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

In the Matter of

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

WC Docket No. 18-89

ORDER

Adopted: October 10, 2023
Released: October 10, 2023

By the Chief, Wireline Competition Bureau:

I. INTRODUCTION

1. In this Order, the Wireline Competition Bureau (Bureau) addresses the Petitions filed by WorldCell Solutions, LLC (WorldCell), Mediacom Communications Corporation (Mediacom), Virginia Everywhere, LLC (Virginia Everywhere), James Valley Cooperative Telephone Company (James Valley), and NE Colorado Cellular, Inc. d/b/a Viaero Wireless (Viaero) (collectively, Petitioners) requesting an extension of their respective removal, replacement, and disposal terms under the Secure and Trusted Communications Networks Reimbursement Program (Reimbursement Program). For the reasons stated below, the Bureau grants Petitioners’ extension requests pursuant to Commission rule 1.50004(h)(2). The Bureau thus extends the term for WorldCell from November 24, 2023 to May 20, 2024; for Mediacom from October 15, 2023 to January 15, 2024; for Virginia Everywhere from November 8, 2023 to February 8, 2024; for James Valley from October 8, 2023 to April 8, 2024; and for Viaero from November 18, 2023 to May 18, 2024.

II. BACKGROUND

2. As directed by the Secure and Trusted Communications Networks Act of 2019, as amended (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, i.e., communications equipment or services


2 47 CFR § 1.50004(h)(2) (explaining that “[t]he Wireline Competition Bureau may grant an extension for up to six months after finding that due to no fault of [a] recipient, such recipient is unable to complete the permanent removal, replacement, and disposal by the end of the [removal, replacement, and disposal] term.”).
produced or provided by Huawei Technologies Company (Huawei) or ZTE Corporation (ZTE), that were obtained by providers on or before June 30, 2020. The Reimbursement Program was later funded by a $1.9 billion congressional appropriation, which is less than the $5.6 billion in collective funds requested by applicants. Because demand exceeded available funding, the Secure Networks Act required the Bureau to implement a prioritization scheme where funding was allocated first to approved applicants with 2,000,000 or fewer customers (Priority 1 applicants). Demand from Priority 1 applicants alone exceeded the congressional appropriation, and these applicants consequently received a partial, pro-rated funding allocation of approximately 39.5% of their reasonable and supported estimated costs for removing, replacing, and disposing of covered communications equipment and services.

3. Consistent with the Secure Networks Act, the Commission’s rules require that Reimbursement Program recipients complete the removal, replacement, and disposal of covered communications equipment and services within one year from the initial disbursement of funds to the recipient. Pursuant to section 4(d)(6)(C) of the Secure Networks Act, the Commission may grant


4 47 U.S.C. § 1603(k) (“In carrying out [the Reimbursement Program], the Commission may not expend more than $1,900,000,000.”).

5 See Wireline Competition Bureau Announces the Grant of Applications for the Secure and Trusted Communications Networks Reimbursement Program, WC Docket No. 18-89, Public Notice, DA 22-774, at 1-2 (WCB July 18, 2022) (SCRP Granted Applications Public Notice) (explaining that “[e]ach applicant was required to include in its application estimates for the costs that it will reasonably incur for the permanent removal, replacement, and disposal of covered communications equipment and services” and identifying that, across all filed applications, applicants sought a total of “approximately $5.6 billion in gross program support”).

6 See 47 U.S.C. § 1603(d)(5)(C); see also 47 CFR § 1.50004(f)(1) (requiring the Bureau to “issue full funding allocations for all eligible providers in the Priority 1 prioritization category before issuing funding allocations in any subsequent prioritization categories”); SCRP Granted Applications Public Notice at 2-3.

7 See 47 CFR § 1.50004(f)(1) (stating that “[i]f there is insufficient funding to fully fund all requests in a particular prioritization category, then the Wireline Competition Bureau will pro-rate the available funding among all eligible providers in that prioritization category.”); see also SCRP Granted Applications Public Notice at 2-3 (noting that Priority 1 applicants received a pro-rated 39.5% share of their reasonable and supported estimated costs for carrying out their removal, replacement, and disposal).

8 2020 Supply Chain Order, 35 FCC Rcd at 14331, para. 169 (establishing a one-year timeline for removal, replacement, and disposal).
recipients extensions of this term on an individual basis. The Commission delegated authority to the Bureau to grant or deny individual petitions for an extension. According to Commission rule 1.50004(h)(2), a recipient may petition the Bureau for an extension of time prior to the expiration of their term, and the Bureau “may grant an extension for up to six months after finding, that due to no fault of such recipient, such recipient is unable to complete the permanent removal, replacement, and disposal by the end of the term.” The Commission noted that extensions will be granted only where a recipient “demonstrates the delay is due to factors beyond its control” and directed the Bureau “to be guided by the Commission’s precedent in dealing with similar requests involving wireless facilities under section 1.946 of the Commission’s rules,” which requires licensees of wireless spectrum to meet certain construction and coverage requirements within specified time periods.

4. **WorldCell Petition.** On September 8, 2023, WorldCell filed a Petition in the Commission’s Electronic Comment Filing System (ECFS) requesting an extension of its removal, replacement, and disposal term from November 24, 2023 to May 20, 2024. WorldCell claims that the completion of its removal, replacement, and disposal obligations is delayed due to (1) the partial funding of the Reimbursement Program, and (2) ongoing supply chain issues. WorldCell alleges the partial funding has adversely “affected various aspects of [its] project, including price negotiation with the telecom vendors, procurement of essential resources, securing the subject-matter-expert level of additional personnel, and the ability to implement certain project activities as originally intended,” resulting in delays. WorldCell explains that it has been impacted by supply chain issues as delivery of equipment from one vendor is taking longer than anticipated and “the disruptions in the timely delivery of equipment and logistical delays have slowed down the project’s pace and jeopardized [the] ability to deliver the project within the initial timeline.” WorldCell states that while “it had been facing challenges to finalize [its] vendors,” it recently “finalize[d] deals with vendors and service providers after several rounds of negotiations.”

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9 See Secure Networks Act § 4(d)(6)(C); see also 47 CFR § 1603(d)(6)(C).

10 47 CFR § 1.50004(h)(2).

11 Id.; see also 2020 Supply Chain Order, 35 FCC Rcd at 14354-56, paras. 171, 173.

12 2020 Supply Chain Order, 35 FCC Rcd at 14356, para. 173 and n.501 (citing 47 CFR § 1.946(e) (allowing for an extension of time “if the licensee shows that failure to meet the construction or coverage deadline is due to involuntary loss of site or other causes beyond its control” and establishing that requests will not be granted (1) “for failure to meet a construction or coverage deadline due to delays caused by a failure to obtain financing, to obtain an antenna site, or to order equipment in a timely manner”; (2) “because the licensee undergoes a transfer of control or because the licensee intends to assign the authorization”; or (3) “solely to allow a transferee or assignee to complete facilities that the transferor or assignor failed to construct”).

13 Section 1.946 is generally enforced when a wireless licensee has applied to build a microwave link. See generally 47 CFR § 1.946. See also 47 CFR § 1.946(a)-(b), (e) (describing requirements related to construction and coverage periods and deadlines). The rule permits the Wireless Telecommunications Bureau (WTB) to extend a licensee’s construction or coverage period when the licensee shows that additional time is needed due to “causes beyond its control.” See 47 CFR § 1.946(e)(1); see also 47 CFR § 1.946(e)(4). In determining whether to grant such requests, WTB looks to see if the delay is caused by circumstances beyond the licensee’s control and whether the licensee has acted diligently.

14 See generally WorldCell Petition.

15 Id. at 1-2.

16 Id. at 1.

17 Id. at 2.

18 Id. at 1-2.
5. Mediacom Petition. On August 4, 2023, Mediacom filed a Petition in ECFS requesting an extension of its removal, replacement, and disposal term from October 15, 2023 to January 15, 2024. \textsuperscript{19} Mediacom requests that the Commission withhold portions of its Petition from public inspection pursuant to sections 0.457 and 0.459 of the Commission’s rules. \textsuperscript{20} In the Petition, Mediacom states that its progress has been delayed due to (1) the partial funding of the Reimbursement Program, (2) ongoing supply chain issues, and (3) time needed to comply with the Reimbursement Program’s administrative processes. \textsuperscript{21}

6. Mediacom contends that the partial funding has impacted the pace at which it can complete its removal, replacement, and disposal obligations. \textsuperscript{22} Specifically, Mediacom states that \{\textbf{[redacted]}\} \textsuperscript{23} According to Mediacom, the result is “equipment delivery delays [that] have significantly impacted [its] timeline for completion of removal, replacement and disposal of its installed Huawei covered equipment.” \textsuperscript{24} Mediacom notes that, despite its efforts to mitigate delays with third-parties, namely \{\textbf{[redacted]}\} \textsuperscript{25} the delays have continued to increase relative to \{\textbf{[redacted]}\} \textsuperscript{25}

7. Mediacom further contends that it has been significantly impacted by supply chain issues “brought about by the ongoing COVID pandemic and global component shortages” despite its mitigation efforts. \textsuperscript{26} Specifically, Mediacom states that while it had anticipated \{\textbf{[redacted]}\} \textsuperscript{27} Mediacom also claims that the Reimbursement Program’s administrative processes to receive reimbursement have been more time-consuming than it expected. \textsuperscript{28} As a result of these three claimed issues, Mediacom now estimates an overall completion date of January 15, 2024. \textsuperscript{30}

8. James Valley Petition. On August 14, 2023, James Valley filed a Petition in ECFS requesting an extension of its removal, replacement, and disposal term from October 8, 2023 to April 8, 2024. \textsuperscript{31} James Valley argues that the lack of full government funding has caused it “to repurpose other reserve funds to be put to use to remove, replace, and destroy its Huawei covered equipment to the

\textsuperscript{19} See generally Mediacom Petition.


\textsuperscript{21} Mediacom Petition at 1-4.

\textsuperscript{22} Id. at 3.

\textsuperscript{23} Id.

\textsuperscript{24} Id.

\textsuperscript{25} Id. at 3-4.

\textsuperscript{26} Id. at 2.

\textsuperscript{27} Id. at 2-3.

\textsuperscript{28} Id.

\textsuperscript{29} Id. at 4.

\textsuperscript{30} Id.

\textsuperscript{31} See generally James Valley Petition.
detriment of the rest of its broadband network that is not reliant on Reimbursement funds.”

This lack of funding, it argues, is “outside James Valley’s control and has resulted in uncertainty, delays, and additional costs,” causing James Valley to seek a six-month extension.

9. **Viaero Petition.** On September 7, 2023, Viaero filed a Petition in ECFS requesting an extension of its removal, replacement, and disposal term from November 18, 2023 to May 18, 2024. Viaero contends that it is a small rural operation and the lack of full funding for the Reimbursement Program accordingly prevents it from completing the removal, replacement, and disposal of covered equipment by its term deadline, and that “[w]ithout additional government funding [it] simply cannot complete” the project. Viaero asserts that the lack of full government funding is a matter outside its control.

10. **Virginia Everywhere Petition.** On September 7, 2023, Virginia Everywhere filed a Petition in ECFS requesting an extension of its removal, replacement, and disposal term from November 8, 2023 to February 8, 2024. Virginia Everywhere contends that workforce shortages and lack of equipment availability have significantly delayed its schedule to remove, replace, and destroy Huawei and ZTE equipment, but that it now has the employees and the equipment to complete its work with a three-month extension.

### III. DISCUSSION

11. For the reasons described below, we find that each Petitioner has established that lack of funding or supply chain issues have impacted it so that, “due to no fault of such recipient, such recipient is unable to complete the permanent removal, replacement, and disposal by the end of the term,” as required by Commission rule 1.50004(h)(2). We therefore grant each Petitioner’s extension request for the reasons explained below. To the extent Petitioners raise additional, independent bases in support of their requests, we find it unnecessary to address their merits in this Order.

12. **Lack of Funding.** We find that WorldCell, Mediacom, James Valley, and Viaero have each made a sufficient showing that they have been impacted by the funding shortfall to an extent sufficient to warrant an extension under Commission rule 1.50004(h)(2). Each Petitioner explains that the lack of full funding has rendered it unable to take necessary actions towards the completion of its respective removal, replacement, and disposal processes. WorldCell’s funding shortfall has materially limited its ability to conduct fulsome price negotiations with vendors, procure essential resources and retain expert level personnel. We agree that these activities, which require the engagement of third-parties, are necessary steps in proceeding with their respective removal, replacement, and disposal plans. James Valley’s funding shortfall has resulted in “uncertainty, delays, and additional costs,” as it has had to reallocate reserve funds away from other parts of its broadband network.

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32 Id. at 2.
33 Id.
34 See generally Viaero Petition.
35 Id. at 2-3.
36 Id. at 3.
37 See generally Virginia Everywhere Petition.
38 Id. at 1.
39 47 CFR § 1.50004(h)(2).
40 WorldCell Petition at 1-2.
41 Mediacom Petition at 3.
42 James Valley Petition at 2.
conclude that such reallocation impacts James Valley’s ability to complete the necessary work. Viaero states that it is “working diligently to install a replacement network,” but that as a small rural operation it lacks the necessary funds to complete the work in a timely fashion, or possibly at all, without more funding. 43

13. Moreover, we find that WorldCell, Mediacom, James Valley, and Viaero bear no fault for being unable to complete their removal, replacement, and disposal obligations by the end of their term because they have acted diligently to mitigate delays caused by the funding shortfall. For example, WorldCell represents that it engaged in “several rounds of negotiations” with its vendors and service providers and has only recently finalized agreements with these parties, and Mediacom similarly explains that it has worked with [ Redacted ] to mitigate delays. 44 James Valley has reallocated funds away from other parts of its network to try to meet its deadline, but even so finds it cannot do so without additional funding from the Reimbursement Program, 45 and Viaero states it has been “working diligently” to install a replacement network but “simply cannot” complete the task without more funding. 46 These efforts demonstrate that each provider experienced delays stemming from factors beyond its control. 47

14. WorldCell’s and Mediacom’s quarterly status updates provide additional context and further support our finding that extensions of their removal, replacement, and disposal terms are appropriate. 48 In their status updates, WorldCell and Mediacom raised the funding shortfall as an issue that did, or that had the potential to, impact the completion of their removal, replacement, and disposal obligations in a manner that is consistent with their extension requests. For example, WorldCell previously reported to the Commission that it was experiencing delays due to a need to “rescope” its work based on its partial funding amount, 49 and that the funding shortfall has resulted in “longer than usual

43 Viaero Petition at 2-3.
44 Mediacom Petition at 3-4.
45 James Valley Petition at 2.
47 In making this determination, we have followed the Commission’s direction and considered any “Commission[] precedent in dealing with similar requests involving wireless facilities under section 1.946 of the Commission’s rules.” 2020 Supply Chain Order, 35 FCC Rcd at 14356, para. 173. We did not identify any requests that would have precedential value in the present circumstances. Further, while section 1.946 generally prohibits an extension when delays are “caused by a failure to obtain financing,” we find this prohibition of section 1.946 inapplicable in the present context. Reimbursement Program recipients received a limited amount of funding at the outset of the program for carrying out their removal, replacement, and disposal activities and the delays associated with the funding shortfall are beyond the Petitioners’ control.
48 47 CFR § 1.50004(k). For clarity, we note that statements made in status reports or spending updates filed in connection with the Reimbursement Program do not, by themselves, constitute official requests for an extension of a removal, replacement, and disposal term or any other relief. Entities seeking an extension of their removal, replacement, and disposal terms should file a formal request in the Commission’s Electronic Comment Filing System (ECFS).
time [frames] to find the right equipment with a lower price.” Mediacom also previously raised delays caused by variables out of its control that mirror those raised in its Petition.

15. Accordingly, for these reasons, we find that WorldCell, Mediacom, James Valley, and Viaero have each established that “due to no fault of such recipient, such recipient is unable to complete the permanent removal, replacement, and disposal by the end of the term,” as required by Commission rule 1.50004(h)(2). We grant WorldCell’s, Mediacom’s, James Valley’s, and Viaero’s requests based on the lack of funding.

16. Supply Chain Issues. Independent of our finding in the prior section regarding WorldCell and Mediacom, and consistent with our prior finding on a similar extension request, we find that WorldCell, Mediacom, and Virginia Everywhere each make a sufficient showing that they have been impacted by supply chain issues to warrant an extension under Commission rule 1.50004(h)(2). Each explains that supply chain issues have made it unable to take specific necessary actions towards the completion of their respective removal, replacement, and disposal obligations. In this regard, we note WorldCell’s explanation that delivery of equipment from one of its vendors has been delayed and that broader disruptions in the timely delivery of equipment and logistical delays have slowed down its removal, replacement, and disposal work as compared to its initial timeline. We similarly acknowledge Mediacom’s explanations that, finally, we note Virginia Everywhere’s explanation that equipment availability and workforce shortages affected its ability to proceed with an equipment replacement program it intended to finish by August 2023, such that the program was only 20% complete at that time. We find that obtaining replacement equipment is a critical aspect of a recipient’s removal, replacement, and disposal process and that the described supply chain issues are impeding the timely completion of that process. Accordingly, we conclude that, due to supply chain issues, WorldCell, Mediacom, and Virginia Everywhere are unable to complete the removal, replacement, and disposal by the end of their current removal, replacement, and disposal terms.

17. In addition, we find that WorldCell, Mediacom, and Virginia Everywhere each bear no fault for failing to comply with their removal, replacement, and disposal obligations by their current

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53 WorldCell Petition at 2.

54 Mediacom Petition at 2-3.

55 Virginia Everywhere Petition at 1.

56 We acknowledge Petitioners’ contentions that service would be interrupted during their current removal, replacement, and disposal terms due to the lack of replacement equipment caused by supply chain delays. See, e.g., Mediacom Petition at 3 (contending that “equipment cannot be removed, services activated [or] subscribers migrated . . . until the replacement equipment is available”); WorldCell Petition at 2 (contending that its network will not be ready for “commercial operation” due to “disruptions in the timely delivery of equipment and logistical delays”).

57 47 CFR § 1.50004(h)(2).
removal replacement, and disposal term deadlines. Each has acted diligently to mitigate delays caused by the supply chain issues outlined in their extension requests. For example, WorldCell explains that it has engaged in “several rounds of negotiations” with its vendors and service providers and that it recently “finalize[d] deals with vendors and service providers after several rounds of negotiations.”\[^{58}\] We similarly note Mediacom’s explanation that \[^{59}\] Virginia Everywhere states that its delays are due to limited equipment availability and workforce shortages,\[^{60}\] which are matters beyond its control. We agree that these providers lack control over delays stemming from supply chain issues and find that WorldCell, Mediacom, and Virginia Everywhere has each demonstrated that the delays are due to factors beyond its control.\[^{61}\]

18. WorldCell’s and Mediacom’s quarterly status updates support their claims of supply chain issues impeding their ability to meet their current removal, replacement, and disposal terms. For example, WorldCell previously reported to the Commission that supply chain issues were leading to delivery lead times of 11 [or more] months and that such delays were making it “extremely difficult to meet the November-2023 deadline.”\[^{62}\] Similarly, Mediacom reported that “supply chain issues brought about by the ongoing COVID pandemic and global component shortages have significantly impacted the ability to procure, install, and make operational commercially available routing, switching, and optical replacement equipment and components.”\[^{63}\]

19. Accordingly, for these reasons, we conclude that WorldCell, Mediacom, and Virginia Everywhere have each established, based on the ongoing supply chain issues, that “due to no fault of such recipient, such recipient is unable to complete the permanent removal, replacement, and disposal by the end of the term” as required by Commission rule 1.50004(h)(2). We grant each of their extension requests on this ground, independent of the funding shortfall issue addressed above.

IV. ORDERING CLAUSES

20. Accordingly, IT IS ORDERED that, pursuant to section 4(i)-(j) of the Communications Act of 1934, as amended, 47 U.S.C. § 154(i)-(j), and sections 0.204, 0.291, and 1.50004(h)(2) of the Commission’s rules, 47 CFR §§ 0.204, 0.291, 1.50004(h)(2), the Petitions for Extensions of term filed by WorldCell, Mediacom, Virginia Everywhere, James Valley, and Viaero are each GRANTED.

21. IT IS FURTHER ORDERED that the removal, replacement, and disposal term for WorldCell under 47 CFR § 1.50004(h)(2) IS EXTENDED to May 20, 2024.

22. IT IS FURTHER ORDERED that the removal, replacement, and disposal term for Mediacom under 47 CFR § 1.50004(h)(2) IS EXTENDED to January 15, 2024.

23. IT IS FURTHER ORDERED that the removal, replacement, and disposal term for

\[^{58}\] WorldCell Petition at 1-2.
\[^{59}\] Mediacom Petition at 2-3.
\[^{60}\] Virginia Everywhere Petition at 1.
\[^{61}\] We note that granting Petitioners the requested extensions on the basis of the supply chain issues is consistent with the principles of Commission rule 1.946. 47 CFR § 1.946. For the reasons already described above, we find that each Petitioner has established that it requires additional time to meet its removal, replacement, and disposal obligations due to “causes beyond its control” despite having acted diligently in an attempt to meet its obligations within its originally assigned removal, replacement, and disposal term. See 47 CFR § 1.946(e)(1)-(2), (4).
\[^{62}\] WorldCell Reimbursement Program Status Update, at 6 (Apr. 13, 2023),
\[^{63}\] Mediacom Reimbursement Program Status Update, at 2 (Jan. 4, 2023),
Virginia Everywhere under 47 CFR § 1.50004(h)(2) IS EXTENDED to February 8, 2024.

24. IT IS FURTHER ORDERED that the removal, replacement, and disposal term for James Valley under 47 CFR § 1.50004(h)(2) IS EXTENDED to April 8, 2024.

25. IT IS FURTHER ORDERED that the removal, replacement, and disposal term for Viaero under 47 CFR § 1.50004(h)(2) IS EXTENDED to May 18, 2024.