

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](#)) became law. The act addresses [congressional concerns](#) with telecommunications equipment that may pose threats to U.S. national security. Section 2 requires the Federal Communications Commission (FCC) to create a list of “covered” telecommunications equipment that poses such threats. Section 4 requires the FCC to create the [Secure and Trusted Communications Networks Reimbursement Program](#) (Reimbursement Program) to fund replacement of covered equipment.

How Much Funding Is Available?

The Consolidated Appropriations Act (CAA), 2021 (P.L. 116-260, Title IX, §906), enacted December 27, 2020, provided \$1.9 billion for the FCC to implement [P.L. 116-124](#), \$1.895 billion of which was for the Reimbursement Program.

Who Is Eligible for Reimbursement Funding?

Under [P.L. 116-124](#), entities eligible to receive reimbursement funds include small telecommunication providers—those with 2 million or fewer customers—that offer “[advanced communications services](#)” (i.e., high-speed broadband).

In the [CAA, 2021](#) (Title IX, §901), Congress extended eligibility and prioritized funding

- first, to providers serving fewer than 2 million customers;
- next, to educational, health care, and library applicants, or a consortium thereof; and
- last, to any remaining eligible applicants.

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What Are “Covered” Equipment and Services?

Section 2 of [P.L. 116-124](#) directs the FCC to create a list of communications equipment or services that pose an unacceptable risk to U.S. national security. Determination of risk is to be made by (1) an executive branch interagency body with national security expertise (e.g., [Federal Acquisition Security Council](#)); (2) the Department of Commerce pursuant to [Executive Order 13873](#); and (3) Section 889 of P.L. 115-232. Section 889 referenced Huawei Technologies Company; ZTE Corporation; video equipment of three other Chinese firms; other equipment that the Secretary of Defense, in consultation with the Directors of the National Intelligence or Federal Bureau of Investigation, reasonably believes to be produced by an entity owned or controlled by, or otherwise connected to, the government of a “covered foreign country” (defined in P.L. 115-232 as the People’s Republic of China). In March 2021, the FCC released a [list](#) of covered equipment and services including products of Huawei, ZTE, and the three other Chinese firms.

In the [CAA, 2021](#), Section 901 amended P.L. 115-232, limiting use of reimbursement funds for only Huawei and ZTE equipment.

When Did the Application Period Start and End?

The reimbursement [application period](#) opened on October 29, 2021, and was to close on January 14, 2022. Entities were required under [P.L. 116-124](#) to certify they have a plan and timeline for removal of covered equipment, would consult the [National Institute of Standards and Technology Cybersecurity Framework](#), and would not purchase covered equipment in the future. On December 21, 2021, industry associations filed a [motion for extension of time](#), seeking a one-month extension. The FCC [granted](#) an extension through January 28, 2022.

The FCC was [required](#) to act on applications within 90 days; it extended its own review by 45 days, as permitted. On June 1, 2022, the FCC [notified](#) Congress that it received 181 applications from 96 applicants; on July 18, 2022, the FCC [announced](#) that it approved 126 applications from 85 entities.

Did Requests for Funding Exceed the Appropriated Amount?

Yes, requests for funding exceeded appropriated amounts. The FCC was [required](#) to notify Congress if \$1 billion would not be sufficient to fund applications. On June 1, 2022, the FCC [notified](#) Congress that total applications received (181 applications) totaled \$5.6 billion. In a July 15, 2022, [letter](#), the FCC Chairwoman reported that applications from small providers would require \$4.70 billion (a \$2.80 billion shortfall) and \$4.98 billion for all eligible applications (a \$3.08 billion shortfall).

The FCC announced that it would distribute the \$1.895 billion equally among small providers, [awarding](#) 39.5% of their approved costs.

Has Congress Addressed the Shortfall?

Yes, on December 23, 2024, the Servicemember Quality of Life Improvement and National Defense Authorization Act for Fiscal Year 2025 (P.L. 118-159) was enacted. In Division E, Title LIV, Congress authorized the FCC to borrow from the U.S. Treasury in an amount not to exceed \$3.08 billion for the Reimbursement Program. It directed the FCC to initiate, within 18 months of enactment, an auction of frequencies [available](#) in the [Advanced Wireless Services \(AWS-3\) band](#), and use auction proceeds to repay the Treasury.

What Progress Have Recipients Made on Projects?

FCC rules required recipients to file a reimbursement claim within one year of funding approval (i.e., by [July 17, 2023](#)). The FCC reported that, as of November 2024, 122 of 126 applicants filed a claim. By [law](#), recipients had one year from this initial disbursement to remove, replace, and dispose of covered equipment; deadlines range from November 24, 2024 to June 21, 2025. By [law](#), recipients must file updates every 90 days, spending reports twice a year, and annual reports to the FCC (see the [FCC's website](#)). The FCC is to [report](#) to Congress every 180 days.

In December 2024, the FCC Chairwoman [reported](#) that as of November 20, 2024, 30 projects were complete, and it had granted extensions to others, 118 of which were attributed to the funding shortfall.

What Factors May Affect Implementation?

Entities initially [expressed concern](#) about the one-year timeline; computer chip shortages; leasing agreements they may need to modify; coordination with tower owners; worker shortages; and weather. In 2023, industry associations reported that the main challenge was funding and [warned](#) that networks could “go dark” if full funding were not provided. In 2024, one [provider](#) reported that the partial funding has delayed planning, permitting, and contracting, and additional time may be needed to restart projects. A [consulting firm](#) said initial estimates were based on 2021 costs and do not account for inflation. On December 26, 2024, the FCC [announced](#) it would act quickly to secure funding using borrowing authority granted by Congress.

The program may also be affected by [decisions on funding](#) by the Trump Administration and [decisions](#) by the new FCC Chair.

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