each other's FCC Forms 484, and the data collected is not publicly available.

In short, due to the sensitive nature of the cybersecurity-related information collected on Parts 1 and 2 of the FCC Form 484, the FCC will treat the information collected as presumptively confidential under its rules and withhold it from routine public inspection. The FCC also will not share the information collected on the form with other federal agencies for incident reporting or compliance purposes.

5.21 Q: I received a letter from USAC notifying me that I have been selected as a participant in the Pilot Program. Does the amount noted in the letter reflect my total, approved budget for the three-year program term or does it reflect the approved budget for just the first year?

A: Applicants that were selected as Pilot Program participants via the Wireline Competition Bureau's

January 16, 2025 Public Notice received an acceptance letter from USAC, the Administrator of the Pilot Program, notifying them of their selection and specifying the preliminary pre-discount funding commitment amount for the three-year Pilot Program term. For the vast majority of Pilot Program participants (i.e., those participants that do not fall within the 90% discount rate percentage and 81% National School Lunch Program (NSLP) discount band, respectively) this amount represents the full award of your maximum pre-discount Pilot Program budget for the three-year term. For those participants that fall within the 90% discount rate percentage and within the 81% NSLP discount band and who will, as a result, receive support on a pro-rata basis, this amount represents a partial award of your maximum pre-discount Pilot Program budget for the three-year term.

As explained in the letter, the preliminary pre-discount funding commitment amount can be used during the budget, competitive bidding, and bid selection process for the Pilot Program and is based on the information and details provided during the submission and evaluation of the FCC Form 484 Part 1. We do not anticipate that your preliminary pre-discount funding commitment will increase as the overall Pilot Program funding amount is capped at \$200 million. Pilot participants that will receive pro-rata-based budgets, however, may see this amount increase to the full pre-discount three-year budget amount as available funds permit.

Request for Services:

6.1 Q: Are FCC Forms 470/471 for the Pilot Program the same ones that are used for E-Rate?

A: The Pilot FCC Forms 470/471 are modeled on the forms used for the E-Rate program but are their own distinct forms. There is no material difference in the information required.

6.2 Q: Is the data from FCC Forms 470/471 available through Open Data?

A: Yes. Data from FCC Forms 470/471 is available and additional data will be added to Open Data as available.

6.3 Q: Can a participant use multiple vendors?

A: Yes. Pilot participants must conduct a competitive bidding process similar to the E-Rate program and select the most cost-effective service provider(s) using the price of the eligible equipment and services as the primary factor. Participants may select multiple service providers as they are able to do in the E-Rate and ECF programs, provided such selection is consistent with the competitive bidding and other program rules for the Pilot Program.

6.4 Q: How does the competitive bidding exemption (CBE) work in the Pilot program?

A: Pilot participants are not required to perform a new competitive bidding process when seeking support for equipment/services from a Master Services Agreement (MSA) or State Master Contract (SMC) awarded pursuant to the E-Rate FCC Form 470 process and applicable federal, state, Tribal, or local competitive bidding requirements if the MSA or SMC was negotiated by a governmental entity on behalf of the Pilot participant for eligible cybersecurity equipment and services. The MSA or SMC will need to be reviewed and approved prior to it being posted to USAC's website as an approved contract under the CBE.

Selected Pilot participants who want to rely on an MSA or SMC that does not qualify under the CBE may seek a waiver of the FCC's competitive bidding rules by providing evidence demonstrating that the MSA or SMC was negotiated using procurement and vendor selection requirements identical or equivalent to those of the governmental entity-negotiated contracts that qualify under the CBE. See FAQ 6.8.

6.4a Q: Are the E-Rate FCC Forms 470 that qualify for the competitive bidding exemption (CBE) limited to specific E-Rate Funding Years?

A: Yes, Pilot participants may only seek a CBE for FCC Forms 470 that were posted in E-Rate Funding Years 2023, 2024, and 2025.

6.4b Q: What is the process for requesting a competitive bidding exemption (CBE)?

A: If you meet the requirements for a CBE (see FAQ 6.4), you must submit your request to USAC for review and approval by emailing CybersecurityPilotMSAorSMC@usac.org. Within three business days, USAC will send you a secure BOX link, which you will use to submit any document and information needed, such as a copy of the Master Services Agreement (MSA) or State Master Contract (SMC) and the corresponding E-Rate FCC Form 470 that initiated the competitive bidding process that resulted in the MSA/SMC.

If approved, the MSA/SMC along with its establishing E-Rate FCC Form 470 will be made available on USAC's website as a contract exempt from the competitive bidding requirements so that Pilot participants may review and make use of these contracts where appropriate.

6.5 Q: What qualifies an MSA as having been "negotiated by a governmental entity" as required by the CBE?

A: To qualify, an MSA must have been negotiated by a federal, state, Tribal, or local governmental entity, either directly or through a separate governmental entity created by a federal, state, Tribal, or local government for the purpose of providing services to schools and libraries. Other entities, such as non-governmental corporations and other not-for profit entities that were not created by a state legislature, do not qualify for this exemption.

6.6 Q: Am I required to use a mini-bid process if my MSA qualifies under the CBE?

A: When a CBE-qualifying MSA identifies multiple vendors for the same services/equipment, a Pilot participant must perform a mini-bid process, using the price of the eligible equipment and services as the primary factor, to select among multiple-award schedules for the MSA. The mini-bid process is not required, however, if the vendors were ranked by the lowest price in the MSA and the Pilot participant selects the lowest-price vendor. See e.g., Request for Review of a Decision of the Universal Service Administrator by Coahoma County School District, CC Docket No. 02-6, Order, 26 FCC Rcd 11202, 11205, para. 8 (WCB 2011).

6.7 Q: May Pilot participants convert an existing non-competitively bid contract into Pilot-eligible contract based on the *Kalamazoo Order* from the E-Rate program? That is, can an existing contract, that does not qualify under the CBE, be converted to a qualifying contract if the participant initiates a new bidding process in which it treats the existing contract as a bid received?

A: No, unlike the E-Rate program, the Pilot Program does not allow existing, non-qualifying contracts to

be converted into eligible contracts based on the E-Rate program's *Kalamazoo* precedent. Existing contracts only qualify for the Pilot if they fall within the CBE.

6.8 Q: What is the process for seeking a waiver of the competitive bidding rules for a Master Services Agreement (MSA) or State Master Contract (SMC) that was *not* negotiated by a governmental entity? A: Pilot participants who want to rely on an MSA or SMC negotiated by a non-governmental entity must file a waiver request with the FCC within 60 days from the date of the Wireline Competition Bureau's <u>January 16, 2025 Public Notice</u> and include in the waiver request a copy of the MSA or SMC for FCC review, along with an explanation as to why the underlying competitive bidding process is the equivalent to a government entity's process.

In addition, the waiver request must include the following:

- A description of the non-governmental entity that negotiated the contract;
- A description of the competitive bidding process that was used by the non-governmental entity, including how many bids were received;
- The factors that were used in the bid evaluation, including whether price was the primary factor in the bid evaluation process; and
- A description of the schools and libraries who will be allowed to purchase off of the contract and whether they would need to pay any fee(s) to be able to purchase off the contract.

FCC staff will review the request and determine if the underlying competitive bidding process is equivalent to a government entity's process. Petitioners should provide relevant supporting documentation to demonstrate the requirements of the CBE-qualifying contract were met.

6.9 Q: How should I request services or license agreements that would begin mid-way through the three-year term of the Pilot, once my existing contract expires? Can I submit more than one Pilot FCC Form 470 and Form 471? Or should I request those services or license agreements upfront, before my existing contract expires?

A: The Pilot Program contemplates that participants would file their Pilot FCC Form(s) 470 by the August 18, 2025 deadline and their Pilot FCC Form(s) 471 by the September 15, 2025 deadline to cover the entire three-year term of the Pilot. To the extent a Pilot participant seeks to receive support for a license or service that covers only part of the term of the Pilot Program, it should solicit bids for those services when it files the Pilot FCC Form 470 at the beginning of the Pilot and then request the services for the term of the Pilot Program to be covered by the new or extended contract using the Pilot FCC Form 471.

Participants are reminded that the Pilot Program does not allow existing, non-qualifying contracts to be converted into eligible contracts based on the E-Rate program's *Kalamazoo* precedent. Existing contracts only qualify for the Pilot if they fall within the competitive bidding exemption. *See* FAQ 6.7.

Participants are also reminded that they must carefully consider all bids received and select the most cost-effective service offering using price of the eligible services and equipment as the primary factor in their bid evaluation process.

Only eligible services and equipment delivered within the three-year Pilot Program time period can be reimbursed through the Program. See FAQ 4.4.

6.10 Q: How should I competitively bid services that I plan to request on a month-to-month basis? In the E-Rate program, I would rebid every year – is that the same process that will be used for the Pilot Program?

A: Pilot participants that plan to request services on a month-to-month basis should do so when they file their Pilot FCC Form(s) 470 at the beginning of the Pilot and request the month-to-month services using their Pilot FCC Form(s) 471 for the 36-month period of the Pilot Program. Participants are reminded that they must carefully consider all the bids received and select the most-cost effective service offering using the price of the eligible services and equipment as the primary factor in their bid evaluation process.

6.11 Q: My cybersecurity needs have changed since submitting the FCC Form 484 Part 1. Can I seek bids for different services and/or equipment that would better address my current needs, even if they are different from what I included on my FCC Form 484 Part 1?

A: Yes, you may seek bids for different cybersecurity services and/or equipment than was included in the proposed project plan included in your FCC Form 484 Part 1. However, your request is still limited to your overall three-year budget for the Pilot Program as reflected in your acceptance letter, and support is only available for eligible equipment and services. In addition, once USAC has issued a Funding Commitment Decision Letter (FCDL) approving a participant's requested cybersecurity services and equipment, any subsequent changes would require approval consistent with the Pilot Program rules.

6.12 Q: Can I seek bids for additional cybersecurity services and/or equipment if the bids I received are lower than my overall budget?

A: Yes. If you received bids lower than your overall, three-year budget and have funds remaining within your budget, you may, but are not required to, seek bids for additional cybersecurity services and/or equipment so long as the deadline for submitting an FCC Form 470 has not passed and the request for bids covers the three-year program term. As a reminder, the last day to post an FCC Form 470 to meet the 28-day waiting period is August 18, 2025, at 11:59 p.m. E.T. Pilot participants may also return unneeded funds if they do not wish to seek bids for additional cybersecurity services and/or equipment.

6.13 Q: Are the FCC Forms 471 subject to Program Integrity Assurance (PIA) reviews similar to those conducted in the E-Rate program? If so, what can I expect from them?

A: To ensure compliance with the Commission's rules, FCC Form(s) 471 submitted in the Pilot Program will be subject to PIA reviews similar to those reviews USAC conducts on the FCC Form(s) 471 submitted in the E-Rate program. Pilot participants can expect USAC to reach out to the contact(s) listed on the FCC Form 471 to inquire about information provided on the form and/or request supporting documentation. To expedite the review of these forms, we encourage Pilot participants to timely respond to such requests.

6.14 Q: I am a service provider and am interested in submitting bids in response to selected participants' requests for bids. What are the parameters around communicating with selected Pilot participants?

A: Service providers must ensure that all communications with selected Pilot participants do not violate the requirement that the competitive bidding process be fair and open (*see generally* section 54.2005 of the Pilot Program rules). As in the E-Rate program, a fair and open competitive bidding process means that:

- All bidders must be treated the same;
- No bidder can have advance knowledge of the Pilot Program project information;
- There are no secrets in the process. All bidders must know what is required of them, and information must be shared with all bidders; and
- Service providers and potential service providers cannot offer or give gifts to Pilot participants (including their consultants and other representatives) (subject to section 54.2005(d)(3) and (4) of the Pilot Program rules).

6.15 Q: I am a service provider and am interested in submitting bids in response to selected participants' requests for bids. How can I look up Pilot FCC Forms 470 to which I might want to respond?

A: If you wish to view Pilot FCC Forms 470 posted by Pilot participants, you can use the <u>Cybersecurity Pilot FCC Form 470 Download Tool</u> to search for cybersecurity equipment and services that you may bid on. All certified Pilot FCC Forms 470 will be available through this tool as they are submitted by Pilot participants. Pilot participants have until Monday, August 18, 2025, at 11:59 p.m. E.T. to submit and certify their Pilot FCC Form(s) 470.

6.16 Q: Can I submit more than one FCC Form 470 to seek bids for eligible cybersecurity services and/or equipment?

A: Yes, Pilot participants may submit more than one FCC Form 470 through the Cybersecurity Pilot Program portal and separate components of their overall project. However, each FCC Form 470 must cover the full, three-year program term and must be submitted by the deadline of August 18, 2025, to allow for the timely submission of the FCC Form 471 before the application filing window closes on September 15, 2025.

Invoicing and Reimbursement

7.1 Q: Do selected participants have the option to select which invoicing method is used or does service provider decide?

A: Consistent with the E-Rate program, Pilot participants may select which invoicing method they prefer. *See* 47 CFR § 54.2008(f). Pilot participants will make this selection on Pilot FCC Form 471 for each funding request number (FRN).

7.2 Q: Will reimbursement be each year? Or at the end of the last year of the Pilot?

A: Requests for reimbursement may be submitted after equipment is received or services are provided. Any requests for reimbursement must be submitted within 90 days after the last date to

receive equipment/service as set forth in the first funding commitment decision letter. See 47 CFR §§ 54.2001(c) and 2008(d).

7.3 Q: What are the requirements to be a service provider?

A: USAC's <u>website</u> lays out the process and requirements for becoming a service provider. Consistent with E-Rate program requirements, all service providers will be required to file an FCC Form 498 and obtain a service provider identification number (SPIN) if they do not already have one to be able to participate in the Pilot Program. Note that a prospective service provider does not need a SPIN to submit a bid but will need a SPIN to provide the eligible services/equipment and receive funding through the Pilot Program.

7.4 Q: If an eligible school or library obtains an eligible service from a network provider, but such eligible service is being provided by a third-party vendor, is that still reimbursable under the program? A: Resale arrangements are reimbursable under the Pilot Program if the applicable eligible cybersecurity services and equipment are received from an eligible service provider (i.e., a service provider that has a valid Service Provider Identification Number (SPIN) and has met all of the other requirements to participate as a service provider in the Pilot Program).

The fact that the eligible services and equipment are provided by a third-party vendor to the eligible service provider (who then provides them to the Pilot Participant) does not change their eligibility, as long as the service provider with whom the school or library contracted for the eligible equipment/services is selected through a competitive bidding process that meets all of the Pilot Program's competitive bidding requirements (Pilot FCC Form 470) and the other Pilot program rules are met.

*7.5 Q: What is the service delivery start date for the Pilot Program?

A: The service delivery start date for the Pilot Program will coincide with the opening of the Pilot FCC Form 471 application filing window. That date will be announced in a forthcoming public notice.

This FAQ has been superseded by FAQ 1.8.

*7.6 Q: Can a Pilot participant place an order for Pilot-funded equipment or services before it receives its funding commitment decision letter (FCDL)?

A: A Pilot participant may place an order for Pilot-funded equipment and services before it receives a Funding Commitment Decision Letter (FCDL) from USAC, but it assumes the risk to the extent the funding commitment amount on the FCDL may be less than the cost of what was purchased.

7.7 Q: Do I need to register for a SAM.gov account to submit requests for reimbursement?

A: SAM.gov registration is necessary for all participants and service providers that are making changes to an existing FCC Form 498 or are submitting a new FCC Form 498. If you do not have a 498 ID and will only be using the service provider invoicing (SPI) method, you do not currently need to obtain an unique entity number (UEI) number or register with SAM.gov. The FCC and USAC are still working on making a full transition to SAM.gov for all universal service recipients, and additional information will be provided about the transition and changes to the FCC Form 498 at that time.

Performance Goals and Data Reporting

8.1 Q: Are there special reporting requirements that a Pilot participant would need to satisfy? If so, are such reports due monthly, yearly or only at the end of the Pilot?

A: Applicants selected to participate in the Pilot Program are required to submit periodic reports, consisting of initial, annual, and final reports. Information about these reporting requirements, including the format for reporting such data and metrics, was included in the Wireline Competition Bureau's January 16, 2025 Public Notice(s). See FAQ 8.4.

Please note that the failure to submit initial, annual, and final reports may result in a referral to the Enforcement Bureau, a hold on future disbursements, a rescission of committed funds, recovery of disbursed funds, and/or removal from the program. See 47 CFR § 54.2004(e).

8.2 Q: When will the reporting metrics be published, so that selected participants are informed of what information they will be required to report to the FCC and can ensure that potential vendors are able to provide the required data?

A: Annual reporting requirements are expected to largely mirror the information that is required in the FCC Form 484 (Parts 1 and 2). Pilot participants may also be asked to answer a series of yes/no or multiselect questions to provide additional details regarding their cybersecurity expertise and any cyber events that have taken place during the reporting term. In establishing reporting requirements, the Commission is sensitive to balancing its need to collect Pilot Program data with the burden it puts on Pilot participants. All reporting requirements are subject to the Paperwork Reduction Act approval process. See FAQ 8.4.

8.3 Q: The FCC Form 484 Part 1 asked a series of "yes" or "no" questions regarding an applicant's willingness (and the willingness of their selected service provider) to collect and share certain data if selected to participate in the Pilot Program. Are service providers required to share this data?

A: No, service providers are not required to share any data regarding the Cybersecurity Pilot Program with the FCC. However, Pilot participants may choose to require that their selected service provider(s) share certain data with them, including, for example, metrics around their participation in the program and data to help determine the cost-effectiveness of the Pilot Program. If Pilot participants require their selected service provider(s) to provide such data to them and wish to share the data with the FCC as part of the participants' initial, annual, or final data reporting requirements, they may choose to do so (see FAQs 8.1, 8.2, and 8.4).

8.4 Q: Is there any further information regarding the reporting requirements available? When are they due and will training on these requirements be provided to Pilot participants?

A: The Wireline Competition Bureau (Bureau) provided further information regarding the reporting requirements in a <u>Public Notice</u> released on January 16, 2025. Specifically, regarding the submission of the initial report, information provided in FCC Forms 484 Part 1 and 2 constitutes the necessary data to establish a reporting baseline for purposes of meeting this requirement; and, thus, the timely submission of these forms satisfies this requirement. Applicants were required to submit the FCC Form

484 Part 1 by November 1, 2024, and selected Pilot participants are required to submit Part 2 of the form by September 15, 2025. No other additional information is required of Pilot participants to satisfy the initial reporting requirement.

Regarding the submission of the annual and final reports, Pilot participants are required to submit each annual report no later than 60 days following the conclusion of the first and second years of the Pilot Program and the final report no later than 60 days following the conclusion of the final year of the three-year Pilot Program. The Bureau will announce when the annual reporting form has been approved by the Office of Management and Budget, and the Bureau or USAC will provide additional information regarding the deadlines for submitting the annual and final reports. As noted in the <u>Public Notice</u>, the deadline for the submission of the annual and final reports will be staggered based on the issuance date of a Pilot participant's Funding Commitment Decision Letter(s).

For the annual reports, Pilot participants will be required to respond to questions similar to those included in the FCC Form 484 Part 1 and Part 2, as well as additional questions, which will allow participants to provide further details regarding their cybersecurity expertise and any cybersecurity events that have taken place during the reporting period. A list of questions Pilot participants should be prepared to answer is included in the <u>Public Notice</u>.

We expect USAC to announce training regarding these reporting requirements as the deadlines for submitting them approach.