



FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

OFFICE OF THE  
CHAIRWOMAN

May 2, 2024

The Honorable Maria Cantwell  
Chair  
Committee on Commerce, Science, and Transportation  
United States Senate  
428 Dirksen Senate Office Building  
Washington, DC 20510

Dear Madam Chair:

In the Secure and Trusted Communications Networks Act, Congress directed the Federal Communications Commission to establish the Secure and Trusted Communications Networks Reimbursement Program. This program secures our communications networks by supporting the removal, replacement, and disposal of communications equipment and services produced or provided by Huawei Technologies Company or ZTE Corporation. Because the successful implementation of the Reimbursement Program is one of the Commission's top priorities, during the last two years I have provided Congress with seven updates regarding this effort. In my last letter updating you on our progress, dated October 10, 2023, I described the demand for funds from carriers, the size of the funding shortfall, and the request from some program participants for the statutorily-permitted six-month extension of the one-year removal, replacement, and disposal term. I am writing again to continue to provide you with up-to-date information regarding this effort and to emphasize again the urgent need for full funding of the Reimbursement Program.

As you may know, in order to apply for funding from the Reimbursement Program, eligible providers of advanced communications service were required to file applications with the Commission, which were approved or denied on July 15, 2022. These applications were required to include a detailed plan for the complete removal, replacement, and disposal of the Huawei and ZTE equipment and services in their networks; a timeline for completing that plan; and an initial estimate of costs associated with this effort under the Secure and Trusted Communications Networks Act.

As my earlier correspondence explained, were the Commission to fund all reasonable and supported cost estimates in the approved applications, the Reimbursement Program would require approximately \$4.98 billion, reflecting a \$3.08 billion shortfall from the current appropriation of \$1.9 billion. Because the demand for program funds exceeds the appropriation, under the Secure and Trusted Communications Networks Act, the Commission is required to first allocate funding to applicants with two million or fewer customers. These applicants,

known as Priority 1 applicants under the law, will receive prorated support of only 39.5 percent of reasonable costs.<sup>1</sup>

Under the Secure and Trusted Communications Act and Commission rules, applicants approved for funding from the Reimbursement Program were required to submit at least one reimbursement claim to the agency by July 15, 2023 and, subsequently, complete the permanent removal, replacement, and disposal of Huawei and ZTE communications equipment and services in their networks within one year of the initial distribution of reimbursement funds to the recipient.<sup>2</sup> As of April 22, 2024, the Fund Administrator and Wireline Competition Bureau have received 20,482 Reimbursement Claims across 122 of the 126 applications approved for a funding allocation under Priority 1.

As a result, recipients now have deadlines to remove, replace, and dispose all Huawei and ZTE communications equipment and services ranging from May 29, 2024 to February 4, 2025, based on the initial distribution of funds to the recipients.<sup>3</sup> The Secure and Trusted Communications Networks Act gives the Commission the authority to grant individual extensions of up to six months to recipients that are unable to meet the deadline “due to no fault of such recipient.”<sup>4</sup> To date, the Bureau has granted 64 extensions of time—including 52 based in whole or in part on the funding shortfall—to complete the removal and disposal of covered equipment and services associated with a Reimbursement Program application.

The Commission also continues to review the statutorily-required status updates and spending reports submitted by recipients to assess their progress toward the goal of removing insecure communications equipment and services from our nation’s communications networks. In the last few rounds of status updates, recipients have emphasized the difficulties arising from the funding scarcity. Most recently, 64 percent of the status updates filed in April 2024 indicated that the lack of full funding continues to be an obstacle to completing the permanent removal, replacement, and disposal of the covered communications equipment and services in recipients’ networks. In fact, nearly 40 percent of the participants reported that they cannot complete the work required under the Reimbursement Program without additional government funding.

Several recipients have recently informed the Commission that they foresee significant consequences that could result from the lack of full funding, including having to shut down their networks or withdraw from the program. Because Reimbursement Program recipients serve many rural and remote areas of the country where they may be the only mobile broadband service provider, a shutdown of all or part of their networks could eliminate the only provider in some regions. Moreover, the inability of any Reimbursement Program recipient to fully remove, replace, and dispose of its covered equipment and services would raise national security concerns by leaving insecure equipment and services in our networks. Recipients also face other

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challenges resulting from the lack of full funding, including network compatibility issues associated with piecemeal replacement of covered equipment as well vendors that may shift their work to carriers that are not participating in this program.

In light of these concerns, and the need to ensure that our Nation's communications networks are free of this vulnerable and insecure equipment, the Commission stands ready to assist Congress in any efforts to fully fund the Reimbursement Program.

I hope this updated information is helpful. I look forward to continuing to work with you to achieve the goals of the Reimbursement Program and the essential task of securing our Nation's communications networks.

Sincerely,

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Jessica Rosenworcel



FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

OFFICE OF THE  
CHAIRWOMAN

May 2, 2024

The Honorable Ted Cruz  
Ranking Member  
Committee on Commerce, Science, and Transportation  
United States Senate  
512 Hart Senate Office Building  
Washington, DC 20510

Dear Ranking Member Cruz:

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As my earlier correspondence explained, were the Commission to fund all reasonable and supported cost estimates in the approved applications, the Reimbursement Program would require approximately \$4.98 billion, reflecting a \$3.08 billion shortfall from the current appropriation of \$1.9 billion. Because the demand for program funds exceeds the appropriation, under the Secure and Trusted Communications Networks Act, the Commission is required to first allocate funding to applicants with two million or fewer customers. These applicants,

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FEDERAL COMMUNICATIONS COMMISSION  
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CHAIRWOMAN

May 2, 2024

The Honorable Cathy McMorris Rodgers  
Chair  
Committee on Energy and Commerce  
U.S. House of Representatives  
2125 Rayburn House Office Building  
Washington, DC 20515

Dear Madam Chair:

In the Secure and Trusted Communications Networks Act, Congress directed the Federal Communications Commission to establish the Secure and Trusted Communications Networks Reimbursement Program. This program secures our communications networks by supporting the removal, replacement, and disposal of communications equipment and services produced or provided by Huawei Technologies Company or ZTE Corporation. Because the successful implementation of the Reimbursement Program is one of the Commission's top priorities, during the last two years I have provided Congress with seven updates regarding this effort. In my last letter updating you on our progress, dated October 10, 2023, I described the demand for funds from carriers, the size of the funding shortfall, and the request from some program participants for the statutorily-permitted six-month extension of the one-year removal, replacement, and disposal term. I am writing again to continue to provide you with up-to-date information regarding this effort and to emphasize again the urgent need for full funding of the Reimbursement Program.

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FEDERAL COMMUNICATIONS COMMISSION  
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OFFICE OF THE  
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May 2, 2024

The Honorable Frank Pallone  
Ranking Member  
Committee on Energy and Commerce  
U.S. House of Representatives  
2322 Rayburn House Office Building  
Washington, DC 20515

Dear Ranking Member Pallone:

In the Secure and Trusted Communications Networks Act, Congress directed the Federal Communications Commission to establish the Secure and Trusted Communications Networks Reimbursement Program. This program secures our communications networks by supporting the removal, replacement, and disposal of communications equipment and services produced or provided by Huawei Technologies Company or ZTE Corporation. Because the successful implementation of the Reimbursement Program is one of the Commission's top priorities, during the last two years I have provided Congress with seven updates regarding this effort. In my last letter updating you on our progress, dated October 10, 2023, I described the demand for funds from carriers, the size of the funding shortfall, and the request from some program participants for the statutorily-permitted six-month extension of the one-year removal, replacement, and disposal term. I am writing again to continue to provide you with up-to-date information regarding this effort and to emphasize again the urgent need for full funding of the Reimbursement Program.

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FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

OFFICE OF THE  
CHAIRWOMAN

May 2, 2024

The Honorable Chris Van Hollen  
Chairman  
Committee on Appropriations  
Subcommittee on Financial Services and General Government  
United States Senate  
S-128 The Capital Building  
Washington, DC 20510

Dear Chairman Van Hollen:

In the Secure and Trusted Communications Networks Act, Congress directed the Federal Communications Commission to establish the Secure and Trusted Communications Networks Reimbursement Program. This program secures our communications networks by supporting the removal, replacement, and disposal of communications equipment and services produced or provided by Huawei Technologies Company or ZTE Corporation. Because the successful implementation of the Reimbursement Program is one of the Commission's top priorities, during the last two years I have provided Congress with seven updates regarding this effort. In my last letter updating you on our progress, dated October 10, 2023, I described the demand for funds from carriers, the size of the funding shortfall, and the request from some program participants for the statutorily-permitted six-month extension of the one-year removal, replacement, and disposal term. I am writing again to continue to provide you with up-to-date information regarding this effort and to emphasize again the urgent need for full funding of the Reimbursement Program.

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FEDERAL COMMUNICATIONS COMMISSION  
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May 2, 2024

The Honorable Bill Hagerty  
Ranking Member  
Committee on Appropriations  
Subcommittee on Financial Services and General Government  
United States Senate  
125 Hart Senate Office Building  
Washington, DC 20510

Dear Ranking Member Hagerty:

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As a result, recipients now have deadlines to remove, replace, and dispose all Huawei and ZTE communications equipment and services ranging from May 29, 2024 to February 4, 2025, based on the initial distribution of funds to the recipients.<sup>3</sup> The Secure and Trusted Communications Networks Act gives the Commission the authority to grant individual extensions of up to six months to recipients that are unable to meet the deadline “due to no fault of such recipient.”<sup>4</sup> To date, the Bureau has granted 64 extensions of time—including 52 based in whole or in part on the funding shortfall—to complete the removal and disposal of covered equipment and services associated with a Reimbursement Program application.

The Commission also continues to review the statutorily-required status updates and spending reports submitted by recipients to assess their progress toward the goal of removing insecure communications equipment and services from our nation’s communications networks. In the last few rounds of status updates, recipients have emphasized the difficulties arising from the funding scarcity. Most recently, 64 percent of the status updates filed in April 2024 indicated that the lack of full funding continues to be an obstacle to completing the permanent removal, replacement, and disposal of the covered communications equipment and services in recipients’ networks. In fact, nearly 40 percent of the participants reported that they cannot complete the work required under the Reimbursement Program without additional government funding.

Several recipients have recently informed the Commission that they foresee significant consequences that could result from the lack of full funding, including having to shut down their networks or withdraw from the program. Because Reimbursement Program recipients serve many rural and remote areas of the country where they may be the only mobile broadband service provider, a shutdown of all or part of their networks could eliminate the only provider in some regions. Moreover, the inability of any Reimbursement Program recipient to fully remove, replace, and dispose of its covered equipment and services would raise national security concerns by leaving insecure equipment and services in our networks. Recipients also face other

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<sup>2</sup> 47 CFR § 1.50004(g)(1); 47 U.S.C. § 1603(d)(6)(A).

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challenges resulting from the lack of full funding, including network compatibility issues associated with piecemeal replacement of covered equipment as well vendors that may shift their work to carriers that are not participating in this program.

In light of these concerns, and the need to ensure that our Nation's communications networks are free of this vulnerable and insecure equipment, the Commission stands ready to assist Congress in any efforts to fully fund the Reimbursement Program.

I hope this updated information is helpful. I look forward to continuing to work with you to achieve the goals of the Reimbursement Program and the essential task of securing our Nation's communications networks.

Sincerely,

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Jessica Rosenworcel



FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

OFFICE OF THE  
CHAIRWOMAN

May 2, 2024

The Honorable David Joyce  
Chairman  
Committee on Appropriations  
Subcommittee on Financial Services and General Government  
U.S. House of Representatives  
2000 Rayburn House Office Building (G Floor)  
Washington, DC 20515

Dear Chairman Joyce:

In the Secure and Trusted Communications Networks Act, Congress directed the Federal Communications Commission to establish the Secure and Trusted Communications Networks Reimbursement Program. This program secures our communications networks by supporting the removal, replacement, and disposal of communications equipment and services produced or provided by Huawei Technologies Company or ZTE Corporation. Because the successful implementation of the Reimbursement Program is one of the Commission's top priorities, during the last two years I have provided Congress with seven updates regarding this effort. In my last letter updating you on our progress, dated October 10, 2023, I described the demand for funds from carriers, the size of the funding shortfall, and the request from some program participants for the statutorily-permitted six-month extension of the one-year removal, replacement, and disposal term. I am writing again to continue to provide you with up-to-date information regarding this effort and to emphasize again the urgent need for full funding of the Reimbursement Program.

As you may know, in order to apply for funding from the Reimbursement Program, eligible providers of advanced communications service were required to file applications with the Commission, which were approved or denied on July 15, 2022. These applications were required to include a detailed plan for the complete removal, replacement, and disposal of the Huawei and ZTE equipment and services in their networks; a timeline for completing that plan; and an initial estimate of costs associated with this effort under the Secure and Trusted Communications Networks Act.

As my earlier correspondence explained, were the Commission to fund all reasonable and supported cost estimates in the approved applications, the Reimbursement Program would require approximately \$4.98 billion, reflecting a \$3.08 billion shortfall from the current appropriation of \$1.9 billion. Because the demand for program funds exceeds the appropriation, under the Secure and Trusted Communications Networks Act, the Commission is required to first allocate funding to applicants with two million or fewer customers. These applicants,

known as Priority 1 applicants under the law, will receive prorated support of only 39.5 percent of reasonable costs.<sup>1</sup>

Under the Secure and Trusted Communications Act and Commission rules, applicants approved for funding from the Reimbursement Program were required to submit at least one reimbursement claim to the agency by July 15, 2023 and, subsequently, complete the permanent removal, replacement, and disposal of Huawei and ZTE communications equipment and services in their networks within one year of the initial distribution of reimbursement funds to the recipient.<sup>2</sup> As of April 22, 2024, the Fund Administrator and Wireline Competition Bureau have received 20,482 Reimbursement Claims across 122 of the 126 applications approved for a funding allocation under Priority 1.

As a result, recipients now have deadlines to remove, replace, and dispose all Huawei and ZTE communications equipment and services ranging from May 29, 2024 to February 4, 2025, based on the initial distribution of funds to the recipients.<sup>3</sup> The Secure and Trusted Communications Networks Act gives the Commission the authority to grant individual extensions of up to six months to recipients that are unable to meet the deadline “due to no fault of such recipient.”<sup>4</sup> To date, the Bureau has granted 64 extensions of time—including 52 based in whole or in part on the funding shortfall—to complete the removal and disposal of covered equipment and services associated with a Reimbursement Program application.

The Commission also continues to review the statutorily-required status updates and spending reports submitted by recipients to assess their progress toward the goal of removing insecure communications equipment and services from our nation’s communications networks. In the last few rounds of status updates, recipients have emphasized the difficulties arising from the funding scarcity. Most recently, 64 percent of the status updates filed in April 2024 indicated that the lack of full funding continues to be an obstacle to completing the permanent removal, replacement, and disposal of the covered communications equipment and services in recipients’ networks. In fact, nearly 40 percent of the participants reported that they cannot complete the work required under the Reimbursement Program without additional government funding.

Several recipients have recently informed the Commission that they foresee significant consequences that could result from the lack of full funding, including having to shut down their networks or withdraw from the program. Because Reimbursement Program recipients serve many rural and remote areas of the country where they may be the only mobile broadband service provider, a shutdown of all or part of their networks could eliminate the only provider in some regions. Moreover, the inability of any Reimbursement Program recipient to fully remove, replace, and dispose of its covered equipment and services would raise national security concerns by leaving insecure equipment and services in our networks. Recipients also face other

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FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

OFFICE OF THE  
CHAIRWOMAN

May 2, 2024

The Honorable Steny H. Hoyer  
Ranking Member  
Committee on Appropriations  
Subcommittee on Financial Services and General Government  
U.S. House of Representatives  
1036 Longworth Office Building  
Washington, DC 20515

Dear Ranking Member Hoyer:

In the Secure and Trusted Communications Networks Act, Congress directed the Federal Communications Commission to establish the Secure and Trusted Communications Networks Reimbursement Program. This program secures our communications networks by supporting the removal, replacement, and disposal of communications equipment and services produced or provided by Huawei Technologies Company or ZTE Corporation. Because the successful implementation of the Reimbursement Program is one of the Commission's top priorities, during the last two years I have provided Congress with seven updates regarding this effort. In my last letter updating you on our progress, dated October 10, 2023, I described the demand for funds from carriers, the size of the funding shortfall, and the request from some program participants for the statutorily-permitted six-month extension of the one-year removal, replacement, and disposal term. I am writing again to continue to provide you with up-to-date information regarding this effort and to emphasize again the urgent need for full funding of the Reimbursement Program.

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