



February 1, 2023

The Honorable Gus Bilirakis
Chairman
Committee on Energy & Commerce
Subcommittee on Innovation, Data, and Commerce
U.S. House of Representatives
2322 Rayburn House Office Building
Washington, DC 20515

The Honorable Janice Schakowsky
Ranking Member
Committee on Energy & Commerce
Subcommittee on Innovation, Data, and Commerce
U.S. House of Representatives
2125 Rayburn House Office Building
Washington, DC 20515

The Honorable Tim Walberg
Vice Chair
Committee on Energy & Commerce
Subcommittee on Innovation, Data, and Commerce
U.S. House of Representatives
2322 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Bilirakis, Ranking Member Schakowsky, and Vice Chair Walberg:

On behalf of the undersigned organizations representing the United States’ information and communications industry, we respectfully submit this Letter for the Record for today’s Energy and Commerce Committee’s Subcommittee on Innovation, Data, and Commerce hearing, “Economic Danger Zone: How America Competes to Win the Future Versus China.” The Subcommittee’s focus on enhancing America’s technology leadership to counter competition from China is critical and commendable. In addition to the issues in focus for this hearing, such as the important need for additional licensed spectrum to enhance global competitiveness with China, a key element in securing America’s leadership and independence from influence or interference from China remains outstanding – a fully funded Secure and Trusted Communications Networks Reimbursement Program (Program) at the Federal Communications Commission (FCC).

In 2020, Congress created the Program to fund the removal of Chinese equipment and services deemed to pose a national security risk from U.S. telecommunications networks and replacement with equipment and services from trusted vendors. The Program, however, is significantly underfunded, and recent bipartisan Congressional efforts to fully fund the Program have languished. This creates significant economic burdens on many smaller rural wireless carriers and allows a national security risk to continue unabated. Affected carriers have already begun the “rip and replace” process at the

direction of both Congress and the FCC, committing and expending significant resources in good faith reliance that the Program would be fully funded, and many are now stranded mid-effort. In July 2022, the FCC identified a funding shortfall of \$3.08 billion to fully fund the Program's approved application cost estimates. The shortfall means that carriers could only be reimbursed for approximately 40% of their costs, which would preclude them from completing the removal and replacement process, placing their networks in jeopardy of failure and, in some cases, causing them to discontinue service in traditionally underserved areas of the country.

The success of this Congressionally mandated national security imperative depends on fully and immediately funding the Program. Carriers cannot complete the job without full funding. Failure to fully fund the Program means that untrusted equipment is still in service today, including some near military bases, airports, and other areas of strategic importance. Furthermore, because the FCC's timeline to complete this work began in July 2022, the window is closing on this high-priority and accelerated Program.

All carriers participating in the Program urgently want to complete the transition to secure and trusted networks. They have been largely prohibited from servicing or upgrading their networks for years, increasing chances for network degradation or even failure, and leaving their communities behind as technology evolves to 5G and beyond. While the United States has taken a leadership position internationally about the risks of untrusted communications networks, particularly those under Chinese influence, work remains to eliminate that risk in our own heartland.

The FCC cannot provide additional resources for this Program – only Congress can provide funding to resolve the shortfall. Every day that passes without addressing this national security threat is another day that American networks remain at risk. Congress must immediately prioritize this national security emergency and fully fund the Program.

Sincerely,

Competitive Carriers Association

CTIA

Information Technology Industry Council (ITI)

NATE: The Communications Infrastructure Contractors Association

NTCA – The Rural Broadband Association

Rural Wireless Association

Telecommunications Industry Association

Wireless Infrastructure Association

WTA — Advocates for Rural Broadband

cc:

The Honorable Cathy McMorris Rodgers, Chair, House Committee on Energy & Commerce

The Honorable Frank Pallone, Jr., Ranking Member, House Committee on Energy & Commerce