



Secure and Trusted Communications Networks Reimbursement Program: Frequently Asked Questions

Updated October 7, 2021

What Is the Secure and Trusted Communications Networks Reimbursement Program?

On March 12, 2020, the Secure and Trusted Communications Networks Act of 2019 ([P.L. 116-124](#)) (Secure Networks Act) became law. The act addresses [congressional concerns](#) about using telecommunications network equipment that may pose a national security threat to the United States, including equipment from the Chinese firms, Huawei Technologies Co., Ltd., and ZTE Corporation. Section 4 directs the Federal Communications Commission (FCC) to create the Secure and Trusted Communications Networks Reimbursement Program (Reimbursement Program) to reimburse telecommunication providers that replace “covered” network equipment—equipment posing a national security threat. The FCC developed the Reimbursement Program (see [website](#)), and is preparing to accept applications for reimbursement, starting October 29, 2021.

How Much Funding Is Available?

On December 27, 2020, the Consolidated Appropriations Act (CAA), 2021 ([P.L. 116-260](#)) became law. In Section 906, Congress appropriated \$1.9 billion to the FCC for the Secure Networks Act, and designated \$1.895 billion of such funds for the Reimbursement Program.

Who Is Eligible for Reimbursement Funding?

Under the [Secure Networks Act](#), eligible entities include providers of “advanced communications services,” defined in [47 U.S.C. §1302\(d\)\(1\)](#)—essentially, high-speed broadband providers. The act aims to reimburse small providers—those with two million or fewer customers—that replace “covered” network equipment.

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IN11663

In Section 901 of the [CAA 2021](#), Congress amended the [Secure Networks Act](#), making providers with fewer than ten million customers eligible for reimbursement. Congress also made “accredited public or private noncommercial educational institutions that provide [facilities-based](#) educational broadband services” and health care providers and libraries that provide advanced communication services eligible for reimbursement funding. Congress prioritized allocations:

- First, to providers with two million or fewer customers;
- Next, to accredited public or private noncommercial educational institutions providing facilities-based educational broadband service; and
- Last, to any remaining eligible applicants.

What Are “Covered” Equipment and Services?

In its November [2019 Supply Chain Order](#), the FCC prohibited the use of [Universal Service Fund \(USF\)](#) support to purchase or obtain equipment or services produced or provided by a “covered company” and initially designated Huawei and ZTE as “covered companies.”

In March 2020, the [Secure Networks Act](#) (Section 2) required the FCC to identify and publish, within one year of enactment, a list of “covered equipment and services” posing a threat to U.S. national security or the security of U.S. persons. Congress directed the FCC to include equipment identified by other federal agencies, monitor equipment designations, and update the list as needed.

On June 30, 2020, the FCC issued final Designation Orders for [Huawei](#) and [ZTE](#), naming them as “covered companies.”

In December 2020, Section 901 of the [CAA, 2021](#), amended the [Secure Networks Act](#), limiting the use of reimbursement funds for equipment identified in the FCC’s [2019 Supply Chain Order](#) and [Designation Orders](#) to Huawei and ZTE.

In March 2021, the FCC released a [list](#) of “covered equipment and services” that included products of Huawei, ZTE, and three other Chinese firms. However, the Reimbursement Program only covers the replacement of Huawei and ZTE equipment.

On August 3, 2021, the FCC released a detailed [Final Catalog of Eligible Expenses and Estimated Costs](#) that entities can use to develop reimbursement cost estimates for “covered” equipment obtained between April 17, 2018, and June 30, 2020. By [law](#), the FCC can consider “costs reasonably incurred” on a case-by-case basis, including upgrades discussed in the July 13, 2021, [Third Report and Order](#).

When Can Entities Apply?

Per the [FCC](#), the application window will be open from October 29, 2021, through January 14, 2022.

How Do Entities Apply for Reimbursement?

In a [webinar](#) on the application process, FCC officials encouraged applicants to review the documents and procedures on its [website](#); compile network location sites, equipment on each site, and asset-level identification information for equipment targeted for reimbursement; and solicit quotes for replacement equipment before the application window opens on October 29, 2021.

The FCC and the [Fund Administrator](#) plan to review applications. The FCC must act on applications within 90 days; it can extend the review deadline by 45 days. It expects to communicate with applicants in the first quarter of 2022; entities can correct any deficiencies identified in their application within 15

days. It plans to announce approved applicants and reimbursement amounts by the second quarter of 2022.

When Can Entities Receive Reimbursements?

Once the FCC announces allocation amounts, entities may file for reimbursement. Entities must file at least one reimbursement within one year of the date of the allocation announcement; if entities do not file a reimbursement claim within the year, the FCC can reclaim funds. Entities have one year from the allocation announcement to complete the replacement, and 120 days after that to file final reimbursements.

What Are the Expected Reporting Requirements?

By [law](#), recipients must file status updates to the FCC every 90 days; file spending reports to the FCC (twice a year, [per the FCC](#)); and file an Annual Report. Entities must certify they have a plan and timeline for removal; will not purchase “covered” equipment; will consult the [National Institute of Standards and Technology Cybersecurity Framework](#); and will remove all “covered” network equipment.

By [law](#), the FCC must report to Congress every 180 days.

How Do Entities Dispose of Equipment?

On September 30, 2021, the FCC published [best practices](#) on equipment disposal, as required by [law](#).

What Factors May Affect the Timeline?

Entities [expressed concern](#) about the timeline for implementation. They cite shortages of computer chips; leasing or access agreements that they may need to modify; finding tower crews and coordinating with tower owners; and weather, which all could affect timelines.

By [law](#), the FCC can grant a general extension to the one-year term for all entities or an individual extension to an entity for delays caused by no fault of its own (e.g., weather).

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