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STREAMLINED RESOLUTION OF REQUESTS UNDER THE SECURE AND TRUSTED COMMUNICATIONS NETWORKS REIMBURSEMENT PROGRAM

WC Docket No. 18-89

By this Public Notice, the Wireline Competition Bureau (Bureau) grants, pursuant to delegated authority, the following petitions requesting to extend certain deadlines under the Secure and Trusted Communications Networks Reimbursement Program (Reimbursement Program).

As directed by the Secure and Trusted Communications Networks Act of 2019, as amended (Secure Networks Act), the Commission established the Reimbursement Program to reimburse providers of advanced communications service with ten million or fewer customers for reasonable costs incurred in the removal, replacement, and disposal of covered communications equipment or services from their networks that pose a national security risk, i.e., communications equipment or services produced or provided by Huawei Technologies Company (Huawei) or ZTE Corporation (ZTE), that were obtained by providers on or before June 30, 2020. The Reimbursement Program is funded by a \$1.9 billion congressional appropriation, which is less than the \$5.6 billion in collective funds requested by applicants to the program. Because demand exceeded available funding, the Secure Networks Act

¹ Secure and Trusted Communications Networks Act of 2019, Pub. L. No. 116-124, § 4(a)-(c), 134 Stat. 158 (2020) (codified as amended at 47 U.S.C. §§ 1601-1609). The Commission adopted rules implementing the Secure Networks Act on December 10, 2020. *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 (2020) (2020 Supply Chain Order). On July 13, 2021, the Commission amended its rules, consistent with amendments to the Secure Networks Act included in the Consolidated Appropriations Act, 2021. *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, 11959, para. 2 (2021) (2021 Supply Chain Order). The Commission later clarified that, for purposes of the Reimbursement Program, covered communications equipment or services are limited to the communications equipment or services produced or provided by Huawei or ZTE that were obtained by providers on or before June 30, 2020. See 2021 Supply Chain Order, 36 FCC Rcd at 11959, 11965, paras. 2 and 18; see also generally Protecting Against National Security Threats to the Communications Supply Chain Through FCC Programs – Huawei Designation, PS Docket No. 19-351, Order, 35 FCC Rcd 6604 (PSHSB 2020); Protecting

Against National Security Threats to the Communications Supply Chain Through FCC Programs – ZTE

Designation, PS Docket No. 19-352, Order, 35 FCC Rcd 6633 (PSHSB 2020).

² Consolidated Appropriations Act, 2021, Pub. L. No. 116–260, § 906, 134 Stat. 1182 (2020) (CAA). Section 906 provides that "[t]here is appropriated to the Federal Communications Commission, out of amounts in the Treasury not otherwise appropriated, for fiscal year 2021, to remain available until expended— . . . (2) \$1,900,000,000 to carry out the Secure and Trusted Communications Networks Act of 2019 (47 U.S.C. 1601 et seq.), of which \$1,895,000,000 shall be used to carry out the program established under section 4 of that Act (47 U.S.C. 1603)."

³ See Wireline Competition Bureau Announces the Grant of Applications for the Secure and Trusted Communications Networks Reimbursement Program, WC Docket No. 18-89, Public Notice, DA 22-774, at 1-2 (WCB July 18, 2022) (SCRP Granted Applications Public Notice) (explaining that "[e]ach applicant was required to include in its application estimates for the costs that it will reasonably incur for the permanent removal, replacement, (continued....)

required the Bureau to implement a prioritization scheme where funding was allocated first to approved applicants with 2,000,000 or fewer customers (Priority 1 applicants).⁴ Because demand from Priority 1 applicants alone exceeded the congressional appropriation, Commission rules required that allocations to Priority 1 applicants be pro-rated on an equal basis.⁵ Consequently, recipients received funding allocations for approximately 39.5% of their reasonable and supported estimated costs for removing, replacing, and disposing of covered communications equipment and services.⁶

Reimbursement Program recipients must complete the removal, replacement, and disposal of covered communications equipment and services within one year from the initial disbursement of funds to the recipient. Pursuant to section 4(d)(6)(C) of the Secure Networks Act, the Commission may grant recipients extensions of this term on an individual basis. The Commission delegated authority to the Bureau to grant or deny individual petitions for an extension of a recipient's term. He Bureau "may grant an extension for up to six months after finding, that due to no fault of such recipient, such recipient is unable to complete the permanent removal, replacement, and disposal by the end of the term" and "may grant more than one extension request to a recipient if circumstances warrant. This can occur, for example, due to the lack of funding to fully reimburse recipients, which can require recipients to revise their plans in ways that cause them to need more time to remove, replace, and dispose of covered equipment, in addition to delays in receiving the necessary equipment to replace their covered equipment, which likewise can require a recipient to need more time to meet its obligations under the Reimbursement Program.

(continued....)

⁴ See 47 U.S.C. § 1603(d)(5)(C); 47 CFR § 1.50004(f)(1); SCRP Granted Applications Public Notice at 2-3.

⁵ The Commission's rules provide that "[i]f there is insufficient funding to fully fund all requests in a particular prioritization category, then the [Bureau] will pro-rate the available funding among all eligible providers in that prioritization category." 47 CFR § 1.50004(f)(1); see also 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.").

⁶ See 47 CFR § 1.50004(f)(1); see also SCRP Granted Applications Public Notice at 2-3.

⁷ 47 U.S.C. § 1603(d)(6)(A); 47 CFR § 1.50004(h).

⁸ See 47 U.S.C. § 1603(d)(6)(C).

⁹ See 47 U.S.C. § 1603(d)(6)(C); 47 CFR § 1.50004(h)(2) ("Individual extensions. Prior to the expiration of the removal, replacement and disposal term, a Reimbursement Program recipient may petition the Wireline Competition Bureau for an extension of the term. The Wireline Competition Bureau may grant an extension for up to six months after finding, that due to no fault of such recipient, such recipient is unable to complete the permanent removal, replacement, and disposal by the end of the term. The Wireline Competition Bureau may grant more than one extension request to a recipient if circumstances warrant.").

¹⁰ 47 CFR § 1.50004(h)(2); see also 2020 Supply Chain Order, 35 FCC Rcd at 14354-56, paras. 171, 173 and n.501.

¹¹ See, e.g., Protecting Against National Security Threats to the Communications Supply Chain Through FCC Programs, WC Docket No. 18-89, Order, DA 23-875, para. 7 (WCB Sept. 22, 2023) (Stealth Extension Order) (granting an extension based on supply chain issues); Protecting Against National Security Threats to the Communications Supply Chain Through FCC Programs, WC Docket No. 18-89, Order, DA 23-938, paras. 12-16 (WCB Oct. 10, 2023) (WorldCell et al. Extension Order) (granting extensions based in both funding issues and supply chain issues); Protecting Against National Security Threats to the Communications Supply Chain Through FCC Programs, WC Docket No. 18-89, Order, DA 23-1016, paras. 12-16 (WCB Oct. 27, 2023) (Point/SI Wireless Extension Order) (granting extensions based on both funding issues and supply chain issues); Protecting Against National Security Threats to the Communications Supply Chain Through FCC Programs, WC Docket No. 18-89, Order, DA 23-1110, paras. 8-11 (WCB Nov. 28, 2023) (Triangle Telephone/Triangle Communication Extension Order) (granting extension of time requests by Triangle Telephone Cooperative Association Inc. and Triangle

The Bureau strongly encourages recipients that intend to file a petition for an extension to do so as promptly as possible after determining that their circumstances meet the standard for an extension established in the statute and the Commission's implementing rules, and well in advance of the recipient's deadline, so the Bureau is able to fully consider and grant or deny the petition before the recipient's term expires. We remind recipients that requests for term extensions must specify both the specific grounds for the request and the underlying facts and circumstances on which the recipient relies in asserting those grounds. The Commission directed the Bureau to review individual extension requests on a case-by-case basis and to consider all factors when evaluating the request.¹² To this end, the facts and circumstances in an individual request should include the specific obstacles faced by the recipient, how they affected the recipient's ability to meet its term deadline, why the inability to meet the deadline exists through no fault of the recipient, and steps taken by the recipient to mitigate the impacts of the obstacles as it works towards meeting its removal, replacement, and disposal obligations. Recipients should also explain whether they expect to meet their new deadline if the Bureau grants their extension request. Consistent with rule 1.50004(h)(2), which permits the Bureau to grant more than one extension request "if circumstances warrant,"13 recipients making a second or subsequent extension request should ensure that the facts and circumstances described cover the time period since their prior extension request was made and explain progress made since that request. Requests that lack adequate support may be denied or the recipient may be required to provide additional support, which could delay a decision on the request.

The lack of full funding will not necessarily be a sufficient showing for multiple extension requests, as recipients should continually make progress toward completing their projects by the end of their removal, replacement, and disposal term. The Bureau will evaluate the sufficiency of each individual extension request at the time it is filed in determining whether to grant or deny it. We emphasize that a recipient's statutory obligation to complete the permanent removal, replacement, and disposal of covered communications equipment or services exists regardless of the amount of funding it may receive through the Reimbursement Program pursuant to the Secure Networks Act. The Secure Networks Act and the Commission's rules require each Reimbursement Program recipient to remove, replace, and dispose of "all" its covered equipment and services. Similarly, the Reimbursement Program FAQs (at 21) state that "[p]roviders are expected to remove, replace, and dispose of all Huawei and/or ZTE communications equipment and services in their networks as of the date of the submission of the application even if they receive a prorated allocation from the Reimbursement Program due to funding constraints."

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Consistent with the Commission's goal of streamlining its internal review processes, ¹⁶ and further pursuant to our delegated authority, ¹⁷ we announced in our *January 2024 Streamlined Resolution Public* (Continued from previous page)

Communication System, Inc. based on supply chain issues); *Protecting Against National Security Threats to the Communications Supply Chain Through FCC Programs*, WC Docket No. 18-89, Order, DA 23-1196, para. 5 (WCB Dec. 21, 2023) (*GigSky, Inc. Extension Order*) (granting extension of time request by GigSky, Inc. based on funding issues).

¹² 2021 Supply Chain Order, 36 FCC Rcd at 11998, para. 99.

¹³ 47 CFR § 1.50004(h)(2).

¹⁴ 47 U.S.C. § 1603(e)(4)(A)(ii) (recipient must file a final certification to show removal, replacement, and disposal of "all" covered equipment and services); 47 CFR 1.50004(m)(1) (same); *see also* 47 U.S.C. § 1603(d)(4)(A)(i)(I) (applicant must certify it has a plan to remove "any" covered equipment and services); 47 CFR § 1.50004(a)(3)(i)(A) (same).

https://docs.fcc.gov/public/attachments/DA-24-234A2.pdf. Within 10 days following the expiration of the removal, replacement, and disposal term, a recipient must file a final certification with the Commission indicating whether it has fully complied with all terms and conditions of the Reimbursement Program. 47 U.S.C. § 1603(e)(4)(A); 47 CFR § 1.50004(m)(1).

¹⁶ See Report on FCC Process Reform, GN Docket No. 14-25 (Staff Working Group, Feb. 14, 2014) (Process Reform Report).

Notice that we would, with that Public Notice, begin issuing a Public Notice, as necessary but not more frequently than monthly, disposing of pending petitions which seek an extension of an applicants' removal, replacement, and disposal terms, do not involve complicated and/or controversial issues, and can be addressed in a manner consistent with Commission and/or Bureau precedent.¹⁸ Accordingly, we hereby grant the pending petitions listed below for an extension of a recipient's term to remove, replace, and dispose of its covered equipment.¹⁹

Recipient – James Valley Cooperative Telephone Company, SCRP0001105

Grounds for individual term extension – James Valley Cooperative Telephone Company (James Valley) requests a third six-month extension of the deadline to remove, replace, and dispose of covered equipment and services in its network under 47 CFR § 1.50004(h)(2).²⁰ James Valley asserts that its ability to complete the removal, replacement, and disposal of covered equipment and services by its October 8, 2024 deadline has, through no fault of its own, been materially affected by the lack of full funding. James Valley states that, since the Bureau granted its second extension request,²¹ its "limited financial resources" have resulted in vendor work being performed on "slower . . . terms than normal" and that this has "resulted in significant [project] delays."²² James Valley explains that it has attempted to mitigate such delays by "repurpos[ing] its reserve funds" but that these efforts are not sufficient for it to meet its program obligations within its currently assigned term.²³ Despite these issues, James Valley reports progress, noting that it has "complet[ed] the replacement and destruction of [the] customer premise modems" described in its last extension request and that it has made additional progress towards the "destruction of . . . banned equipment."²⁴ The Bureau finds James Valley's showing persuasive and that its situation is consistent with the situation of other recipients that have been

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¹⁷ See 47 CFR §§ 0.91, 0.291, 1.50004(h)(2).	

¹⁸ Streamlined Resolution of Requests Under the Secure and Trusted Communications Networks Reimbursement Program, WC Docket No. 18-89, Public Notice, DA 24-88, at 3 (WCB Jan. 31, 2024) (January 2024 Streamlined Resolution Public Notice). This approach further speeds the disposition of petitions seeking extension of the removal, replacement, and disposal term and to ensure the continued efficient administration of the Reimbursement Program, while at the same time fulfilling our obligation to thoroughly review the record before us. Id. Prior to issuance of the January 2024 Streamlined Resolution Public Notice, we had resolved petitions for extensions of recipients' removal, replacement, and disposal terms in stand-alone orders addressing each petition. The Bureau routinely resolves other matters in the manner of the January 2024 Streamlined Resolution Public Notice, as appropriate. See, e.g., Streamlined Process for Resolving Requests for Review of Decisions by the Universal Service Administrative Company, CC Docket Nos. 96-45 and 02-6, WC Docket Nos. 02-60, 06-122, 08-71, 10-90, 11-42, and 14-58, Public Notice, 29 FCC Rcd 11094 (WCB 2014) (stating that the Bureau will resolve certain Universal Service Fund matters in a streamlined public notice).

¹⁹ This Public Notice does not take positions on the merits of grounds raised by requestors other than those identified and discussed herein. In addition, we expressly reject any suggestion in the requests that a recipient is required to meet its statutorily mandated removal, replacement, and disposal obligations only if full funding is made available by Congress.

²⁰ See Supplemental Request of James Valley for Extension of Time, WC Docket No. 18-89 (filed Sept. 9, 2024) (Supplemental Request of James Valley); Request of James Valley for Extension of Time, WC Docket No. 18-89 (filed Aug. 22, 2024).

²¹ Streamlined Resolution of Requests Under the Secure and Trusted Communications Networks Reimbursement *Program*, WC Docket No. 18-89, Public Notice, DA 24-191, at 4-5 (WCB Feb. 29, 2024) (February 2024 Streamlined Resolution of Requests Public Notice).

²² Supplemental Request of James Valley at 3.

²³ *Id*.

²⁴ *Id*.

granted extensions on similar grounds of the lack of full funding,²⁵ and accordingly grants the requested extension through April 8, 2025.

New RRD term expiration date – James Valley's deadline to remove, replace, and dispose of covered equipment and services in its network under 47 CFR § 1.50004(h)(2) IS EXTENDED from October 8, 2024 to April 8, 2025.

Recipient – Panhandle Telecommunication Systems Inc, SCRP0001033

Grounds for individual term extension – Panhandle Telecommunication Systems Inc (PTSI) requests a second six-month extension of the deadline to remove, replace, and dispose of covered equipment and services in its network under 47 CFR § 1.50004(h)(2).²⁶ PTSI asserts that its ability to complete the removal, replacement, and disposal of covered equipment and services by its October 18, 2024 deadline has, through no fault of its own, been materially affected by the lack of full funding. PTSI states that, since the Bureau granted its first extension request,²⁷ the lack of funding has become a "major impediment" that has prevented it from "complet[ing] [its] project by [its] current RRD term."²⁸ PTSI explains that it has partially mitigated these delays by using other "financial resources" to complete work and moving "the bulk of [its] drive testing and optimization" efforts to in-house staff, but that these efforts have also created project delays.²⁹ Despite these issues, PTSI reports that it has now "complet[ed] [the] destruction process" and expects to complete its outstanding "network optimization" work if its extension request is granted.³⁰ The Bureau finds PTSI's showing persuasive and that its situation is consistent with the situation of other recipients that have been granted extensions on similar grounds of the lack of full funding,³¹ and accordingly grants the requested extension through April 18, 2025.

New RRD term expiration date – PTSI's deadline to remove, replace, and dispose of covered equipment and services in its network under 47 CFR § 1.50004(h)(2) IS EXTENDED from October 18, 2024 to April 18, 2025.

Recipient – Southern Ohio Communication Services Inc, SCRP0001019

Grounds for individual term extension – Southern Ohio Communication Services Inc (SOCS) requests a second six-month extension of the deadline to remove, replace, and dispose of covered equipment and services in its network under 47 CFR § 1.50004(h)(2).³² SOCS asserts that its ability to complete the removal, replacement, and disposal of covered equipment and services by its October 6, 2024 deadline has, through no fault of its own, been materially affected by supply

³⁰ *Id.* at 2.

²⁵ See, e.g., WorldCell et al. Extension Order at 5-7, paras. 11-15; Point/SI Wireless Extension Order at 5-6, paras. 12-14; GigSky Extension Order at 2, paras. 4-5; January 2024 Streamlined Resolution Public Notice at 5.

²⁶ See Supplemental Request of Panhandle for Extension of Time, WC Docket No. 18-89 (filed Sept. 19, 2024) (Supplemental Request of Panhandle); Request of Panhandle for Extension of Time, WC Docket No. 18-89 (filed Aug. 21, 2024).

²⁷ February 2024 Streamlined Resolution of Requests Public Notice at 5-6.

²⁸ Supplemental Request of Panhandle at 1.

²⁹ *Id*.

³¹ See, e.g., WorldCell et al. Extension Order at 5-7, paras. 11-15; Point/SI Wireless Extension Order at 5-6, paras. 12-14; GigSky Extension Order at 2, paras. 4-5; January 2024 Streamlined Resolution Public Notice at 5.

³² See Request of SOCS for Extension of Time, WC Docket No. 18-89 (filed Sept. 12, 2024) (Request of SOCS).

chain issues. SOCS states that, since the Bureau granted its first extension request,³³ it has removed all covered equipment from its network except for "one ZTE router" and it is waiting for a vendor to "schedule[] a time to install" a new router in place of the ZTE router.³⁴ SOCS reports that it has already purchased the needed replacement equipment.³⁵ SOCS requests the present extension to allow its vendor to perform the needed work, after which SOCS expects to be able to complete its remaining disposal obligations.³⁶ The Bureau finds SOCS's showing persuasive and that its situation is consistent with the situation of other recipients that have been granted extensions on similar grounds of supply chain issues,³⁷ and accordingly grants the requested extension through April 6, 2025.

New RRD term expiration date – SOCS's deadline to remove, replace, and dispose of covered equipment and services in its network under 47 CFR § 1.50004(h)(2) IS EXTENDED from October 6, 2024 to April 6, 2025.

Recipient – Stealth Communications, SCRP0001138

Grounds for individual term extension – Stealth Communications (Stealth) requests a third sixmonth extension of its deadline to remove, replace, and dispose of covered equipment and services in its network under 47 CFR § 1.50004(h)(2) in the above-identified application.³⁸ Stealth asserts that its ability to complete the removal, replacement, and disposal of covered equipment and services by its September 29, 2024 deadline has, through no fault of its own, been materially affected by supply chain issues. Stealth states that, since the Bureau granted its second extension request,³⁹ it continues to be impacted by delays related to the late receipt of required equipment and in collaborating with an external vendor on key project milestones.⁴⁰ Stealth notes that, through its expedition efforts, it has now mostly mitigated the sources of these delays and is dealing with residual (rather than ongoing) delays.⁴¹ Stealth reports that it has procured significantly more of the required equipment than it had obtained at the time of its last request, and that the amount of outstanding equipment should not prevent its overall progress in meeting it program obligations.⁴² Stealth estimates that that it will be able to complete its program obligations if its extension request is granted.⁴³ The Bureau finds Stealth's showing persuasive and that its situation is consistent with the situation of other recipients that have been granted

³³ Streamlined Resolution of Requests Under the Secure and Trusted Communications Networks Reimbursement Program, WC Docket No. 18-89, Public Notice, DA 24-407, at 10 (WCB Apr. 30, 2024).

³⁴ Request of SOCS at 1-2.

³⁵ *Id.* at 2.

³⁶ *Id.* at 1-2.

³⁷ See, e.g., Stealth Extension Order at 3-5, paras. 6-11; WorldCell et al. Extension Order at 7-8, paras. 16-19; Point/SI Wireless Extension Order at 6-7, paras. 15-18; Triangle Extension Order at 4-5, paras. 8-11; January 2024 Streamlined Resolution Public Notice at 4-5.

³⁸ See Request of Stealth for Extension of Time, WC Docket No. 18-89 (filed Aug. 30, 2024) (Request of Stealth).

³⁹ February 2024 Streamlined Resolution of Requests Public Notice at 6.

⁴⁰ Request of Stealth at 2-3.

⁴¹ *Id*.

⁴² *Id.* at 2.

⁴³ *Id.* at 3.

extensions on similar grounds of supply chain issues,⁴⁴ and accordingly grants the requested extension.

New RRD term expiration date – Stealth's deadline to remove, replace, and dispose of covered equipment and services in its network under 47 CFR § 1.50004(h)(2) IS EXTENDED from September 29, 2024 to March 29, 2025.

Recipient – WorldCell Solutions, LLC, SCRP0001137

Grounds for individual term extension – WorldCell Solutions, LLC (WorldCell) requests a second term extension, of three and a half months, of the deadline to remove, replace, and dispose of covered equipment and services in its network under 47 CFR § 1.50004(h)(2).⁴⁵ WorldCell asserts that its ability to complete the removal, replacement, and disposal of covered equipment and services by its September 30, 2024 deadline has, through no fault of its own, been materially affected by supply chain issues. WorldCell states that its vendor has run into "unforeseen delays . . including network configurations, software updates, integrations with legacy systems, and issues in hardware delivery," and that even after these delays are overcome WorldCell will need to conduct "proper testing and validations before the project goes live." ⁴⁶ WorldCell adds that despite its consistent communication with the vendor and efforts to mitigate delays, the vendor has informed WorldCell that it will need additional time to meet the project requirements. ⁴⁷ For these reasons, WorldCell asserts that it is unable to meet its current deadline, and requests an extension to January 15, 2025. ⁴⁸ The Bureau finds WorldCell's showing persuasive and that its situation is consistent with the situation of other recipients that have been granted extensions on similar grounds of supply chain issues, ⁴⁹ and accordingly grants the requested extension.

New RRD term expiration date – WorldCell's deadline to remove, replace, and dispose of covered equipment and services in its network under 47 CFR § 1.50004(h)(2) IS EXTENDED from September 30, 2024 to January 15, 2025.

For additional information concerning this Public Notice, please contact Ty Covey in the Competition Policy Division, Wireline Competition Bureau, at ty.covey@fcc.gov or (202) 418-1372.

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⁴⁷ *Id*.

⁴⁴ See, e.g., Stealth Extension Order at 3-5, paras. 6-11; WorldCell et al. Extension Order at 7-8, paras. 16-19; Point/SI Wireless Extension Order at 6-7, paras. 15-18; Triangle Extension Order at 4-5, paras. 8-11; January 2024 Streamlined Resolution Public Notice at 4-5.

⁴⁵ See Request of WorldCell Solutions, LLC for Extension of Time, WC Docket No. 18-89 (filed Sept. 26, 2024) (Request of WorldCell).

⁴⁶ *Id*.

⁴⁸ *Id*.

⁴⁹ See, e.g., Stealth Extension Order at 3-5, paras. 6-11; WorldCell et al. Extension Order at 7-8, paras. 16-19; Point/SI Wireless Extension Order at 6-7, paras. 15-18; Triangle Extension Order at 4-5, paras. 8-11; January 2024 Streamlined Resolution Public Notice at 4-5.