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March 2026

Palo Alto Networks E-rate Eligibility and Cost Allocation Guidance

To Whom It May Concern:

This letter is to provide guidance on the E-Rate eligibility[1] of Palo Alto Networks' products and services as independently reviewed by a reputable third-party E-rate consultant. Our E-rate guidance under the current program rules is as follows:

1. **Hardware**: Palo Alto Networks Hardware (on premise firewalls) are 100% eligible for E-rate funding. High Availability (HA) redundancy firewalls are not eligible (e.g. The first firewall in a two firewall set is eligible with the second firewall being ineligible).

2. **Virtualized Hardware:** Palo Alto Networks Virtualized Firewalls like the VM-Series are considered E-rate eligible if they provide the same functionality as eligible hardware.

3. **Subscriptions:** Palo Alto Networks Software Subscriptions, which are purchased separately from the base hardware that enable advanced or next generation security features, are typically deemed ineligible for E-Rate funding (e.g. Autofocus, Threat Prevention, URL filtering). Palo Alto Networks has introduced Subscription Bundles that include eligible and ineligible Software Subscriptions and are therefore partially eligible. These vary depending on the bundle chosen.

4. **Wildfire**: Wildfire sandboxing functionality is 100% E-rate eligible under internal connections. It is part of the suite of firewall applications that powers inline machine learning modules on our Next Generation Firewall (NGFW) to instantly prevent new unknown file-based threats without any productivity delay.

5. **7000 Series Support Cards:** Switch Management Cards, Log Forwarding Upgrade Cards, and Network Processing Cards purchased alongside a 7000 series firewall are 100% e-rate eligible.

6. **SD-WAN:** SD-WAN functionality is 100% E-rate eligible:
    a. If a service provider is offering a WAN transport service bundle that includes SD-WAN functionality where there is no separate identifiable price associated with the SD-WAN functionality then this could be reviewed as ancillary to the eligible WAN service (Eligible under Cat 1); or
    b. If an applicant has existing WAN transport and they are looking to add SD-WAN service/ functionality, then it would be considered a Category 2 request. SD-WAN as a separate or stand-alone functionality is considered Category 2.

7. **Support**: Palo Alto Networks Standard support for the base hardware is considered eligible for E-rate funding. E-rate also covers limited software support for bug fixes/patches on eligible components only.
    a. Standard Support for 1/3/5-year is 100% eligible under Internal Connections (IC).
    b. Premium Support for 1/3/5-year is 66% eligible under IC.

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[1] Palo Alto Networks' statements about eligibility are informal guidance, based on product functionality and the provisions of the current Eligible Services List. Final determinations of eligibility are made by USAC and can be impacted by E-rate program requirements and applicant-specific factors such as where the product is installed, who uses it, and how it is used. See http://usac.org/sl/applicants/beforeyoubegin/eligible-services-list.aspx for a link to the Eligible Services List and a glossary of terms.

c. Platinum Support for 1/3/5-year is 52% eligible under IC.
d. Pursuant to FCC's Final Eligible Services List for Funding Year 2026, applicants who apply for funding for multiple-year support SKUs can be fully reimbursed upfront (for the multiple-year support). This change is due to support SKUs now being classified as Category 2, Internal Connections [not Basic Maintenance of Internal Connections (BMIC)].

8. **Warranty**: Hardware warranty coverage above and beyond what is included in the base cost by the manufacturer are deemed ineligible for e-rate funding.

9. **Onsite Spares**: Onsite spares are ineligible for E-rate funding.

Please do not hesitate to contact us via e-mail at erate@paloaltonetworks.com or reference our website should you have any additional questions regarding our E-Rate program or eligibility guidelines.