WASHINGTON, July 16, 2020—The Federal Communications Commission today took further steps to protect the nation’s communications networks from security risks. Specifically, the Commission began integrating portions of the Secure and Trusted Communications Networks Act (Secure Networks Act), which was enacted in March 2020, into its existing supply chain rulemaking proceeding. In that proceeding, the Commission, in November 2019, unanimously adopted a ban on the use of Universal Service Fund (USF) support to purchase, obtain, or maintain any equipment or services from companies posing a national security threat to communications networks or the communications supply chain.

Today’s Declaratory Ruling finds that the FCC has already fulfilled one of its obligations under the Secure Networks Act. In particular, the Commission finds that, by adopting its November 2019 ban on USF support for equipment and services produced or provided by companies that pose a national security threat, the agency has substantially implemented its obligation under the Secure Networks Act to prohibit the use of federal subsidies for covered communications equipment and services.

The accompanying Second Further Notice of Proposed Rulemaking seeks public comment on implementing various aspects of the Secure Networks Act, including proposals to: (1) create and maintain the list of covered communications equipment and services required by the statute; (2) ban the use of federal subsidies, including USF funding, for any communications equipment or services placed on this list; (3) require all providers of advanced communications services to report on whether they use any covered communications equipment or services; and (4) prevent waste, fraud, and abuse in the reimbursement program that is required by the statute to remove and replace insecure equipment.

Today’s action is part of the Commission’s ongoing efforts to secure the communications supply chain. Last month, the FCC’s Public Safety and Homeland Security Bureau formally designated Huawei Technologies Company and ZTE Corporation and their parents, affiliates, and subsidiaries as covered companies for purposes of the agency’s November 2019 ban. As a result of those designations, money from the FCC’s $8.3 billion a year USF may no longer be used to purchase, obtain, maintain, improve, modify, or otherwise support any equipment or services produced or provided by these two suppliers.

WC Docket No. 18-89

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This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action. See MCI v. FCC, 515 F.2d 385 (D.C. Cir. 1974).