United States Senate WASHINGTON, DC 20510

September 8, 2022

Dear Leader Schumer and Leader McConnell,

We write to express our support for the Federal Communication Commission's (FCC) Reimbursement Program under the Secure and Trusted Communications Networks Act (Secure Networks Act). The program's success is critical to maintaining network resiliency in Rural America and our national security. Since the Secure Networks Act was signed into law in 2020, Congress has appropriated \$1.9 billion to support the FCC's ongoing implementation of the Secure Networks Act and the establishment of the Reimbursement Program to reimburse eligible small and rural telecommunications providers for costs associated with removing, destroying, and replacing "threats to the security of our nation's communications networks posed by certain communications equipment providers."¹

On February 4, 2022, the FCC announced providers, using guidance provided by the FCC, had requested close to \$5.6 billion to remove and replace equipment in their networks—nearly three times more than a previous projection for the Reimbursement Program and creating a significant financial shortfall of \$3.7 billion. On July 15, 2022, the FCC informed Congress that following an extensive review of applications submitted under the Reimbursement Program, the amount of supplemental funding needed to fully fund approved cost estimates is \$3.08 billion. Pursuant to the Secure Networks Act, a funding shortfall requires the FCC issue a pro-rated reimbursement to eligible telecommunications providers—resulting in only 39.5% of funding for approved costs allocated for reimbursement.

The highest priority class of telecommunications providers in the Reimbursement Program serve the most rural areas of the United States where wireless connectivity is a vital lifeline to accessing telehealth services, receiving emergency notifications, and participating in the 21st century economy. Due to significant national security risks to U.S. communications infrastructure, the FCC has already prohibited monies from the Universal Service Fund (USF) from supporting the maintenance or expansion of any wireless network that has covered equipment from Huawei and ZTE present. While these actions are necessary, small rural wireless telecommunications providers rely upon USF funds, and rural America faces a perilous situation. Currently, rural wireless carriers may not maintain, service, or upgrade networks with USF with Huawei and ZTE equipment still present. We are jeopardizing vital communications networks nationwide and our national security.

Recognizing the importance of a well-resourced Reimbursement Program to maintaining critical telecommunications service in rural communities, we are committed to working with you on legislative solutions to promptly provide the financial resources necessary to mitigate national security vulnerabilities emanating from network equipment manufactured by untrusted companies such as Huawei Technologies and ZTE Corporation.

Thank you for your attention to this urgent matter. We look forward to working with you to

¹ Protecting Against National Security Threats to the Communications Supply Chain Through FCC Programs, WC Docket No. 18-89, Notice of Proposed Rulemaking, 33 FCC Rcd 4058, 4058, para. 1 (2018) (2018 Supply Chain Notice)

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find a swift solution.

Sincerely,

John Hickenlooper United States Senator

Gary CLPeters United States Senator

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Jeanne Shaheen United States Senator

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Mark R. Warner United States Senator

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Ben Ray Lujan United States Senator

Brian Schatz United States Senator

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Deb Fischer United States Senator

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Michael F. Bennet United States Senator

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