



Secure and Trusted Communications Networks Reimbursement Program Seventh Report

**Prepared by the:
Wireline Competition Bureau**

**Submitted to the:
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I. INTRODUCTION

In the Secure and Trusted Communications Networks Act of 2019 (Secure Networks Act or Act), Congress directed the Federal Communications Commission (Commission) to establish the Secure and Trusted Communications Networks Reimbursement Program (Reimbursement Program or Program) to reimburse eligible providers of advanced communications service for costs reasonably incurred to remove, replace, and dispose of communications equipment and services in their networks that pose national security risks.¹ The Secure Networks Act further directed the Commission to report to Congress, every 180 days, on both (1) “the implementation of the [Reimbursement] Program by the Commission”² and (2) “the work by recipients of reimbursements under the [Reimbursement] Program to permanently remove, replace, and dispose of covered communications equipment or services” in their networks.³

On January 10, 2023, the Wireline Competition Bureau (Bureau) submitted the First Report to Congress.⁴ In the First Report to Congress, the Bureau identified the steps the Commission had already taken to implement the Reimbursement Program, including: (1) establishing an application process and issuing funding allocation approvals;⁵ (2) reviewing Reimbursement Claims submitted by Reimbursement Program recipients;⁶ (3) guarding the Reimbursement Program from waste, fraud, and abuse;⁷ and (4) providing education and outreach about the Reimbursement Program to providers of advanced communications services.⁸ The First Report to Congress further explained that, based on required submissions from recipients, “many Reimbursement Program participants [had] begun some work toward permanently removing, replacing, and disposing of the covered communications equipment and services in their networks . . . [but were facing] certain challenges that may hinder their ability to start or complete that work, generally and within the time allowed by the Secure and Trusted Communications Networks Act of 2019 and the Commission’s rules,”⁹ particularly lack of sufficient funding.¹⁰ The Bureau has subsequently submitted five additional Reports to Congress describing the Bureau’s ongoing review of Reimbursement Claims and noting that recipients continued to identify challenges that hindered their

¹ Secure and Trusted Communications Networks Act of 2019, Pub. L. No. 116-124, 133 Stat. 158 (2020) (codified as amended at 47 U.S.C. §§ 1601–09).

² *Id.* at § 1603(d)(8)(C)(i).

³ *Id.* at § 1603(d)(8)(C)(ii). The Secure and Trusted Communications Networks Act defines a “recipient” as “any provider of advanced communications service the application of which for a reimbursement under the Program has been approved by the Commission, regardless of whether the provider has received reimbursement funds.” *Id.* at § 1608(11). Accordingly, this report refers to providers that submitted approved applications as “recipients.”

⁴ Wireline Competition Bureau, Secure and Trusted Communications Networks Reimbursement Program Report (Jan. 11, 2023), <https://www.fcc.gov/document/supply-chain-reimbursement-program-report> (First Report to Congress).

⁵ *Id.* at 1-6.

⁶ *Id.* at 6-8.

⁷ *Id.* at 8-11.

⁸ *Id.* at 12-14.

⁹ *Id.* at 12.

¹⁰ *Id.* at 15. In 2020, Congress passed the Consolidated Appropriations Act, 2021, which amended the Secure and Trusted Communications Networks Act and appropriated \$1.9 billion to the Commission to “carry out” the Secure and Trusted Communications Networks Act. Consolidated Appropriations Act, 2021, Pub. L. No. 116-260, § 906, 134 Stat. 1182 (2020) (CAA). The \$1.9 billion allocation was \$3.08 billion less than the \$4.98 billion in approved and reasonable cost estimates submitted in applications to the Program. As discussed below, in December 2024 Congress authorized more funding for the Program to address the funding shortfall.

ability to complete the work, including lack of funding, supply chain delays, labor shortages, and weather-related issues.¹¹

The Bureau now submits this Seventh Report to Congress to explain the additional steps the Commission has taken since June 2025 to implement the Reimbursement Program and to provide an update on recipient progress toward removal, replacement, and disposal of covered communications equipment and services in the intervening months.¹² The Bureau is pleased to report that Reimbursement Program recipients continue to progress with their plans to permanently remove, replace, and dispose of covered communications equipment and services. As of the date of this Report, recipients have filed final certifications for 13 of the 126 applications, indicating that they have permanently removed, replaced, and disposed of all covered communications equipment and services that were in their networks as of the date they submitted their applications to the Reimbursement Program. As of the date of this Report, 13 recipients have initiated the closeout process and seven recipients have completed the closeout process, indicating compliance with all requirements and certifications necessary to finish their participation in the Program.

II. DISCUSSION

A. Report on the Commission's Implementation of the Reimbursement Program

The Bureau has received and reviewed the twelfth and thirteenth rounds of status updates submitted by Reimbursement Program recipients on or around July 2, 2025 and September 30, 2025¹³ to monitor progress made on the recipients' projects, as well as the sixth round of spending reports submitted by recipients on or around August 10, 2025.¹⁴ The following sections discuss the information gained from these filings as well as other recent positive developments in the Reimbursement Program.

1. Allocation of Additional Funding and Establishment of New Deadlines

The 2025 NDAA authorized the Commission to borrow up to \$3.08 billion to carry out the Program,¹⁵ in addition to the \$1.9 billion appropriated in 2021. The Commission borrowed the full \$3.08 billion from the United States Treasury in March of 2025. On April 15, 2025, the Bureau and the Office

¹¹ Wireline Competition Bureau, Secure and Trusted Communications Networks Reimbursement Program Second Report, at 8-9 (July 10, 2023), <https://www.fcc.gov/document/supply-chain-reimbursement-program-second-report> (Second Report to Congress); Wireline Competition Bureau, Secure and Trusted Communications Networks Reimbursement Program Third Report (Jan. 5, 2024), <https://www.fcc.gov/document/supply-chain-reimbursement-program-report> (Third Report to Congress); Wireline Competition Bureau, Secure and Trusted Communications Networks Reimbursement Program Fourth Report (July 1, 2024), <https://www.fcc.gov/document/supply-chain-reimbursement-program-fourth-report> (Fourth Report to Congress); Wireline Competition Bureau, Secure and Trusted Communications Networks Reimbursement Program Fifth Report (Dec. 30, 2024), <https://www.fcc.gov/document/supply-chain-reimbursement-program-fifth-report> (Fifth Report to Congress); Wireline Competition Bureau, Secure and Trusted Communications Networks Reimbursement Program Sixth Report to Congress (June 30, 2025), <https://www.fcc.gov/document/supply-chain-reimbursement-program-sixth-report> (Sixth Report to Congress).

¹² 47 CFR § 1.50004(k)(3) (delegating to the Bureau the obligation to prepare the report to Congress required by 47 U.S.C. § 1603(d)(8)(C)).

¹³ FCC, Secure and Trusted Communications Networks Act Reimbursement Program – Status Updates, <https://www.fcc.gov/supplychain/reimbursement> (last visited December 16, 2025).

¹⁴ FCC, Secure and Trusted Communications Networks Act Reimbursement Program – Spending Reports, <https://www.fcc.gov/supplychain/reimbursement> (last visited December 16, 2025).

¹⁵ Servicemember Quality of Life Improvement and National Defense Authorization Act for Fiscal Year 2025, Pub. L. 118-159, § 5404(c)(1), 118th Cong. (2024) (2025 NDAA).

of Managing Director made available a further allocation of funding to Priority 1 recipients¹⁶ other than those that had completed all required work and completed the closeout process without using all of their initial allocation.¹⁷ The further allocation included funds from the amount borrowed under the 2025 NDAA and brought each Priority 1 recipient's total allocation up to 100% of its original approved cost estimates. With this further allocation, recipients should be able to move swiftly to fulfill their removal, replacement, and disposal work under the Secure Networks Act and Program rules.¹⁸

As part of the allocation process, the Bureau made an initial distribution to each active Priority 1 recipient from the NDAA allocation on May 8, 2025, initiating a one-year term for each active Priority 1 recipient to complete the work of removing, replacing, and disposing of covered communications equipment and services in its network. Each active Priority 1 recipient must now meet a deadline of May 8, 2026 to complete its work under the Program. In addition, on April 24, 2025, the Bureau granted applications to the Program filed by Level 3 Communications Inc. (Level 3) that previously were denied due to lack of funding, and the Bureau and Office of Managing Director (OMD) allocated to Level 3 the remaining available funds from the amount borrowed under the 2025 NDAA, which totaled 29.79% of its original approved cost estimates. Level 3 has one year from the date of the first disbursement of funds from that allocation to complete its removal, replacement, and disposal work for each application, meaning the RRD deadline for each of its applications will be sometime after the May 8, 2026 deadline for active Priority 1 recipients.

Now that the Reimbursement Program has additional funding, the Bureau expects all Priority 1 recipients to complete their work expeditiously and no later than the May 8, 2026 deadline. While the Bureau has granted individual extension requests pursuant to the Secure Networks Act due to factors beyond certain recipients' control, the Bureau expects that now with both full funding¹⁹ and a new deadline for completion of all required work, extension requests will decline. The Bureau has informed recipients that it will scrutinize any future requests in light of these changed circumstances.²⁰

2. The Bureau's Review of Reimbursement Claims and Status of Claim Filings

Over the past six months, the Bureau has continued to review Reimbursement Claims submitted by recipients and disburse funds within the approved funding allocations for costs reasonably incurred to remove, replace, and dispose of covered communications equipment and services. As of November 30, 2025, the Fund Administrator and Bureau had received 50,371 Reimbursement Claims. Also as of November 30, 2025, the Bureau and OMD had approved \$1,335,186,627.13 in Reimbursement Claims for which funds have been fully disbursed to recipients or are in the process of being disbursed through the U.S. Treasury.

The Fund Administrator,²¹ the Bureau, and OMD evaluate Reimbursement Claims based on

¹⁶ A "Priority 1" recipient is one with two million or fewer customers at the time it applied to the Program. 47 CFR § 1.50004(f).

¹⁷ *Wireline Competition Bureau Announces Availability of Additional Funding for the Rip-And-Replace Program*, WC Docket No. 18-89, Public Notice DA 25-342 (WCB Apr. 15, 2025) (*Further Allocation Public Notice*).

¹⁸ *Id.*

¹⁹ "Full funding" refers to the full amount of reasonable and supported cost estimates submitted by approved applicants with their applications to the Program.

²⁰ *Streamlined Resolution of Requests Under the Secure and Trusted Communications Networks Reimbursement Program*, WC Docket No. 18-89, Public Notice, DA 25-157, at 3-4 (WCB Feb. 21, 2025)..

²¹ On April 28, 2021, the Bureau announced the selection of Ernst & Young LLP as the Reimbursement Program Fund Administrator to assist the Bureau with processing applications and administering the Reimbursement Program. *Wireline Competition Bureau Announces Selection of the Secure and Trusted Communications Networks Reimbursement Program Fund Administrator*, WC Docket No. 18-89, Public Notice, 36 FCC Rcd 7600 (WCB 2021).

information provided by the Reimbursement Program recipient.²² The reviewers examine expenses submitted for reimbursement to determine whether they are “reasonably incurred” for the removal, replacement, and disposal of covered communications equipment and services,²³ which the Fund Administrator and the Bureau evaluate on a case-by-case basis by considering, among other things: (1) whether the cost is typically incurred when transitioning from covered communications equipment or services to a replacement; (2) the cost relative to alternative equipment and services; and (3) the capabilities and functions performed by the replacement equipment and services as compared to the equipment and services removed.²⁴ During their review, the Fund Administrator and Bureau compare the Reimbursement Claim to the price ranges in the Cost Catalog previously issued by the Bureau;²⁵ review supporting invoice documentation, paying particular attention to potential discrepancies and any indication that the invoice is not fully supported; consider any additional justification or explanation submitted by the recipient; and seek any additional necessary information from recipients. To obtain any additional needed information, the Fund Administrator submits requests for information to the recipient.²⁶ This process is designed to allow reasonably incurred expenses to be paid while guarding the Reimbursement Program against waste, fraud, and abuse.²⁷

As of November 30, 2025, 13 recipients have submitted a final certification for specific applications indicating that the recipient has “permanently removed from its communications network, replaced, and disposed of (or is in the process of permanently removing, replacing, and disposing of) all covered communications equipment or services that were in [its] network . . . as of the date of the submission of [its] application.”²⁸ After the end of a recipient’s removal, replacement, and disposal term,

²² See, e.g., FCC, *Secure and Trusted Communications Networks Reimbursement Program FCC Form 5640 Part G and Modifications of FCC Form 5640 Part C User Guide* (Sept. 12, 2022), <https://www.fcc.gov/sites/default/files/supply-chain-user-guide-09122022.pdf> (Sept. 2022 User Guide).

²³ 47 CFR § 1.50004(g); see *Protecting Against National Security Threats to the Communications Supply Chain Through FCC Programs*, WC Docket No. 18-89, Third Report and Order, 36 FCC Rcd 11958, 11992-96, paras. 86-94 (2021) (*2021 Supply Chain Order*); *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, 14334-36, paras. 118-21 (2020) (*2020 Supply Chain Order*).

²⁴ See *2021 Supply Chain Order*, 36 FCC Rcd at 11992-96, paras. 85-94; *2020 Supply Chain Order*, 35 FCC Rcd at 14334-36, paras. 118-20.

²⁵ See 47 CFR § 1.50004(c)(1)(i) (“Eligible providers may rely upon the predetermined estimated costs identified in the Catalog of Expenses Eligible for Reimbursement made available by the Wireline Competition Bureau.”); *Wireline Competition Bureau Finalizes Application Filings, Procedures, Cost Catalog, and Replacement List for the Secure and Trusted Communications Networks Reimbursement Program*, WC Docket No. 18-89, Public Notice, 36 FCC Rcd 12190, 12215, para. 73 (WCB 2021) (*Finalized Procedures Public Notice*) (adopting Cost Catalog). The Cost Catalog was created for applicants to rely on, where applicable, when submitting cost estimates in their applications, and to provide additional guidance regarding whether certain costs are reasonably incurred and reimbursable under the Reimbursement Program. Eligible providers that submitted their own cost estimates, rather than relying on the Cost Catalog, were required to submit supporting documentation and certify that the estimates were made in good faith. *Id.*

²⁶ *Finalized Procedures Public Notice*, 36 FCC Rcd at 12203-04, para. 37.

²⁷ For further information on the Reimbursement Claim review process, see First Report to Congress at 7-8.

²⁸ 47 CFR § 1.50004(m)(1). This figure is lower than the number of final certifications reported in the Sixth Report to Congress. Recipients that submitted a final certification prior to the further allocation from the 2025 NDAA are permitted to submit additional reimbursement claim requests and perform additional RRD work within the period allowed by Commission rules. *Secure and Trusted Communications Networks Reimbursement Program: Frequently Asked Questions*, at 39-40 (updated as of Aug. 19, 2025), available at <https://www.fcc.gov/supplychain/reimbursement>. These recipients must file an updated final certification when they have completed any additional RRD work made possible by these funds. *Id.* As a result, the Bureau anticipates

(continued....)

it has 120 days to submit all remaining invoices.²⁹ Once a recipient files all of its invoices or the period for submitting invoices expires, the recipient can initiate the closeout process. This involves providing information to the Fund Administrator and Bureau for a final review before winding down the recipient's participation in the Reimbursement Program (subject to any later audits). As of November 30, 2025, recipients have completed closeout for seven of the 126 approved Priority 1 applications.

3. Reporting and Other Measures to Guard Against Waste, Fraud, and Abuse

The Secure Networks Act requires Reimbursement Program recipients to file certain reports to keep the Commission apprised of their progress in permanently removing, replacing, and disposing of the covered communications equipment and services in their networks, and directs the Commission to “tak[e] all necessary steps to avoid waste, fraud, and abuse with respect to the [Reimbursement] Program.”³⁰ The Act also requires the Commission to conduct audits, reviews, and field investigations to ensure that recipients are complying with the Reimbursement Program's requirements and performing all work required to permanently remove, replace, and dispose of their covered communications equipment and services.³¹ The Commission has established a compliance plan for the Reimbursement Program that includes audits and field investigations. Under the Commission's rules, if a Reimbursement Program recipient violates the Secure Networks Act, the Commission's rules implementing the statute, or the commitments made by the recipient in its application for reimbursement, the recipient shall be required to repay all funds received, be barred from further participation in the Reimbursement Program, be referred to appropriate law enforcement agencies for further action under applicable criminal and civil law, and may be barred by the Commission from participating in other Commission programs, including federal universal service support programs.³² As described below, recipients continue to submit reports as required by the statute, and the Commission has developed measures to monitor and investigate their compliance with the Secure Networks Act, the Commission's rules, and Reimbursement Program procedures.

a. Status Updates

The Secure Networks Act requires recipients to submit “[n]ot less frequently than once every 90 days beginning on the date on which the Commission approves an application for a reimbursement under the [Reimbursement] Program . . . a status update on the work of the recipient to permanently remove, replace, and dispose of the covered communications equipment or services.”³³ To comply with this requirement, recipients are required to report on the efforts undertaken and challenges encountered in performing that work,³⁴ as well as whether the recipient has: (1) fully complied with, or is in the process of complying with, all requirements of the Reimbursement Program; (2) fully complied with, or is in the process of complying with, the commitments made in the recipient's application; (3) permanently removed from its communications network, replaced, and disposed of, or is in the process of permanently removing, replacing, and disposing of, all covered communications equipment or services that were in the recipient's network as of the date of the submission of the recipient's application; and (4) fully complied

receiving multiple final certifications from many recipients, but for purposes of this report is including only recipients that filed a final certification and completed closeout before the additional funding, or that filed a final certification after receiving the additional funding.

²⁹ *Id.* at § 1.50004(g)(2). A recipient can extend this period by 120 days if necessary. *Id.* at § 1.50004(g)(3).

³⁰ 47 U.S.C. § 1603(e)(1).

³¹ *Id.* at § 1603(e)(3)(A)-(B).

³² 47 CFR § 1.50005.

³³ 47 U.S.C. § 1603(d)(8)(A).

³⁴ 47 CFR § 1.50004(k)(1)(i).

with, or is in the process of complying with, the timeline submitted by the recipient in its application.³⁵ Recipients must also report in detail on the availability of replacement equipment in the marketplace so the Commission can assess whether at any point in the Program, a general, six-month extension permitted by the statute is appropriate.³⁶ Lastly, each status update must include a certification that affirms the accuracy of the information in the update.³⁷

Pursuant to the Commission's rules implementing the status update requirement in the Secure Networks Act, recipients must submit these status updates every 90 days, with the first status update due 90 days after the approval of applications to the Program.³⁸ Since the Sixth Report to Congress, status updates were due on or around July 2, 2025 and September 30, 2025.³⁹ Recipients must submit these status updates until they have filed a final certification indicating completion of the removal, replacement, and disposal work. With the allocation of additional funding, the dates for the status updates may extend for many Priority 1 recipients through May 2026. Recipients are required to submit their status updates via a module on the Reimbursement Program Online Portal. As required by the Secure Networks Act,⁴⁰ the Bureau has made and will continue to make the status updates publicly available on the Commission's website, consistent with confidentiality concerns.⁴¹

b. Spending Reports

The Secure Networks Act directed the Commission to "require recipients of reimbursement under the [Reimbursement] Program to submit to the Commission on a regular basis reports regarding how reimbursement funds have been spent, including detailed accounting of the covered communications equipment or services permanently removed and disposed of, and the replacement equipment or services purchased, rented, leased, or otherwise obtained, using reimbursement funds."⁴² The Commission determined that "requiring filings twice a year will provide information with sufficient frequency to allow the Commission to monitor against waste, fraud, and abuse while mitigating the reporting burden on recipients."⁴³ It thus required that recipients submit spending reports "within 10 calendar days after the end of January and July, starting with the recipient's initial draw down of disbursement funds and terminating once the recipient has filed a spending report showing the expenditure of all funds received as compared to the estimated costs submitted."⁴⁴ The Commission required a "final spending report . . .

³⁵ *Id.* at §§ 1.50004(k)(1)(iii)-(vi). Removal, replacement, and disposal timelines submitted to the Commission must comport with the recipient's deadline to complete the permanent removal, replacement, and disposal of covered communications equipment and services. 47 U.S.C. § 1603(d)(6)(A); 47 CFR § 1.50004(h).

³⁶ 47 CFR § 1.50004(k)(1)(ii); *see 2020 Supply Chain Order*, 35 FCC Rcd at 14359, para. 183.

³⁷ *2020 Supply Chain Order*, 35 FCC Rcd at 14359, para. 184.

³⁸ 47 CFR § 1.50004(k); *see 2020 Supply Chain Order*, 35 FCC Rcd at 14359, para. 183 ("Although the statute allows us to require more frequently filed updates, we find an update every 90 days sufficient to keep the Commission informed of ongoing developments while not unduly burdening program recipients and diverting limited administrative resources away from the network transition process.").

³⁹ *See Wireline Competition Bureau Reminds Rip-and-Replace Program Recipients of Their July 2, 2025 Status Update Filing Obligation*, WC Docket No. 18-89, Public Notice, DA 25-462 (WCB June 2, 2025).

⁴⁰ 47 U.S.C. § 1603(d)(8)(B).

⁴¹ *See FCC, Protecting Against National Security Threats to the Communications Supply Chain Through FCC Programs*, <https://www.fcc.gov/supplychain/reimbursement> (last visited December 16, 2025).

⁴² 47 U.S.C. § 1603(e)(2).

⁴³ *2020 Supply Chain Order*, 35 FCC Rcd at 14360, para. 188.

⁴⁴ 47 CFR § 1.50004(l); *2020 Supply Chain Order*, 35 FCC Rcd at 14360, para. 188.

following the filing of a final certification by the recipient.”⁴⁵

Recipients that have received their initial disbursements of Reimbursement Program funds were required to submit their spending reports through the Reimbursement Program Online Portal, and will be required to do so for subsequent spending reports as they are due. Most recently, the sixth spending reports covered a reporting period ending June 30, 2025 and were due on August 10, 2025.⁴⁶

Based on the most recent spending reports, through June 30, 2025, recipients reported \$1.4 billion in reimbursement funds spent since their initial draw down of reimbursement funds.⁴⁷ The Bureau has made and will continue to make information from the filed spending reports publicly available on the Commission’s website, consistent with confidentiality concerns.⁴⁸

B. Report on Work by Reimbursement Program Recipients to Permanently Remove, Replace, and Dispose of Covered Communications Equipment or Services

As discussed below, information received from Reimbursement Program recipients in their required status updates since the Sixth Report to Congress indicates that Reimbursement Program recipients are continuing to work toward permanently removing, replacing, and disposing of the covered communications equipment and services in their networks. Consistent with all prior status updates, recipients continue to indicate that they are facing certain challenges that may hinder their ability to complete that work, both in general and within the time allowed by the Secure Networks Act and the Commission’s rules.

1. Progress Towards Completion of Removal, Replacement, and Disposal Plans

In the twelfth and thirteenth round of status updates, Reimbursement Program recipients were required to describe the ongoing progress of their work to permanently remove, replace, and dispose of the covered communications equipment and services that were in their networks at the time they submitted their applications. Based on the most recent round of status reports and final certifications, the Bureau estimates that Priority 1 recipients have completed the permanent removal, replacement, and disposal of *all* of the covered communications equipment and services for 21% of their applications.⁴⁹ Remaining recipients continue to make progress in their overall removal, replacement, and disposal plan but have not completed this work.

2. Challenges Encountered

As the Bureau indicated in the Sixth Report to Congress, immediately prior to receiving their further allocations in April 2025, Reimbursement Program recipients continued to report in their status updates that they are experiencing five main challenges in their efforts to permanently remove, replace, and dispose of covered communications equipment and services in their networks: (1) lack of full

⁴⁵ 47 CFR § 1.50004(l)(1); *2020 Supply Chain Order*, 35 FCC Rcd at 14360, para. 188. The Commission further clarified that it “expect[s] program participants to submit the final spending report no later than 60 days following the expiration of the program participant’s reimbursement claim deadline.” *2021 Supply Chain Order*, 36 FCC Rcd at 12000, para. 105.

⁴⁶ *Wireline Competition Bureau Reminds Secure and Trusted Communications Networks Reimbursement Program Recipients of Their Spending Report Filing Obligation*, WC Docket No. 18-89, Public Notice, DA 25-34 (WCB Jan. 10, 2025).

⁴⁷ See FCC, Secure and Trusted Communications Networks Act Reimbursement Program – Spending Reports, <https://www.fcc.gov/supplychain/reimbursement> (last visited December 16, 2025).

⁴⁸ See 47 CFR § 1.50004(l)(3) (directing the Bureau to “make versions of the spending reports available on the Commission’s website subject to confidentiality concerns consistent with the Commission’s rules”).

⁴⁹ This figure includes recipients that have filed a final certification plus 23 recipients that have indicated completion in their status updates but have not yet filed a final certification.

funding; (2) supply chain delays; (3) labor shortages; (4) weather-related challenges; and (5) review times in the processing of requests for reimbursement.

a. Lack of Funding

As explained in the previous reports to Congress,⁵⁰ the Bureau was required to prioritize and prorate allocations when it approved Reimbursement Program applications in July 2022.⁵¹ As a result, Reimbursement Program recipients initially received allocations covering approximately 39.5% of the cost estimates in their applications that were deemed reasonable and supported.⁵² Notwithstanding this initial funding shortfall, recipients remained subject to the requirement in the Secure Networks Act that they remove all of the covered communications equipment and services in their networks as of the date they submitted their applications.⁵³ The Bureau is pleased to report that lack of funding is no longer cited by recipients as an obstacle to complete the necessary work to remove, replace, and dispose of covered communications equipment and services.

b. Supply Chain Delays

Reimbursement Program recipients continue to express concern about the ability to obtain replacement equipment and services on schedule due to supply chain delays. Specifically, approximately 17% of recipients reported some challenges with securing replacement equipment in their most recent status updates, a decrease from the approximately 39% of recipients that had indicated this when the Bureau submitted the Sixth Report to Congress.⁵⁴ Recipients continue to assert the same types of supply chain challenges, including long delays between the ordering and shipment of replacement equipment or the delivery of services, price increases since the recipient initially filed its application and accompanying cost estimates, and increased competition for replacement equipment and services leading to diminished availability.

c. Labor Shortages and Weather Impacts

Reimbursement Program recipients also report experiencing other circumstances that impact their ability to complete the removal, replacement, and disposal of covered communications equipment and services within the one-year time frame. Approximately 9% of recipients reported challenges with labor shortages in their most recent status updates, which reflects no change from the Sixth Report to Congress. Approximately 4% of recipients reported challenges with weather that impacted their efforts to work toward the removal, replacement, and disposal of covered communications equipment and services in their most recent status updates, which reflects a decrease from the 17% of recipients that reported such challenges in the Sixth Report to Congress.

d. Review Times in Processing Claims for Reimbursement

In their most recent status updates, some recipients continued to express concerns related to the

⁵⁰ See First Report to Congress at 4-6; Second Report to Congress at 2; Third Report to Congress at 3; Fourth Report to Congress at 3; Fifth Report to Congress at 3, Sixth Report to Congress at 3.

⁵¹ See 47 U.S.C. § 1603(d)(5)(C); *see also* 47 CFR § 1.50004(f); 47 U.S.C. § 1603(d)(5)(A) (“[T]he Commission shall make reasonable efforts to ensure that reimbursement funds are distributed equitably among all applicants for reimbursements under the Program according to the needs of the applicants, as identified by the applications of the applicants.”).

⁵² First Report to Congress at 6.

⁵³ 47 U.S.C. § 1603(e)(4)(A)(iii) (requiring recipients to file a final certification stating that they have “permanently removed from the communications network of the recipient, replaced, and disposed of . . . all covered communications equipment or services that were in the network of the recipient as of the date of the submission of the application of the recipient for the reimbursement”).

⁵⁴ Sixth Report to Congress at 10.

processing of claims for reimbursement, although that number continues to decrease from prior status updates. In the Fourth Report to Congress, the Bureau outlined several process improvements implemented to expedite the review of Reimbursement Claims, all of which have continued to speed processing times,⁵⁵ and as outlined below, the Bureau has continued to meet its performance goals. A significant factor in processing time continues to be how promptly recipients respond to requests by the Fund Administrator and the Bureau to address insufficiencies in supporting documentation associated with individual Reimbursement Claims.⁵⁶ This review and request for additional detail is a crucial step in our effort to protect the integrity of the Program. It also is necessary to ensure recipients are complying with the Reimbursement Program's requirements and performing all work required to permanently remove, replace, and dispose of their covered communications equipment and services. The Fund Administrator continues to undertake a focused review for each submitted Reimbursement Claim and communicates as required with each recipient to address questions and to ensure that Reimbursement Claims are processed in a timely manner consistent with all Program requirements.

3. Compliance with Project Timelines

Recipients are required to address in their status reports whether they have fully complied with or are in the process of complying with the timelines submitted with their applications for the permanent removal, replacement, and disposal of the covered communications equipment and services in their networks.⁵⁷

Approximately 77% of recipients indicated that they have fully complied with, or are in the process of complying with, the timelines submitted with their applications, an increase from the estimated 67% of recipients that indicated this at the time the Bureau submitted the Sixth Report to Congress.⁵⁸

C. Performance Goals and Measures

In establishing the Program, the Commission set out three goals to guide the Program's processes. First, the Commission set a goal to "create a simple and straightforward process, providing certainty to participants while minimizing the costs associated with reimbursement and the administrative burden on both affected parties and the Commission."⁵⁹ Second, the Commission decided that "the reimbursement mechanism should facilitate the prompt and efficient distribution of funds for the expeditious removal, replacement, and disposal of covered communications equipment and services posing a national security risk from the networks of participating providers."⁶⁰ Third, the Commission set a goal that "the program should fairly cover the eligible costs reasonably incurred for reimbursement and include measures to

⁵⁵ Fourth Report to Congress at 11-12.

⁵⁶ *Id.* at 11.

⁵⁷ See 47 CFR § 1.50004(k)(1)(vi) (requiring status update to address whether the recipient "has fully complied with (or is in the process of complying with) the timeline submitted by the recipient"); see also 47 U.S.C. § 1603(d)(8)(A) (establishing general requirement that recipients submit status updates).

⁵⁸ Sixth Report to Congress at 10. The remaining recipients indicated the timelines submitted with their applications were no longer valid, typically due to factors such as the initial funding shortfall, supply chain delays, weather-driven delays, or difficulty in obtaining permits. Reimbursement Program recipients may modify their removal, replacement, and disposal plans and timelines to take into account factors that have changed since they filed their applications. Accordingly, a statement in a status update that a timeline submitted with an application is no longer valid does not necessarily mean that the recipient is out of compliance with Reimbursement Program requirements. Importantly, no modification request or approval of such request can extend the deadline by which recipients must complete the permanent removal, replacement, and disposal of the covered communications equipment and services in their networks under the Secure Networks Act and the Commission's rules, and recipients are reminded of this fact when the Fund Administrator and Bureau review modification requests.

⁵⁹ 2020 Supply Chain Order, 35 FCC Rcd at 14344, para. 142.

⁶⁰ *Id.*

prevent waste, fraud, and abuse.”⁶¹ As the Secure Networks Act instructs the Commission, “[i]n developing the application process . . . , the Commission shall take reasonable steps to mitigate the administrative burden and costs associated with the application process, while taking into account the need to avoid waste, fraud, and abuse in the Program.”⁶²

Specifically, to measure progress toward the Commission’s first two goals associated with the reimbursement process and mechanisms, the Bureau has established several objective, measurable, and quantifiable performance metrics. The Bureau has set a goal to begin review of new Reimbursement Claim requests within 14 days. If the Bureau requires more information to review that Reimbursement Claim request, the Bureau established a goal to initiate the Request For Information (RFI) within 21 days of submission. The Bureau also established a goal to complete review of all Reimbursement Claim requests within 31 weekdays for invoices that are not subject to a pending modification request and do not require the Bureau or Fund Administrator to send the participant an RFI. For invoices that require an RFI or are subject to a pending modification request, the Bureau’s goal is to complete review in 60 weekdays. Regarding modifications, the Bureau’s goal is for the review time not to exceed 20 weekdays. The timing of these goals may be impacted by a recipient delaying or failing to respond to an RFI request. In order to measure the Commission’s third goal directing that the Program fairly cover the eligible costs reasonably incurred for reimbursement and prevent waste, fraud, and abuse, the Bureau seeks to avoid significant improper payments.⁶³

As of the end of the third quarter of 2025, the Bureau and Fund Administrator have consistently met these goals. The Bureau and Fund Administrator begin review of all Reimbursement Claim requests within 3 days. For a breakdown of this metric by quarter, please see Exhibit 1. For reimbursement claim requests that require an RFI, the average time to send the first RFI is within 5 days. For a breakdown of this metric by quarter, please see Exhibit 2. The average review time for Reimbursement Claim requests when no modification is pending and no RFI is necessary is less than the goal of 31 weekdays. For a breakdown of the average processing times for invoices without associated modifications and for which no RFI is necessary, please see Exhibit 3.⁶⁴ The average time to complete review of all Reimbursement Claim requests is less than the goal of 60 weekdays. For a breakdown of the processing times for all invoices, please see Exhibit 4. The average review time for a modification request that does not require an RFI has been less than the goal of 20 weekdays. For a breakdown of the time to review these modifications, please see Exhibit 5. Additionally, fewer than one-tenth of one percent of payments made under the Program have been deemed “improper,” which is a consistent factor in guarding the integrity of the Program. The Bureau and Fund Administrator continue to evaluate their performance against these measures every quarter. The Bureau continues to assess measures to improve review times for all Reimbursement Program submissions but is confident it will continue to meet these defined performance measures.

⁶¹ *Id.*

⁶² 47 U.S.C. § 1603.

⁶³ Under the Payment Integrity Information Act, agencies are required to develop improper payment estimates for programs that may be susceptible to significant improper payments. Improper payment levels are deemed “significant” when they exceed \$10,000,000.00 in the preceding fiscal year and 1.5% of a program’s outlays or \$100,000,000. See 31 U.S.C. § 3352(a)(3).

⁶⁴ The Exhibits show data from the most recent quarter as well as the preceding year.

Exhibit 1: Time to Initiate Reimbursement Claim Review

Time Period	June 2024 – Sep. 2024	Sep. 2024 – Dec. 2024	Dec. 2024 – Mar. 2025	Mar. 2025 – June 2025	June 2025 – Sep. 2025.
Average # of Days	9.94	3.1	7.72	3.97	2.06

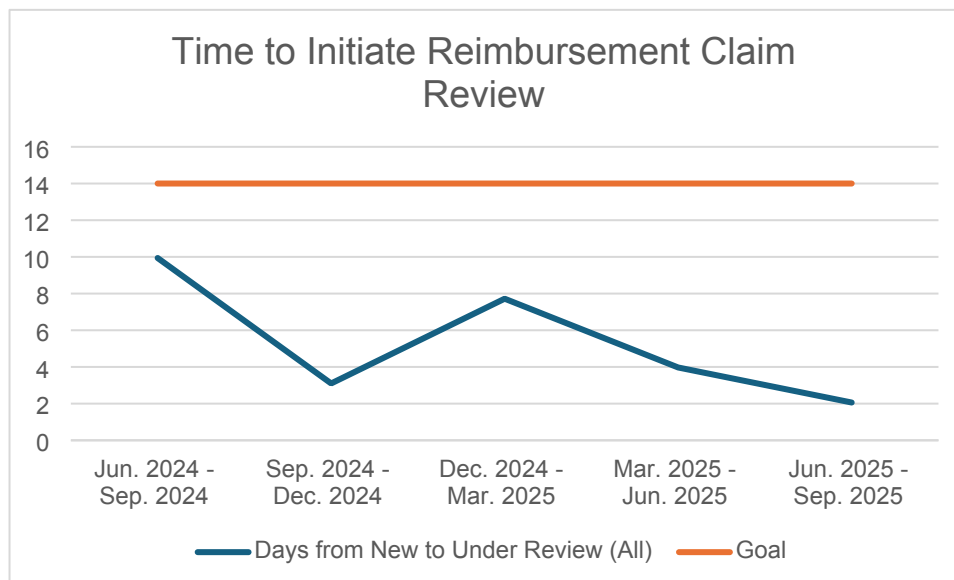


Exhibit 2: Time to Initiate RFI

Time Period	June 2024 – Sep. 2024	Sep. 2024 – Dec. 2024	Dec. 2024 – Mar. 2025	Mar. 2025 – June 2025	June 2025 – Sep. 2025
Average # of Days	11.4	8.93	19.23	4	4.15

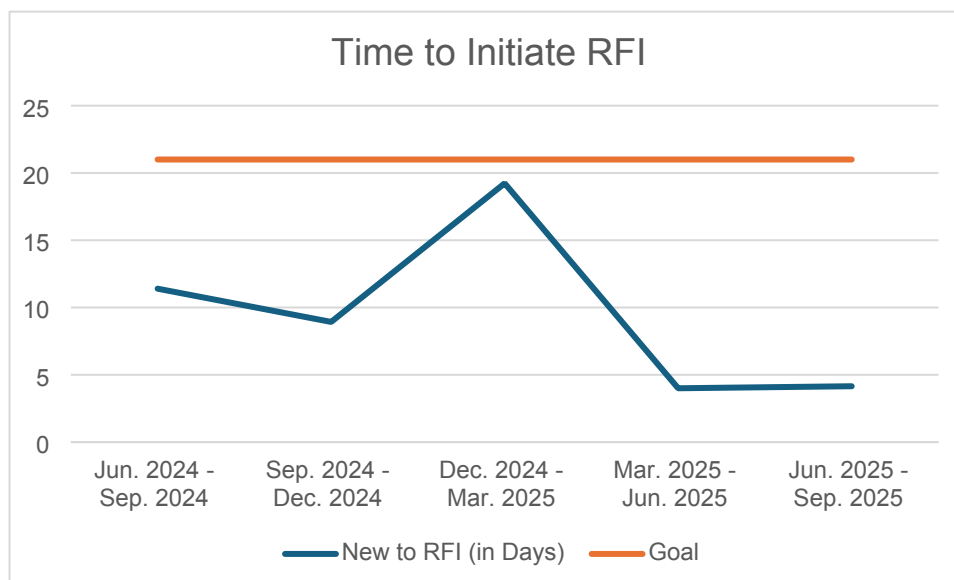


Exhibit 3: Reimbursement Claim Review Time (No modifications or RFIs)

Time Period	June 2024 – Sep. 2024	Sep. 2024 – Dec. 2024	Dec. 2024 – Mar. 2025	Mar. 2025 – June 2025	June 2025 – Sep. 2025
Average # of Days	15.47	6.38	7.62	7.41	15.85

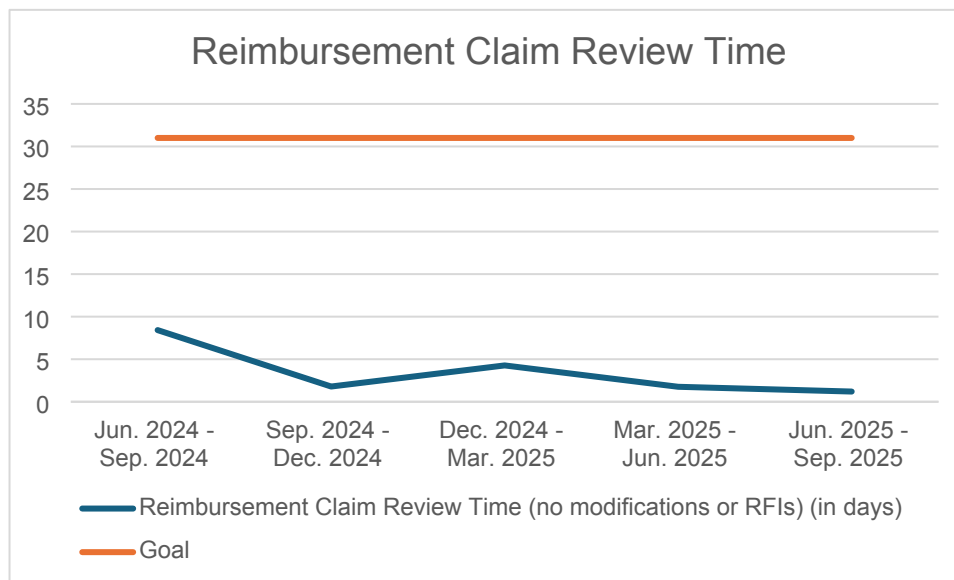


Exhibit 4: Reimbursement Claim Review Time (All submissions)

Time Period	June 2024 – Sep. 2024	Sep. 2024 – Dec. 2024	Dec. 2024 – Mar. 2025	Mar. 2025 – June 2025	June 2025 – Sep. 2025
Average # of Days	18.83	11.33	27.65	13.59	23.26

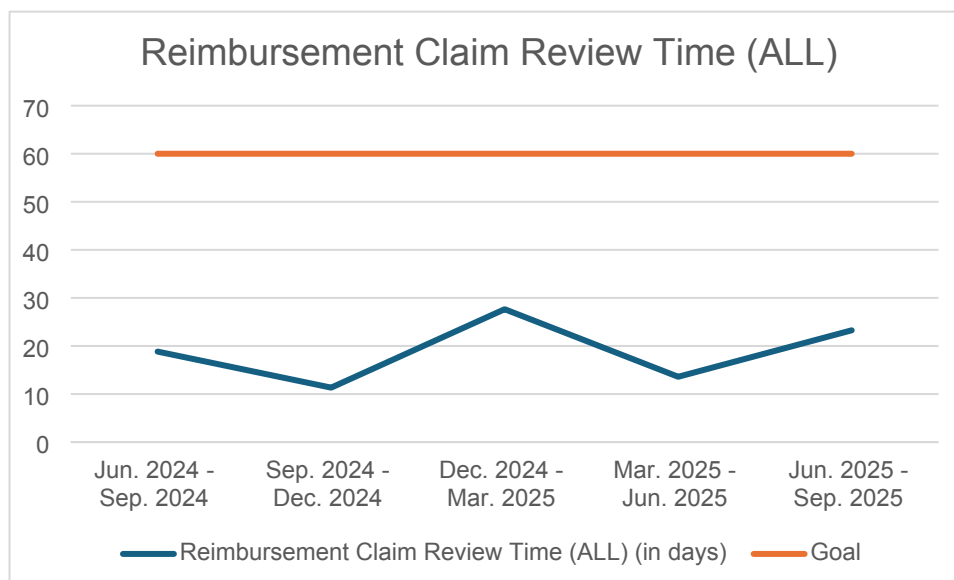
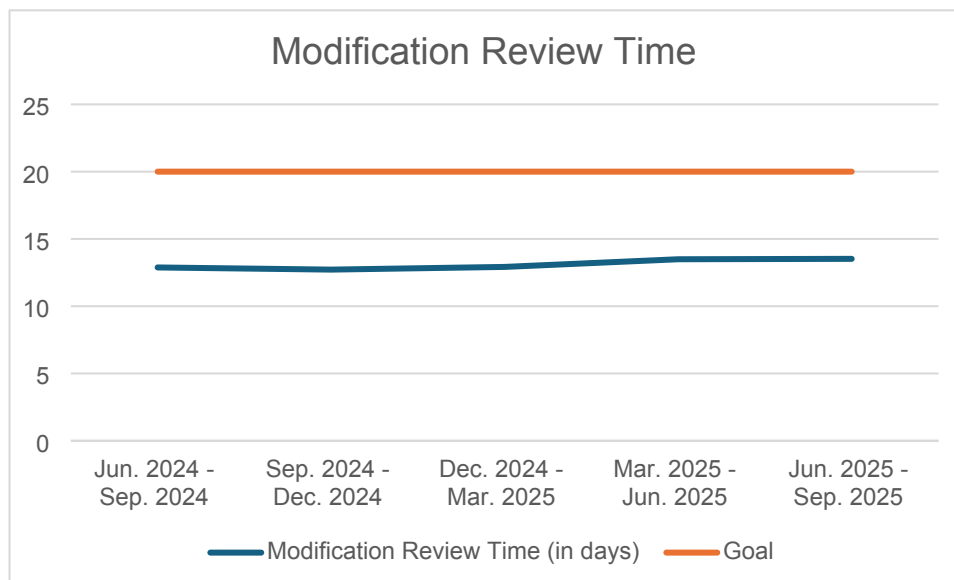


Exhibit 5: Modification Review Time (No RFIs)

Time Period	June 2024 – Sep. 2024	Sep. 2024 – Dec. 2024	Dec. 2024 – Mar. 2025	Mar. 2025 – June 2025	June 2025 – Sep. 2025
Average # of Days	12.88	12.72	12.92	13.49	13.52



III. CONCLUSION

The Commission continues to work diligently to implement the Reimbursement Program in compliance with the Secure Networks Act and to protect the Reimbursement Program from waste, fraud, and abuse. When recipients submit their next status updates in December 2025 and March 2026, the Bureau anticipates it will have additional insight into how much progress recipients have made on their removal, replacement, and disposal plans and the overall status of the Reimbursement Program. The Bureau will update Congress on these points and any new efforts by the Commission to implement the Reimbursement Program in its next report.