

**STATEMENT OF
COMMISSIONER GEOFFREY STARKS**

Re: *Protecting Against National Security Threats to the Communications Supply Chain Through FCC Programs*, WC Docket No. 18-89.

Today's decision represents another important step in confronting the threat of insecure equipment in our nation's communications networks. Building on bipartisan agreement and widespread industry commitment to improving our security, today we establish comprehensive requirements for the reimbursement program required by the Secure and Trusted Communications Networks Act of 2019 and take other steps to implement that statute. Our decision moves the rip-and-replace process forward by setting clear expectations for Eligible Telecommunications Carriers and participants in the reimbursement program so that they can make informed decisions about how to eliminate untrustworthy equipment from their networks.

I recognize, however, that the lack of a congressional appropriation for the replacement program leaves many of those providers in an unfortunate bind. For small and rural carriers, just like small businesses around the country, 2020 has been an incredibly challenging year. In our conversations around these issues, small carriers have repeatedly told me about their need for help to replace equipment that they bought legally and in good faith. Some of these same carriers have experienced substantial losses as a result of honoring the Keep Americans Connected Pledge, further weakening their ability to replace this equipment on their own. While finalizing the Commission's designations of Huawei and ZTE as national security threats was an undoubtedly important step, the gap between those designations—which limited the ability of many providers to upgrade and maintain their existing networks—and funding for replacements is beginning to cause a strain. Those providers need certainty about replacement funding as soon as possible, and I will continue to urge Congress to prioritize appropriating funding for replacement.

Given the seriousness and urgency of the threats to our networks, I am glad that we have decided to move forward with today's Order, even as we await an appropriation. And I am pleased that the Chairman worked with me to make changes to today's Order that will further reduce the national security impact of the funding lag. The version we now adopt will effectuate the recommendations by Chairman Frank Pallone and Ranking Member Greg Walden and make clear that the Commission intends to develop and release the Catalogue of Eligible Expenses as soon as possible, so that it can be a resource to providers who wish to begin the replacement process before reimbursement funding becomes available. It also encourages companies to proceed with the replacement process before the reimbursement program is funded with confidence that doing so will not jeopardize their eligibility. These steps should encourage providers to make these critical security improvements now.

I thank the Chairman for also working with me to add language to this item encouraging ETCs and recipients of reimbursement funds to consider O-RAN equipment and services. While achieving its primary goal of improving security, the replacement process outlined in this Order also represents an opportunity to make changes in U.S. networks that will promote innovation, reduce costs, and kickstart a new generation of American technological leadership. I'm optimistic that O-RAN can support all three of those goals. I would have preferred, however, that the Commission go a step further and require carriers that receive replacement money to certify that they considered O-RAN solutions. If American tax-payer dollars are going to rebuild these networks, Americans should get the best value and the most benefit. It's not unfair, then, to ask companies to consider alternatives that could save money while promoting American innovation. To be clear, I would not have proposed a requirement that any provider adopt O-RAN, but I believe mandating that they consider it would have better promoted both innovation and efficient spending of reimbursement funds. But even without that requirement, I am hopeful that today's decision will help educate smaller carriers about the benefits of O-RAN and give them the confidence to make the leap if O-RAN make sense for their businesses.

Going forward, the Commission must take a proactive role in promoting the security of our networks. Our adversaries are creative and agile, and the Commission must both work to prevent future vulnerabilities like the ones we address today and stand ready to quickly respond when new threats emerge. That means building a well-functioning task force across the many bureaus and offices in the Commission that confront security issues and supporting a unified effort across the federal government. Network security is national security, and there is no time to waste.

Thank you to the staff of the Wireline Competition Bureau for their work on this item.