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**For Immediate Release**

**FCC CHAIRWOMAN UPDATES CONGRESS ON FUNDING  
SHORTFALL FOR REMOVING INSECURE EQUIPMENT FROM  
COMMUNICATIONS NETWORKS**

WASHINGTON, May 2, 2024—FCC Chairwoman Jessica Rosenworcel wrote to Congress again today about a more than \$3 billion funding shortfall in the FCC’s “rip and replace” program to secure America’s communications networks by removing, replacing, and disposing of communications equipment and services produced or provided by Huawei Technologies Company or ZTE Corporation. The Secure and Trusted Communications Networks Act requires this removal, replacement, and disposal, and established the FCC’s reimbursement program which has only been appropriated \$1.9 billion toward the approximately \$4.98 billion in reimbursable costs.

The Chairwoman detailed in her letter the risks to national security, network reliability, and small businesses should the program funding fall short of achieve its goals.

“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. The successful implementation of the Reimbursement Program is one of the Commission’s top priorities,” **wrote Chairwoman Rosenworcel**. “I am writing ... to emphasize again the urgent need for full funding of the Reimbursement Program.”

As the [letter](#) details, nearly 40% of the participants reported that they cannot complete the necessary “rip and replace” work without additional government funding. Several recipients have informed the Commission that the funding shortfall could result in the shutdown of their networks or a need to withdraw from the program. Because 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.

Given the funding shortfall, the Commission is required to first allocate funding to applicants with two million or fewer customers. These applicants will receive prorated support of only 39.5% of reasonable costs. The inability of program participants to fully remove, replace, and dispose of its covered equipment and services would also raise national security concerns by leaving insecure equipment and services in U.S. networks. It could also raise 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 July 2022, the Commission announced the approved program applicants, all of which provided detailed plans for their “rip and replace” work and initial cost estimates. Those applicants then submitted at least one reimbursement claim by July 2023 and were required to complete the work within one year of the initial distribution of reimbursement funds to the

recipient. The program has received over 20,000 reimbursement claims across 122 of the 126 applications approved for funding, and the agency has granted 64 extensions of time to complete their “rip and replace” obligations—including 52 based in whole or in part on the funding shortfall.

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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).*