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DA 22-131

Released: February 9, 2022

WIRELINE COMPETITION BUREAU ANNOUNCES APPLICATIONS FILED FOR THE SECURE AND TRUSTED COMMUNICATIONS NETWORKS REIMBURSEMENT PROGRAM

WC Docket No. 18-89

By this Public Notice, the Wireline Competition Bureau (Bureau) announces the applications filed for the Secure and Trusted Communications Networks Reimbursement Program (Reimbursement Program). The Reimbursement Program received 181 applications and, upon initial review by the Reimbursement Program Fund Administrator, the gross cost estimate demand for Reimbursement Program support contained in the applications initially found eligible and acceptable for filing is nearly \$5.6 billion.\frac{1}{2}

The filing window closed on January 28, 2022, and the Commission commenced the official 90-day application review period for the Reimbursement Program on January 31, 2022.² Given the number and complexity of the applications filed as further discussed herein, the Bureau will extend the application review period by an additional 45 days as authorized by section 4(d)(3)(A)(ii) of the Secure and Trusted Communications Networks Act of 2019, as amended (Secure Networks Act), and section 1.50004(d) of the Commission's rules.³ Accordingly, the Bureau's deadline for acting on the submitted applications is Wednesday, June 15, 2022.

Background. As directed by the Secure Networks Act, the Commission established the Reimbursement Program to reimburse providers of advanced communications services with ten million or fewer customers for reasonable costs incurred in the removal, replacement, and disposal of covered communications equipment or services from their networks that pose a national security risk.⁴ The

¹ The gross cost estimate demand does not mean that all cost estimates have been found reasonable and approved. The Bureau will make those determinations, with the assistance of the Reimbursement Program Fund Administrator, after conducting a thorough review of the applications.

² 47 CFR § 1.50004(d); see also Wireline Competition Bureau Finalizes Application Filings, Procedures, Cost Catalog, and Replacement list for the Secure and Trusted Communications Networks Reimbursement Program, WC Docket 18-89, Public Notice, DA 21-947, 2021 WL 3466248 at *11, paras. 34 (WCB Aug. 3, 2021) (Finalized Reimbursement Process Public Notice) ("The 90-day review period will commence on the next business day following the close of the filing window, per the Commission's rules."). Accordingly, the 90-day application review period commenced on Monday, January 31, 2022.

³ 47 U.S.C. § 1603(d)(3)(A)(ii); 47 CFR § 1.50004(d).

⁴ Secure and Trusted Communications Networks Act of 2019, Pub. L. No. 116-124, § 4(a)-(c), 134 Stat. 158 (2020) (codified as amended at 47 U.S.C. §§ 1601–1609) (Secure Networks Act). The Commission implemented the Secure Networks Act on December 10, 2020. *Protecting Against National Security Threats to the Communications Supply Chain Through FCC Programs*, WC Docket No. 18-89, Second Report and Order, 35 FCC Rcd 7821 (2020) (2020 Supply Chain Order). On July 13, 2021, the Commission amended its rules, consistent with amendments to the Secure Networks Act included in the Consolidated Appropriations Act, 2021. *Protecting Against National*

Commission, in the *2021 Supply Chain Order*, clarified that for purposes of the Reimbursement Program, covered communications equipment or services is limited to the communications equipment or services produced or provided by Huawei Technologies Company (Huawei) or ZTE Corporation (ZTE), that were obtained by providers on or before June 30, 2020.⁵ To participate in the Reimbursement Program, eligible providers were required to file an FCC Form 5640 Application Request for Funding Allocation,⁶ using the Bureau's dedicated online application filing portal.⁷ Each applicant was required to include in its application estimates for the costs that will be reasonably incurred for the removal, replacement, and disposal of covered communications equipment and services.⁸ These cost estimates will form the basis for the Bureau's funding allocation determinations.⁹ Once an allocation is issued, participants can then seek disbursements from the allocation as expenses are incurred.¹⁰

Applications Filed. A total of 181 applications were filed to participate in the Reimbursement Program. Of those filed, 162 have been initially found eligible and acceptable for filing. Of those applications filed and initially found eligible and acceptable for filing, the gross cost estimate demand for support for the removal, replacement, and disposal of Huawei and ZTE equipment is approximately \$5.6 billion. Further, based on an initial review of the applications, this support would go towards the strengthening of our nation's networks by removing, replacing, and disposing of approximately 24,000 units of covered communications equipment and services across approximately 8,400 number of locations throughout the United States and its territories. As required by the Secure Networks Act and the Commission's rules, applicants whose applications are found materially deficient will have a 15-day opportunity to cure the deficiency before their application is denied. The Reimbursement Program Fund Administrator will individually notify those applicants.

Funding Available for Allocation. Congress appropriated \$1.9 billion to the Commission to "carry out" the Secure Networks Act, of which \$1.895 billion must be used for the Reimbursement Program.¹⁵ The gross demand for requested funding, based on an initial review of the cost estimates

⁵ 2021 Supply Chain Order, 2021 WL 3024271, at 49-51, Appx. A. See generally Protecting Against National Security Threats to the Communications Supply Chain Through FCC Programs – Huawei Designation, PS Docket No. 19-351, Order, 35 FCC Rcd 6604 (PSHSB 2020) (Huawei Designation Order); Protecting Against National Security Threats to the Communications Supply Chain Through FCC Programs – ZTE Designation, PS Docket No. 19-352, Order, 35 FCC Rcd 6633 (PSHSB 2020) (ZTE Designation Order).

⁶ 47 CFR § 1.50004(c).

⁷ Finalized Reimbursement Process Public Notice at *6.

⁸ 47 CFR § 1.50004(c)(1)(i).

⁹ *Id.* § 1.50004(c)-(d).

¹⁰ Id. § 1.50004 (d).

¹¹ As some entities filed multiple applications, the 181 applications filed amount to 96 unique filing entities.

¹² See Appx. A. An initial finding of eligibility and acceptability for filing does not guarantee application approval and participation into the Reimbursement Program. Such determinations will be made following a comprehensive review of the applications by the Bureau, with the assistance of the Reimbursement Program Fund Administrator.

¹³ 47 U.S.C. § 1603(d)(3)(B); 47 CFR § 1.50004(d)(1). Such notice will be distinct from this Public Notice and the 15-day cure period will commence on the date the individual email notification is sent by the Commission and received by the applicant. *Finalized Reimbursement Process Public Notice* at *12.

¹⁴ Finalized Reimbursement Process Public Notice at *12.

¹⁵ CAA § 906. Section 906 provides that "[t]here is appropriated to the Federal Communications Commission, out of amounts in the Treasury not otherwise appropriated, for fiscal year 2021, to remain available until expended—

(continued....)

contained in the applications submitted, exceeds the \$1.9 billion appropriated for the Reimbursement Program. If available funding is insufficient to issue funding allocations in full to all approved applicants, then the Commission will apply the prioritization scheme directed by Congress and specified in the Commission's rules. Pecifically, under this scheme, the Commission will allocate available funding "first, to approved applications that have 2,000,000 or fewer customers . . . , [then] to approved applicants that are accredited public or private non-commercial educational institutions providing their own facilities-based educational broadband services . . . [and] health care providers and libraries providing advanced communications service, [then] to any remaining approved applicants determined to be eligible for reimbursement under the [Reimbursement] Program. If available funding is insufficient to satisfy all funding requests in a prioritization category, the Bureau will prorate the available funding equally across all requests in the relevant prioritization category to ensure that total funding allocated does not exceed the funding available.

Upon initial review, the cost estimates submitted with applications appear to be significantly higher than the estimated amounts reported to the Commission in the 2019 data collection. The Commission continues to closely review the applications, but factors contributing to the increase in cost estimates include: an expansion, following the 2019 data collection, in the Reimbursement Program from Eligible Telecommunications Carriers to all providers of advanced communications services with fewer than 10 million customers; increased costs due to supply chain constraints and/or inflation since 2019; additional costs associated with expediting projects to meet the statutory obligation to complete the removal, replacement, and disposal process within one year from the initial disbursement of funds;²¹ and other costs of complying with Reimbursement Program requirements not accounted for when cost estimates were reported in 2019. To increase accountability measures for the Reimbursement Program, the Commission, in the 2020 Supply Chain Order, adopted a number of measures to protect against waste,

(Continued from previous page) ... (2) \$1,900,000,000 to carry out the Secure and Trusted Communications Networks Act of 2019 (47 U.S.C. 1601 et seq.), of which \$1,895,000,000 shall be used to carry out the program established under section 4 of that Act (47 U.S.C. 1603)." The funding appropriated by Congress is not only for reimbursing program recipients but also covers the expenses incurred by the Commission to implement and operate, that is, "carry out," the Reimbursement Program. See CAA §§ 901, 906.

¹⁶ See Finalized Reimbursement Process Public Notice at *11 ("the Reimbursement Program Fund Administrator will conduct an initial review of the applications to help the Bureau determine . . . the gross estimate demand contained in those applications.").

¹⁷ CAA § 901(1)(C); 47 CFR § 1.50004(f); 2021 Supply Chain Order at 24-26, paras. 53-59.

¹⁸ CAA § 901(1)(C)(ii); 47 CFR § 1.50004(f); 2021 Supply Chain Order at 24-26, paras. 53-59. The Rural Wireless Association, Inc. ("RWA") filed a Petition for Reconsideration of the Commission's decision in the 2021 Supply Chain Order to replace its initial prioritization scheme with the scheme provided by the CAA. See Petition for Reconsideration of the Rural Wireless Association, Inc., WC Docket No. 28-89 (filed Sept. 22, 2021). The Petition is pending.

¹⁹ Protecting Against National Security Threats to the Communications Supply Chain Through FCC Programs, WC Docket No. 18-89, Second Report and Order, 35 FCC Rcd 14284, 14349, para. 157 (2020) (2020 Supply Chain Order). Specifically, the Bureau will determine a pro-rata factor by dividing the total amount of available funding by the total amount of funding requested. The Bureau will then multiply the pro-rata factor by the total amount of support requested by each applicant in the prioritization category and then the Bureau will allocate funds to each eligible applicant in the prioritization category consistent with this calculation. 47 CFR § 1.50004(f)(1); see also 2020 Supply Chain Order, 35 FCC Rcd at 14352, para. 163.

²⁰ See Wireline Competition Bureau and Office of Economics and Analytics Release Results from Supply Chain Security Information Collection, Public Notice, 35 FCC Rcd 9471, 9472 (WCB 2020) (Information Collection Results Public Notice).

²¹ 2020 Supply Chain Order, 35 FCC Rcd at 14331, para. 169 (establishing a one-year timeline for removal, replacement, and disposal).

fraud, and abuse.²² As a result, the Fund Administrator and Commission are carefully reviewing all cost estimates submitted with applications to determine funding allocations.²³ Both the Reimbursement Program Fund Administrator and the Commission will closely scrutinize Reimbursement Claim Requests to ensure that reimbursement is limited to reasonable expenses that are actually incurred.²⁴ Additionally, consistent with the Secure Networks Act, Reimbursement Program recipients are subject to regular audits and reviews of reimbursements under the Program and other investigations, such as field investigations, to evaluate their compliance with the statutory and regulatory requirements for the program.²⁵ As directed by the Secure Networks Act, the Commission is "tak[ing] all necessary steps to avoid waste, fraud, and abuse with respect to the Program."²⁶

Application Review Period. The Commission's rules and the Secure Networks Act require the Bureau to "approve or deny" Reimbursement Program applications no later than 90 days after the close of the relevant filing window. During the application review period, the Bureau "will determine whether the application is complete, whether the applicant is eligible for the Reimbursement Program, and . . . assess the reasonableness of the cost estimates provided by the applicant. If additional time is needed to review the applications, the Bureau may extend the deadline of the application review period by an additional 45 days "if it determines that an excessive number of applications have been filed during the window and additional time is needed to review the applications."

Based on the number of applications initially determined eligible and acceptable for filing, the Bureau will need to review and evaluate the reasonableness of approximately 439,000 separate cost estimates contained in 162 applications. Given the number and complexity of the applications received and the large volume of costs estimates requiring review, the Bureau will need additional time beyond the 90-day period to review the applications.³⁰ The Bureau, after considering various factors impacting application review, thus finds an extension necessary and accordingly extends the 90-day application review period by an additional 45 days as permitted by the Commission's rules.³¹ Accordingly, the deadline for the Bureau to "approve or deny" the submitted applications is extended from May 1, 2022 to June 15, 2022.

Additional Information. We encourage all applicants for the Reimbursement Program to review the Finalized Reimbursement Process Public Notice,³² which adopts the final procedures for the Reimbursement Program application filing process. Applicants with questions regarding its application may contact the Fund Administrator Help Desk by email at SCRPFundAdmin@fcc.gov or by calling (202) 418-7540 from 9:00 AM ET to 5:00 PM ET, Monday through Friday, except for Federal holidays. General information and Commission documents regarding the Reimbursement Program are available on the Reimbursement Program webpage, https://www.fcc.gov/supplychain. All non-confidential filings

³⁰ Finalized Reimbursement Process Public Notice at *13.

²² 2020 Supply Chain Order, 35 FCC Rcd at 14331, para. 109.

²³ Finalized Reimbursement Process Public Notice at *8-9.

²⁴ See 47 CFR § 1.50004(g); 2020 Supply Chain Order, 35 FCC Rcd at 14353, para. 165.

²⁵ 47 CFR § 1.50004(o); 2020 Supply Chain Order, 35 FCC Rcd at 14331, para. 109.

²⁶ 47 U.S.C. § 1603(e)(1).

²⁷ 47 U.S.C. § 1603 (d)(3)(A)(i); 47 CFR §1.50004(d).

²⁸ 47 CFR § 1.50004(d).

²⁹ *Id*.

³¹ 47 U.S.C. § 1603(d)(3)(A)(ii); 47 CFR § 1.50004(d).

³² See generally Finalized Reimbursement Process Public Notice.

submitted by participants in the Reimbursement Program are publicly available and searchable in the Public Search database, which is now available through the online portal at https://www.fcc.gov/supplychain.³³

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³³ 47 U.S.C. § 1603(d)(8); 2020 Supply Chain Order, 35 FCC Rcd at 14370, para. 215.

APPENDIX

FCC Secure and Trusted Communications Networks Program Applications Found Initially Eligible and Acceptable for Filing

| Applicant Name | File Number |
|---|-------------|
| Angeles Enterprises | SCRP0001009 |
| AST Telecom, LLC d/b/a Bluesky | SCRP0001076 |
| Beamspeed, L.L.C. | SCRP0001010 |
| Board of Trustees, Northern Michigan University | SCRP0001040 |
| Central Louisiana Cellular, LLC | SCRP0001042 |
| Commnet Wireless, LLC | SCRP0001026 |
| | SCRP0001027 |
| | SCRP0001028 |
| | SCRP0001029 |
| Copper Valley Wireless, LLC | SCRP0001157 |
| Country Wireless LLC | SCRP0001017 |
| Eastern Oregon Telecom, LLC | SCRP0001037 |
| Eltopia Communications, LLC | SCRP0001167 |
| FIF Utah LLC | SCRP0001006 |
| FirstLight Fiber, Inc. | SCRP0001005 |
| Flat Wireless, LLC | SCRP0001103 |
| Gallatin Wireless Internet, LLC | SCRP0001039 |
| Gigsky, Inc. | SCRP0001143 |
| Gogo Business Aviation LLC | SCRP0001134 |
| Hargray Communications Group, Inc. | SCRP0001101 |
| Hotwire Communications, Ltd. | SCRP0001146 |
| | SCRP0001147 |
| | SCRP0001148 |
| Hunter Communications & Technologies LLC | SCRP0001133 |
| IdeaTek Telcom, LLC | SCRP0001139 |
| Inland Cellular LLC | SCRP0001144 |
| Interoute US LLC | SCRP0001030 |
| James Valley Cooperative Telephone Company | SCRP0001105 |
| Kings County Office of Education | SCRP0001142 |
| LakeNet LLC | SCRP0001145 |
| Latam Telecommunications, L.L.C. | SCRP0001168 |
| Leaco Rural Telephone Cooperative, Inc. | SCRP0001175 |

| Applicant Name | File Number |
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| Level 3 Communications, LLC | SCRP0001043 |
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| LICTEL Communication | SCRP0001097 |
| LIGTEL Communications Inc. | SCRP0001155 |
| Mark Twain Communications Company | SCRP0001021 |
| Mediacom Communications Corporation | SCRP0001140 |
| Metro Fibernet, LLC | SCRP0001016 |
| MHG Telco LLC | SCRP0001023 |

| Applicant Name | File Number |
|---|----------------------------|
| Millennium Telcom, L.L.C., dba OneSource Communications | SCRP0001152 |
| Monmouth Telephone & Telegraph | SCRP0001032 |
| Natural G.C. Inc. | SCRP0001008 |
| NE Colorado Cellular Inc | SCRP0001106 |
| TVE Colorado Central Inc | SCRP0001107 |
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| | SCRP0001133 SCRP0001141 |
| Nemont Telephone Cooperative, Inc. | SCRP0001084 |
| New Wave Net Corp | SCRP0001012 |
| NfinityLink Communications, Inc. | SCRP0001173 |
| NTInet, inc | SCRP0001011 |
| NTUA Wireless, LLC | SCRP0001024 |
| | SCRP0001025 |
| One Ring Networks, Inc. | SCRP0001001 |
| Panhandle Telecommunication Systems Inc | SCRP0001033 |
| Pine Belt Cellular, Inc. | SCRP0001038 |
| Pine Telephone Company | SCRP0001034 |
| | SCRP0001035 |
| | SCRP0001036 |
| Plateau Telecommunications, Incorporated | SCRP0001112 |
| PocketiNet Communications Inc. | SCRP0001031 |
| Point Broadband Fiber Holding, LLC | SCRP0001128 |
| | SCRP0001129 |
| | SCRP0001130 |
| | SCRP0001131 |
| | SCRP0001132 |
| Premier Holdings LLC | SCRP0001150 |
| PTA-FLA, Inc. | SCRP0001018 |
| Puerto Rico Telephone Company, Inc. | SCRP0001162 |

| Applicant Name | File Number |
|---|-------------|
| Roome Telecommunications Inc | SCRP0001154 |
| Santel Communications Cooperative, Inc. | SCRP0001151 |
| SI Wireless, LLC | SCRP0001013 |
| Skybeam, LLC | SCRP0001156 |
| | SCRP0001158 |
| | SCRP0001159 |
| | SCRP0001161 |
| South Canaan Telephone Company | SCRP0001099 |
| Southern Ohio Communication Services Inc | SCRP0001019 |
| Stealth Communications | SCRP0001138 |
| TelAlaska Cellular, Inc. | SCRP0001160 |
| Texas 10, LLC | SCRP0001041 |
| Transtelco Inc. | SCRP0001170 |
| Triangle Communication Systems Inc | SCRP0001048 |
| Triangle Telephone Cooperative Association, Inc. | SCRP0001046 |
| Trinity Basin Preparatory, Inc. | SCRP0001002 |
| Union Telephone Company | SCRP0001087 |
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| | SCRP0001098 |
| United Wireless Communications, Inc. | SCRP0001104 |
| Utah Telecommunication Open Infrastructure Agency | SCRP0001102 |
| Velocity Communications, Inc. | SCRP0001136 |
| Virginia Everywhere, LLC | SCRP0001022 |
| Vitelcom Cellular, Inc. d/b/a Viya Wireless | SCRP0001020 |
| Webformix Internet Company | SCRP0001003 |
| Windstream Communications LLC | SCRP0001004 |
| Windy City Cellular | SCRP0001015 |
| WorldCell Soutions, LLC | SCRP0001137 |
| Xtreme Enterprises LLC | SCRP0001171 |
| Zito West Holding, LLC | SCRP0001049 |