

Union Calendar No. 281

116TH CONGRESS
1ST SESSION

H. R. 4998

[Report No. 116–352]

To prohibit certain Federal loans, grants, and subsidies from being used to purchase communications equipment or services posing national security risks, to provide for the establishment of a reimbursement program for the replacement of communications equipment or services posing such risks, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 8, 2019

Mr. PALLONE (for himself, Mr. WALDEN, Ms. MATSUI, and Mr. GUTHRIE) introduced the following bill; which was referred to the Committee on Energy and Commerce

DECEMBER 16, 2019

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italic*]

[For text of introduced bill, see copy of bill as introduced on November 8, 2019]

A BILL

To prohibit certain Federal loans, grants, and subsidies from being used to purchase communications equipment or services posing national security risks, to provide for the establishment of a reimbursement program for the replacement of communications equipment or services posing such risks, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
 2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 *This Act may be cited as the “Secure and Trusted*
 5 *Communications Networks Act of 2019”.*

6 **SEC. 2. DETERMINATION OF COMMUNICATIONS EQUIP-**
 7 **MENT OR SERVICES POSING NATIONAL SECU-**
 8 **RITY RISKS.**

9 (a) *PUBLICATION OF COVERED COMMUNICATIONS*
 10 *EQUIPMENT OR SERVICES LIST.*—*Not later than 1 year*
 11 *after the date of the enactment of this Act, the Commission*
 12 *shall publish on its website a list of covered communications*
 13 *equipment or services.*

14 (b) *DETERMINATION BY COMMISSION.*—*The Commis-*
 15 *sion shall place on the list published under subsection (a)*
 16 *any communications equipment or service, if and only if*
 17 *the Commission determines that such equipment or serv-*
 18 *ice—*

19 (1) *is produced or provided by—*

20 (A) *Huawei Technologies Co. Limited,*
 21 *Zhongxing Telecommunications Equipment Cor-*
 22 *poration, or any subsidiary or affiliate of either*
 23 *such entity;*

24 (B) *any successor to any entity described in*
 25 *subparagraph (A); or*

1 (C) any other entity, if the Commission de-
2 termines, based exclusively on the determinations
3 described in paragraphs (1) through (3) of sub-
4 section (c), that such equipment or service pro-
5 duced or provided by such entity poses an unac-
6 ceptable risk to the national security of the
7 United States or the security and safety of
8 United States persons; and
9 (2) is capable of—

10 (A) routing or redirecting user data traffic
11 or permitting visibility into any user data or
12 packets that such equipment or service transmits
13 or otherwise handles; or

14 (B) causing the network of a provider of ad-
15 vanced communications service to be disrupted
16 remotely.

17 (c) *RELIANCE ON CERTAIN OTHER DETERMINA-*
18 *TIONS.—In making a determination under subsection*
19 *(b)(1)(C), the Commission shall rely solely on one or more*
20 *of the following determinations:*

21 (1) *A specific determination made by any execu-*
22 *tive branch interagency body with appropriate na-*
23 *tional security expertise, including the Federal Acqui-*
24 *sition Security Council established under section*
25 *1322(a) of title 41, United States Code.*

1 (2) *A specific determination made by the De-*
2 *partment of Commerce pursuant to Executive Order*
3 *13873 (84 Fed. Reg. 22689; relating to securing the*
4 *information and communications technology and*
5 *services supply chain).*

6 (3) *The communications equipment or service*
7 *being covered telecommunications equipment or serv-*
8 *ices, as defined in section 889(f)(3) of the John S.*
9 *McCain National Defense Authorization Act for Fis-*
10 *cal Year 2019 (Public Law 115–232; 132 Stat. 1918).*

11 (d) *UPDATING OF LIST.—*

12 (1) *IN GENERAL.—The Commission shall peri-*
13 *odically update the list published under subsection*
14 *(a), as necessary to protect national security and to*
15 *address changes in the determinations described in*
16 *paragraphs (1) through (3) of subsection (c).*

17 (2) *MONITORING OF DETERMINATIONS.—The*
18 *Commission shall monitor the making or reversing of*
19 *the determinations described in paragraphs (1)*
20 *through (3) of subsection (c) in order to determine*
21 *whether to place communications equipment or serv-*
22 *ices on the list published under subsection (a) or to*
23 *remove communications equipment or services from*
24 *such list. If a determination described in any such*
25 *paragraph that provided the basis for a determina-*

tion by the Commission under subsection (b)(1)(C) with respect to any communications equipment or service is reversed, the Commission shall remove such equipment or service from such list, except that the Commission may not remove such equipment or service from such list if any other determination described in any such paragraph provides a basis for a determination by the Commission under subsection (b)(1)(C) with respect to such equipment or service.

(3) *PUBLIC NOTIFICATION.*—For each 12-month period during which the list published under subsection (a) is not updated, the Commission shall notify the public that no updates were necessary during such period to protect national security or to address changes in the determinations described in paragraphs (1) through (3) of subsection (c).

SEC. 3. PROHIBITION ON USE OF CERTAIN FEDERAL SUBSIDIES.

(a) *IN GENERAL.*—

(1) *PROHIBITION.*—A Federal subsidy that is made available through a program administered by the Commission and that provides funds to be used for the capital expenditures necessary for the provision of advanced communications service may not be used to—

1 (A) purchase, rent, lease, or otherwise ob-
2 tain any covered communications equipment or
3 service; or

4 (B) maintain any covered communications
5 equipment or service previously purchased,
6 rented, leased, or otherwise obtained.

7 (2) *TIMING.*—Paragraph (1) shall apply with re-
8 spect to any covered communications equipment or
9 service beginning on the date that is 60 days after the
10 date on which the Commission places such equipment
11 or service on the list required by section 2(a). In the
12 case of any covered communications equipment or
13 service that is on the initial list published under such
14 section, such equipment or service shall be treated as
15 being placed on the list on the date on which such list
16 is published.

17 (b) *COMPLETION OF PROCEEDING.*—Not later than 90
18 days after the date of the enactment of this Act, the Commis-
19 sion shall adopt a Report and Order in the matter of Pro-
20 tecting Against National Security Threats to the Commu-
21 nications Supply Chain Through FCC Programs (WC
22 Docket No. 18–89) that implements subsection (a).

1 **SEC. 4. SECURE AND TRUSTED COMMUNICATIONS NET-**
 2 **WORKS REIMBURSEMENT PROGRAM.**

3 (a) *IN GENERAL.*—The Commission shall establish a
 4 reimbursement program, to be known as the “Secure and
 5 Trusted Communications Networks Reimbursement Pro-
 6 gram”, to make reimbursements to providers of advanced
 7 communications service to replace covered communications
 8 equipment or services.

9 (b) *ELIGIBILITY.*—The Commission may not make a
 10 reimbursement under the Program to a provider of ad-
 11 vanced communications service unless the provider—

12 (1) has 2,000,000 or fewer customers; and

13 (2) makes all of the certifications required by
 14 subsection (d)(5).

15 (c) *USE OF FUNDS.*—

16 (1) *IN GENERAL.*—A recipient of a reimburse-
 17 ment under the Program shall use reimbursement
 18 funds solely for the purposes of—

19 (A) permanently removing covered commu-
 20 nications equipment or services purchased,
 21 rented, leased, or otherwise obtained before—

22 (i) in the case of any covered commu-
 23 nications equipment or services that are on
 24 the initial list published under section 2(a),
 25 August 14, 2018; or

1 (ii) in the case of any covered commu-
2 nications equipment or services that are not
3 on the initial list published under section
4 2(a), the date that is 60 days after the date
5 on which the Commission places such equip-
6 ment or services on the list required by such
7 section;

8 (B) replacing the covered communications
9 equipment or services removed as described in
10 subparagraph (A) with communications equip-
11 ment or services that are not covered commu-
12 nications equipment or services; and

13 (C) disposing of the covered communica-
14 tions equipment or services removed as described
15 in subparagraph (A) in accordance with the re-
16 quirements under subsection (d)(8).

17 (2) LIMITATIONS.—A recipient of a reimburse-
18 ment under the Program may not—

19 (A) use reimbursement funds to remove, re-
20 place, or dispose of any covered communications
21 equipment or service purchased, rented, leased,
22 or otherwise obtained on or after—

23 (i) in the case of any covered commu-
24 nications equipment or service that is on

1 *the initial list published under section 2(a),*
 2 *August 14, 2018; or*

3 (ii) *in the case of any covered commu-*
 4 *nications equipment or service that is not*
 5 *on the initial list published under section*
 6 *2(a), the date that is 60 days after the date*
 7 *on which the Commission places such equip-*
 8 *ment or service on the list required by such*
 9 *section; or*

10 (B) *purchase, rent, lease, or otherwise ob-*
 11 *tain any covered communications equipment or*
 12 *service, using reimbursement funds or any other*
 13 *funds (including funds derived from private*
 14 *sources).*

15 (d) *IMPLEMENTATION.—*

16 (1) *REGULATIONS.—Not later than 270 days*
 17 *after the date of the enactment of this Act, the Com-*
 18 *mission shall promulgate regulations to implement*
 19 *the Program.*

20 (2) *SUGGESTED REPLACEMENTS.—*

21 (A) *DEVELOPMENT OF LIST.—The Commis-*
 22 *sion shall develop a list of suggested replacements*
 23 *of both physical and virtual communications*
 24 *equipment, application and management soft-*
 25 *ware, and services.*

1 (B) *NEUTRALITY.*—*The list developed under*
2 *subparagraph (A) shall be technology neutral*
3 *and may not advantage the use of reimburse-*
4 *ment funds for capital expenditures over oper-*
5 *ational expenditures, to the extent that the Com-*
6 *mission determines that communications services*
7 *can serve as an adequate substitute for the in-*
8 *stallation of communications equipment.*

9 (3) *APPLICATION PROCESS.*—

10 (A) *IN GENERAL.*—*The Commission shall*
11 *develop an application process and related forms*
12 *and materials for the Program.*

13 (B) *COST ESTIMATE.*—

14 (i) *INITIAL ESTIMATE.*—*The Commis-*
15 *sion shall require an applicant to provide*
16 *an initial reimbursement cost estimate at*
17 *the time of application, with supporting*
18 *materials substantiating the costs.*

19 (ii) *UPDATES.*—*During and after the*
20 *application review process, the Commission*
21 *may require an applicant to—*

22 (I) *update the initial reimburse-*
23 *ment cost estimate submitted under*
24 *clause (i); and*

1 (II) submit additional supporting
2 materials substantiating an updated
3 cost estimate submitted under sub-
4 clause (I).

5 (C) MITIGATION OF BURDEN.—In devel-
6 oping the application process under this para-
7 graph, the Commission shall take reasonable
8 steps to mitigate the administrative burdens and
9 costs associated with the application process,
10 while taking into account the need to avoid
11 waste, fraud, and abuse in the Program.

12 (4) APPLICATION REVIEW PROCESS.—

13 (A) DEADLINE.—

14 (i) IN GENERAL.—Except as provided
15 in clause (ii) and subparagraph (B), the
16 Commission shall approve or deny an ap-
17 plication for a reimbursement under the
18 Program not later than 90 days after the
19 date of the submission of the application.

20 (ii) ADDITIONAL TIME NEEDED BY
21 COMMISSION.—If the Commission deter-
22 mines that, because an excessive number of
23 applications have been filed at one time, the
24 Commission needs additional time for em-
25 ployees of the Commission to process the ap-

1 *plications, the Commission may extend the*
2 *deadline described in clause (i) for not more*
3 *than 45 days.*

4 *(B) OPPORTUNITY FOR APPLICANT TO CURE*
5 *DEFICIENCY.—If the Commission determines that*
6 *an application is materially deficient (including*
7 *by lacking an adequate cost estimate or adequate*
8 *supporting materials), the Commission shall pro-*
9 *vide the applicant a 15-day period to cure the*
10 *defect before denying the application. If such pe-*
11 *riod would extend beyond the deadline under*
12 *subparagraph (A) for approving or denying the*
13 *application, such deadline shall be extended*
14 *through the end of such period.*

15 *(C) EFFECT OF DENIAL.—Denial of an ap-*
16 *plication for a reimbursement under the Pro-*
17 *gram shall not preclude the applicant from re-*
18 *submitting the application or submitting a new*
19 *application for a reimbursement under the Pro-*
20 *gram at a later date.*

21 *(5) CERTIFICATIONS.—An applicant for a reim-*
22 *bursement under the Program shall, in the applica-*
23 *tion of the applicant, certify to the Commission*
24 *that—*

1 (A) as of the date of the submission of the
2 application, the applicant—

3 (i) has developed a plan for—

4 (I) the permanent removal and re-
5 placement of any covered communica-
6 tions equipment or services that are in
7 the communications network of the ap-
8 plicant as of such date; and

9 (II) the disposal of the equipment
10 or services removed as described in sub-
11 clause (I) in accordance with the re-
12 quirements under paragraph (8); and

13 (ii) has developed a specific timeline
14 (subject to paragraph (7)) for the perma-
15 nent removal, replacement, and disposal of
16 the covered communications equipment or
17 services identified under clause (i), which
18 timeline shall be submitted to the Commis-
19 sion as part of the application; and

20 (B) beginning on the date of the approval
21 of the application, the applicant—

22 (i) will not purchase, rent, lease, or
23 otherwise obtain covered communications
24 equipment or services, using reimbursement

1 *funds or any other funds (including funds*
2 *derived from private sources); and*

3 *(ii) in developing and tailoring the*
4 *risk management practices of the applicant,*
5 *will consult and consider the standards,*
6 *guidelines, and best practices set forth in*
7 *the cybersecurity framework developed by*
8 *the National Institute of Standards and*
9 *Technology.*

10 (6) *DISTRIBUTION OF REIMBURSEMENT*
11 *FUNDS.—*

12 (A) *IN GENERAL.—The Commission shall*
13 *make reasonable efforts to ensure that reimburse-*
14 *ment funds are distributed equitably among all*
15 *applicants for reimbursements under the Pro-*
16 *gram according to the needs of the applicants, as*
17 *identified by the applications of the applicants.*

18 (B) *NOTIFICATION.—If, at any time during*
19 *the implementation of the Program, the Commis-*
20 *sion determines that the funds made available to*
21 *the Commission to carry out the Program will*
22 *not be sufficient to fully fund all approved appli-*
23 *cations for reimbursements under the Program,*
24 *the Commission shall immediately notify—*

1 (i) *the Committee on Energy and Com-*
 2 *merce and the Committee on Appropria-*
 3 *tions of the House of Representatives; and*

4 (ii) *the Committee on Commerce,*
 5 *Science, and Transportation and the Com-*
 6 *mittee on Appropriations of the Senate.*

7 (7) *REMOVAL, REPLACEMENT, AND DISPOSAL*
 8 *TERM.—*

9 (A) *DEADLINE.—The permanent removal,*
 10 *replacement, and disposal of any covered com-*
 11 *munications equipment or services identified*
 12 *under paragraph (5)(A)(i) shall be completed not*
 13 *later than 1 year after the date on which the*
 14 *Commission distributes reimbursement funds to*
 15 *the recipient.*

16 (B) *GENERAL EXTENSION.—The Commis-*
 17 *sion may grant an extension of the deadline de-*
 18 *scribed in subparagraph (A) for 6 months to all*
 19 *recipients of reimbursements under the Program*
 20 *if the Commission—*

21 (i) *finds that the supply of replacement*
 22 *communications equipment or services need-*
 23 *ed by the recipients to achieve the purposes*
 24 *of the Program is inadequate to meet the*
 25 *needs of the recipients; and*

1 (ii) provides notice and a detailed jus-
2 tification for granting the extension to—

3 (I) the Committee on Energy and
4 Commerce of the House of Representa-
5 tives; and

6 (II) the Committee on Commerce,
7 Science, and Transportation of the
8 Senate.

9 (C) *INDIVIDUAL EXTENSION.*—

10 (i) *PETITION.*—A recipient of a reim-
11 bursement under the Program may petition
12 the Commission for an extension for such
13 recipient of the deadline described in sub-
14 paragraph (A) or, if the Commission has
15 granted an extension of such deadline under
16 subparagraph (B), such deadline as so ex-
17 tended.

18 (ii) *GRANT.*—The Commission may
19 grant a petition filed under clause (i) by ex-
20 tending, for the recipient that filed the peti-
21 tion, the deadline described in subpara-
22 graph (A) or, if the Commission has grant-
23 ed an extension of such deadline under sub-
24 paragraph (B), such deadline as so ex-
25 tended, for a period of not more than 6

1 *months if the Commission finds that, due to*
2 *no fault of such recipient, such recipient is*
3 *unable to complete the permanent removal,*
4 *replacement, and disposal described in sub-*
5 *paragraph (A).*

6 (8) *DISPOSAL OF COVERED COMMUNICATIONS*
7 *EQUIPMENT OR SERVICES.—The Commission shall in-*
8 *clude in the regulations promulgated under para-*
9 *graph (1) requirements for the disposal by a recipient*
10 *of a reimbursement under the Program of covered*
11 *communications equipment or services identified*
12 *under paragraph (5)(A)(i) and removed from the net-*
13 *work of the recipient in order to prevent such equip-*
14 *ment or services from being used in the networks of*
15 *providers of advanced communications service.*

16 (9) *STATUS UPDATES.—*

17 (A) *IN GENERAL.—Not less frequently than*
18 *once every 90 days beginning on the date on*
19 *which the Commission approves an application*
20 *for a reimbursement under the Program, the re-*
21 *cipient of the reimbursement shall submit to the*
22 *Commission a status update on the work of the*
23 *recipient to permanently remove, replace, and*
24 *dispose of the covered communications equipment*
25 *or services identified under paragraph (5)(A)(i).*

1 (B) *PUBLIC POSTING.*—Not earlier than 30
2 days after the date on which the Commission re-
3 ceives a status update under subparagraph (A),
4 the Commission shall make such status update
5 public on the website of the Commission.

6 (C) *REPORTS TO CONGRESS.*—Not less fre-
7 quently than once every 180 days beginning on
8 the date on which the Commission first makes
9 funds available to a recipient of a reimbursement
10 under the Program, the Commission shall pre-
11 pare and submit to the Committee on Energy
12 and Commerce of the House of Representatives
13 and the Committee on Commerce, Science, and
14 Transportation of the Senate a report on—

15 (i) the implementation of the Program
16 by the Commission; and

17 (ii) the work by recipients of reim-
18 bursements under the Program to perma-
19 nently remove, replace, and dispose of cov-
20 ered communications equipment or services
21 identified under paragraph (5)(A)(i).

22 (e) *MEASURES TO AVOID WASTE, FRAUD, AND*
23 *ABUSE.*—

1 (1) *IN GENERAL.*—*The Commission shall take all*
2 *necessary steps to avoid waste, fraud, and abuse with*
3 *respect to the Program.*

4 (2) *SPENDING REPORTS.*—*The Commission shall*
5 *require recipients of reimbursements under the Pro-*
6 *gram to submit to the Commission on a regular basis*
7 *reports regarding how reimbursement funds have been*
8 *spent, including detailed accounting of the covered*
9 *communications equipment or services permanently*
10 *removed and disposed of, and the replacement equip-*
11 *ment or services purchased, rented, leased, or other-*
12 *wise obtained, using reimbursement funds.*

13 (3) *AUDITS, REVIEWS, AND FIELD INVESTIGA-*
14 *TIONS.*—*The Commission shall conduct—*

15 (A) *regular audits and reviews of reim-*
16 *bursements under the Program to confirm that*
17 *recipients of such reimbursements are complying*
18 *with this Act; and*

19 (B) *random field investigations to ensure*
20 *that recipients of reimbursements under the Pro-*
21 *gram are performing the work such recipients*
22 *are required to perform under the commitments*
23 *made in the applications of such recipients for*
24 *reimbursements under the Program, including*
25 *the permanent removal, replacement, and dis-*

posal of the covered communications equipment
or services identified under subsection
(d)(5)(A)(i).

(4) *FINAL CERTIFICATION.*—

(A) *IN GENERAL.*—The Commission shall
require a recipient of a reimbursement under the
Program to submit to the Commission, in a form
and at an appropriate time to be determined by
the Commission, a certification stating that the
recipient—

(i) has fully complied with (or is in
the process of complying with) all terms
and conditions of the Program;

(ii) has fully complied with (or is in
the process of complying with) the commit-
ments made in the application of the recipi-
ent for the reimbursement;

(iii) has permanently removed from
the communications network of the recipi-
ent, replaced, and disposed of (or is in the
process of permanently removing, replacing,
and disposing of) all covered communica-
tions equipment or services that were in the
network of the recipient as of the date of the

1 *submission of the application of the recipi-*
2 *ent for the reimbursement; and*

3 *(iv) has fully complied with (or is in*
4 *the process of complying with) the timeline*
5 *submitted by the recipient under subpara-*
6 *graph (A)(ii) of paragraph (5) of subsection*
7 *(d) and the other requirements of such*
8 *paragraph.*

9 *(B) UPDATED CERTIFICATION.—If, at the*
10 *time when a recipient of a reimbursement under*
11 *the Program submits a certification under sub-*
12 *paragraph (A), the recipient has not fully com-*
13 *plied as described in clause (i), (ii), or (iv) of*
14 *such subparagraph or has not completed the per-*
15 *manent removal, replacement, and disposal de-*
16 *scribed in clause (iii) of such subparagraph, the*
17 *Commission shall require the recipient to file an*
18 *updated certification when the recipient has*
19 *fully complied as described in such clause (i),*
20 *(ii), or (iv) or completed such permanent re-*
21 *moval, replacement, and disposal.*

22 *(f) EFFECT OF REMOVAL OF EQUIPMENT OR SERVICE*
23 *FROM LIST.—*

24 *(1) IN GENERAL.—If, after the date on which a*
25 *recipient of a reimbursement under the Program sub-*

1 mits the application for the reimbursement, any cov-
2 ered communications equipment or service that is in
3 the network of the recipient as of such date is removed
4 from the list published under section 2(a), the recipi-
5 ent may—

6 (A) return to the Commission any reim-
7 bursement funds received for the removal, re-
8 placement, and disposal of such equipment or
9 service and be released from any requirement
10 under this section to remove, replace, or dispose
11 of such equipment or service; or

12 (B) retain any reimbursement funds re-
13 ceived for the removal, replacement, and disposal
14 of such equipment or service and remain subject
15 to the requirements of this section to remove, re-
16 place, and dispose of such equipment or service
17 as if such equipment or service continued to be
18 on the list published under section 2(a).

19 (2) ASSURANCES.—In the case of an assurance
20 relating to the removal, replacement, or disposal of
21 any equipment or service with respect to which the re-
22 cipient returns to the Commission reimbursement
23 funds under paragraph (1)(A), such assurance may
24 be satisfied by making an assurance that such funds
25 have been returned.

1 (g) *RULE OF CONSTRUCTION REGARDING TIMING OF*
 2 *REIMBURSEMENT.*—*Nothing in this section shall be con-*
 3 *strued to prohibit the Commission from making a reim-*
 4 *bursement under the Program to a provider of advanced*
 5 *communications service before the provider incurs the cost*
 6 *of the permanent removal, replacement, and disposal of the*
 7 *covered communications equipment or service for which the*
 8 *application of the provider has been approved under this*
 9 *section.*

10 (h) *EDUCATION EFFORTS.*—*The Commission shall en-*
 11 *gage in education efforts with providers of advanced com-*
 12 *munications service to—*

13 (1) *encourage such providers to participate in*
 14 *the Program; and*

15 (2) *assist such providers in submitting applica-*
 16 *tions for the Program.*

17 (i) *SEPARATE FROM FEDERAL UNIVERSAL SERVICE*
 18 *PROGRAMS.*—*The Program shall be separate from any Fed-*
 19 *eral universal service program established under section 254*
 20 *of the Communications Act of 1934 (47 U.S.C. 254).*

21 (j) *AUTHORIZATION OF APPROPRIATIONS.*—*There is*
 22 *authorized to be appropriated to the Commission*
 23 *\$1,000,000,000 for fiscal year 2020 to carry out the Pro-*
 24 *gram. Such amount is authorized to remain available*
 25 *through fiscal year 2029. Not more than \$5,000,000 of the*

1 amounts appropriated under this subsection may be used
2 for the administrative costs of carrying out the Program.

3 **SEC. 5. HOLD HARMLESS.**

4 In the case of a person who is a winner of the Connect
5 America Fund Phase II auction, has not yet been author-
6 ized to receive Connect America Fund Phase II support,
7 and demonstrates an inability to reasonably meet the build-
8 out and service obligations of such person under Connect
9 America Fund Phase II without using equipment or serv-
10 ices prohibited under this Act, such person may withdraw
11 the application of such person for Connect America Fund
12 Phase II support without being found in default or subject
13 to forfeiture. The Commission may set a deadline to make
14 such a withdrawal that is not earlier than the date that
15 is 60 days after the date of the enactment of this Act.

16 **SEC. 6. ENFORCEMENT.**

17 (a) VIOLATIONS.—A violation of this Act or a regula-
18 tion promulgated under this Act shall be treated as a viola-
19 tion of the Communications Act of 1934 (47 U.S.C. 151
20 et seq.) or a regulation promulgated under such Act, respec-
21 tively. The Commission shall enforce this Act and the regu-
22 lations promulgated under this Act in the same manner,
23 by the same means, and with the same jurisdiction, powers,
24 and duties as though all applicable terms and provisions

1 *of the Communications Act of 1934 were incorporated into*
2 *and made a part of this Act.*

3 *(b) ADDITIONAL PENALTIES.—*

4 *(1) IN GENERAL.—Except as provided in para-*
5 *graph (2), in addition to penalties under the Commu-*
6 *nications Act of 1934, a recipient of a reimbursement*
7 *under the Program found to have violated section 4,*
8 *the regulations promulgated under such section, or the*
9 *commitments made by the recipient in the applica-*
10 *tion for the reimbursement—*

11 *(A) shall repay to the Commission all reim-*
12 *bursement funds provided to the recipient under*
13 *the Program;*

14 *(B) shall be barred from further participa-*
15 *tion in the Program;*

16 *(C) shall be referred to all appropriate law*
17 *enforcement agencies or officials for further ac-*
18 *tion under applicable criminal and civil laws;*
19 *and*

20 *(D) may be barred by the Commission from*
21 *participation in other programs of the Commis-*
22 *sion, including the Federal universal service sup-*
23 *port programs established under section 254 of*
24 *the Communications Act of 1934 (47 U.S.C.*
25 *254).*

1 (2) *NOTICE AND OPPORTUNITY TO CURE.*—*The*
 2 *penalties described in paragraph (1) shall not apply*
 3 *to a recipient of a reimbursement under the Program*
 4 *unless—*

5 *(A) the Commission provides the recipient*
 6 *with notice of the violation; and*

7 *(B) the recipient fails to cure the violation*
 8 *within 180 days after the Commission provides*
 9 *such notice.*

10 *(c) RECOVERY OF FUNDS.*—*The Commission shall im-*
 11 *mediately take action to recover all reimbursement funds*
 12 *awarded to a recipient of a reimbursement under the Pro-*
 13 *gram in any case in which such recipient is required to*
 14 *repay reimbursement funds under subsection (b)(1)(A).*

15 **SEC. 7. DEFINITIONS.**

16 *In this Act:*

17 *(1) ADVANCED COMMUNICATIONS SERVICE.*—*The*
 18 *term “advanced communications service” has the*
 19 *meaning given the term “advanced telecommuni-*
 20 *cations capability” in section 706 of the Tele-*
 21 *communications Act of 1996 (47 U.S.C. 1302).*

22 *(2) COMMISSION.*—*The term “Commission”*
 23 *means the Federal Communications Commission.*

24 *(3) COVERED COMMUNICATIONS EQUIPMENT OR*
 25 *SERVICE.*—*The term “covered communications equip-*

1 *ment or service” means any communications equip-*
2 *ment or service that is on the list published by the*
3 *Commission under section 2(a).*

4 (4) *CUSTOMERS.*—*The term “customers” means,*
5 *with respect to a provider of advanced communica-*
6 *tions service—*

7 (A) *the customers of such provider; and*

8 (B) *the customers of any affiliate (as de-*
9 *finied in section 3 of the Communications Act of*
10 *1934 (47 U.S.C. 153)) of such provider.*

11 (5) *EXECUTIVE BRANCH INTERAGENCY BODY.*—
12 *The term “executive branch interagency body” means*
13 *an interagency body established in the executive*
14 *branch.*

15 (6) *PERSON.*—*The term “person” means an in-*
16 *dividual or entity.*

17 (7) *PROGRAM.*—*The term “Program” means the*
18 *Secure and Trusted Communications Networks Reim-*
19 *bursement Program established under section 4(a).*

20 (8) *PROVIDER OF ADVANCED COMMUNICATIONS*
21 *SERVICE.*—*The term “provider of advanced commu-*
22 *nications service” means a person who provides ad-*
23 *vanced communications service to United States cus-*
24 *tomers.*

1 (9) *RECIPIENT.*—*The term “recipient” means*
2 *any provider of advanced communications service the*
3 *application of which for a reimbursement under the*
4 *Program has been approved by the Commission, re-*
5 *gardless of whether the provider has received reim-*
6 *bursement funds.*

7 (10) *REIMBURSEMENT FUNDS.*—*The term “reim-*
8 *bursement funds” means any reimbursement received*
9 *under the Program.*

Amend the title so as to read: “A bill to prohibit certain Federal subsidies from being used to purchase communications equipment or services posing national security risks, to provide for the establishment of a reimbursement program for the replacement of communications equipment or services posing such risks, and for other purposes.”.

Union Calendar No. 281

116TH CONGRESS
1ST Session

H. R. 4998

[Report No. 116-352]

A BILL

To prohibit certain Federal loans, grants, and subsidies from being used to purchase communications equipment or services posing national security risks, to provide for the establishment of a reimbursement program for the replacement of communications equipment or services posing such risks, and for other purposes.

DECEMBER 16, 2019

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed