February 28, 2023

The Honorable Mike Gallagher
Chair
Select Committee on the Chinese Communist Party
U.S. House of Representatives
1211 Longworth House Office Building
Washington, D.C. 20515

The Honorable Raja Krishnamoorthi
Ranking Member
Select Committee on the Chinese Communist Party
U.S. House of Representatives
2367 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Gallagher and Ranking Member Krishnamoorthi:

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 Select Committee on the Chinese Communist Party hearing titled "The Chinese Communist Party's Threat to America". In addition to the important topics that this hearing will address, a key element to America's leadership is securing communications networks throughout our nation, and further Congressional action is needed. Specifically, a fully-funded Secure and Trusted Communications Networks Reimbursement Program (Program) at the Federal Communications Commission (FCC) is necessary to support removal and replacement of equipment and services linked to the Chinese Communist Party.

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 the replacement of that equipment with equipment and services from trusted vendors. At the direction and advice of Congress and the FCC, carriers began the "rip and replace" process of removing such equipment before the Program was underway, with the understanding that they would be fully reimbursed. However, many are now stranded mid-effort.

The Program is significantly underfunded. Congress provided approximately $1.9 billion to fund the program in late 2020, but there is an approximately $3.08 billion shortfall based on approved applications from the FCC. The FCC allocated funding proportionately, providing approximately 40% of needed funds to each applicant. Recent bipartisan, Congressional efforts to fully fund the Program have not yet succeeded. This Congressionally-mandated national security imperative depends on fully and immediately funding the Program. Carriers cannot complete the job without full funding. 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. 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.

Failure to fully and immediately fund the Program will mean that carriers cannot entirely remove and replace untrusted equipment. In addition to unmitigated security threats, another consequence could be carriers completely shuttering their networks due to the inability to fund their projects. This would threaten the availability of advanced communications across the country, *particularly in rural America,* where ubiquitous connectivity challenges already abound.

All carriers participating in the Program urgently want to complete the transition to secure and trusted networks. They take national security very seriously and are working to rapidly and completely remove equipment determined to pose a security threat from American networks. While the United States has taken a leadership position internationally about the risks of untrusted communications networks equipment and services from companies connected to the Chinese government, 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
Information Technology Industry Council (ITI)
NATE: The Communications Infrastructure Contractors Association
NTCA – The Rural Broadband Association
Rural Wireless Association
Telecommunications Industry Association
USTelecom – The Broadband Association
Wireless Infrastructure Association
WTA — Advocates for Rural Broadband

cc:
The Honorable Cathy McMorris Rodgers, Chair, House Committee on Energy and Commerce
The Honorable Frank Pallone, Ranking Member, House Committee on Energy and Commerce