



Secure and Trusted Communications Networks Reimbursement Program: Frequently Asked Questions

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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](#) with telecommunications network equipment that may pose a national security threat to the United States. Section 2 directs the Federal Communications Commission (FCC) to create a list of “covered” telecommunications equipment that poses a national security threat. Section 4 directs the FCC to create the Secure and Trusted Communications Networks Reimbursement Program (Reimbursement Program) to reimburse telecommunication providers that replace “covered” equipment (see [FCC website](#)).

How Much Funding Is Available?

- On December 27, 2020, the Consolidated Appropriations Act (CAA), 2021 ([P.L. 116-260](#)) became law. Section 906 provides \$1.9 billion to the FCC for the Secure Networks Act; \$1.895 billion of that is for the Reimbursement Program. To date, no other funding has been provided.

Who Is Eligible for Reimbursement Funding?

Under the [Secure Networks Act](#), eligible entities include providers of “[advanced communications services](#),”—high-speed broadband providers. The act aims to reimburse small providers—those with 2 million or fewer customers—that replace “covered” equipment.

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In Section 901 of the [CAA, 2021](#), Congress amended the [Secure Networks Act](#), making providers with fewer than 10 million customers eligible for reimbursement. Congress 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 2 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 November 2019, the FCC first defined “covered equipment” in its [2019 Supply Chain Order](#). It prohibited use of [Universal Service Fund](#) support to purchase equipment or services produced by a “covered company.” It designated two Chinese firms, Huawei Technologies Co., Ltd. and ZTE Corporation, as “covered companies.”

In March 2020, the [Secure Networks Act](#) (Section 2) required the FCC to publish, within one year, a list of “covered equipment and services,” including equipment identified by other federal agencies, and to update the list.

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

On December 27, 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](#) (i.e., Huawei and ZTE).

In March 2021, per the [Secure Networks Act](#) (Section 2), the FCC released a [list](#) of “covered equipment and services” that included products of Huawei, ZTE, and three Chinese firms. The Reimbursement Program, following [CAA, 2021](#) covered only Huawei and ZTE equipment.

On August 3, 2021, the FCC released a [Final Catalog of Eligible Expenses and Estimated Costs](#) to help entities 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.

When Can Entities Apply?

The [application period](#) opened on October 29, 2021, and was to close on January 14, 2022. On December 21, 2021, the Rural Wireless Association (RWA) and NTCA—The Rural Broadband Association—filed a [Motion for Extension of Time](#), seeking a one-month extension. The associations claimed that “collecting the necessary cell site data, filling out the numerous entries in the location, equipment, and cost estimates, and attaching necessary documentation is a massive undertaking that requires substantial work.” Their members, small rural providers, reported financial and workforce challenges due to the holidays and Coronavirus Disease 2019 (COVID-19). The FCC [granted](#) a 14-day extension through January 28, 2022.

When Is Funding Announced?

The FCC and its [Fund Administrator](#) are reviewing applications. The FCC must act on applications within 90 days; it can extend that deadline by 45 days. It expects to communicate with applicants in the first

quarter of 2022 and allow entities to correct deficiencies in their application within 15 days. It plans to announce approved applicants and reimbursement amounts by the second quarter of 2022.

What If Requests Exceed Funds Available?

The FCC is [required](#) to notify Congress immediately if appropriations are not sufficient to fully fund all approved applications. On February 4, 2022, the FCC [notified Congress](#) that it received over 180 applications totaling \$5.6 billion—nearly three times the amount Congress provided. Application review is ongoing; thus, the \$5.6 billion reflects funds *requested*, not amounts needed to fully fund all *approved* applications.

How Do Entities Apply for Reimbursement?

Once the FCC announces allocation amounts, entities may seek reimbursement. Entities must file at least one reimbursement within one year of the allocation announcement; otherwise, the FCC can reclaim funds. Entities have one year from the announcement to complete the replacement and 120 days after that to file final reimbursements.

What Are the Reporting Requirements?

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

What Factors May Affect Implementation?

Entities [expressed concern](#) about the one-year implementation timeline, citing shortages of computer chips; leasing agreements they may need to modify; coordination with tower owners; finding workers; and weather. By [law](#), the FCC can grant a general extension for all entities or an individual extension for delays caused through no fault of its own (e.g., weather).

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