..... (Original Signature of Member)

116TH CONGRESS 1ST SESSION

To prohibit Federal funds 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.

H.R.4459

IN THE HOUSE OF REPRESENTATIVES

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

A BILL

- To prohibit Federal funds 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,

 $\mathbf{2}$

1 SECTION 1. SHORT TITLE.

2 This Act may be cited as the "Secure and Trusted3 Communications Networks Act of 2019".

4 SEC. 2. DETERMINATION OF COMMUNICATIONS EQUIP5 MENT OR SERVICES POSING NATIONAL SECU6 RITY RISKS.

7 (a) PUBLICATION OF COVERED COMMUNICATIONS
8 EQUIPMENT OR SERVICES LIST.—Not later than 1 year
9 after the date of the enactment of this Act, the Commis10 sion shall publish on its website a list of covered commu11 nications equipment or services.

12 (b) DETERMINATION BY COMMISSION.—The Com-13 mission shall place on the list published under subsection 14 (a) any communications equipment or service, if and only 15 if the Commission determines that such equipment or 16 service—

17 (1) is produced or provided by—

(744149|16)

18 (A) Huawei Technologies Co. Limited,
19 Zhongxing Telecommunications Equipment
20 Corporation, or any subsidiary or affiliate of ei21 ther such entity;

(B) any successor to any entity describedin subparagraph (A); or

24 (C) any other entity, if the Commission de25 termines, based exclusively on the determina26 tions described in paragraphs (1) through (4)

| 1 | of subsection (c), that such equipment or serv- |
|----|--|
| 2 | ice produced or provided by such entity poses |
| 3 | an unacceptable risk to the national security of |
| 4 | the United States or the security and safety of |
| 5 | United States persons; and |
| 6 | (2) is capable of— |
| 7 | (A) routing or redirecting user data traffic |
| 8 | or permitting visibility into any user data or |
| 9 | packets that such equipment or service trans- |
| 10 | mits or otherwise handles; or |
| 11 | (B) causing the network of a provider of |
| 12 | advanced communications service to be dis- |
| 13 | rupted remotely. |
| 14 | (c) Reliance on Certain Other Determina- |
| 15 | TIONS.—In making a determination under subsection |
| 16 | (b)(1)(C), the Commission shall rely solely on one or more |
| 17 | of the following determinations: |
| 18 | (1) A specific determination made by any exec- |
| 19 | utive branch interagency body with appropriate na- |
| 20 | tional security expertise, including the Federal Ac- |
| 21 | quisition Security Council established under section |
| 22 | 1322(a) of title 41, United States Code. |
| 23 | (2) A specific determination made by the Bu- |
| 24 | reau of Industry and Security of the Department of |
| 25 | Commerce to place an entity on the entity list main- |

tained by the Bureau and set forth in Supplement
 No. 4 to part 744 of the Export Administration
 Regulations (subchapter C of chapter VII of title 15,
 Code of Federal Regulations).

5 (3) A specific determination made pursuant to
6 Executive Order 13873 (84 Fed. Reg. 22689; relat7 ing to securing the information and communications
8 technology and services supply chain), including any
9 determination made by the Department of Com10 merce pursuant to regulations promulgated to imple11 ment such Executive Order.

(4) The communications equipment or service
being covered telecommunications equipment or services, as defined in section 889(f)(3) of the John S.
McCain National Defense Authorization Act for Fiscal Year 2019 (Public Law 115–232; 132 Stat.
1918).

(d) UPDATING OF LIST.—The Commission shall periodically update the list published under subsection (a), as
necessary to protect national security and to address
changes in the determinations described in paragraphs (1)
through (4) of subsection (c). For each 12-month period
during which the list 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 such determinations.

3 SEC. 3. PROHIBITION ON USE OF FEDERAL FUNDS.

4 (a) IN GENERAL.—

5 (1) PROHIBITION.—Federal funds may not be 6 used to purchase, rent, lease, or otherwise obtain 7 any covered communications equipment or service or 8 to maintain any covered communications equipment 9 or service previously purchased, rented, leased, or 10 otherwise obtained.

11 (2) TIMING.—Paragraph (1) shall apply with 12 respect to any covered communications equipment or 13 service beginning on the date that is 60 days after 14 the date on which the Commission places such 15 equipment or service on the list required by section 16 2(a). In the case of any covered communications 17 equipment or service that is on the initial list pub-18 lished under such section, such equipment or service 19 shall be treated as being placed on the list on the 20 date on which such list is published.

(b) COMPLETION OF PROCEEDING.—Not later than
90 days after the date of the enactment of this Act, the
Commission shall adopt a Report and Order in the matter
of Protecting Against National Security Threats to the
Communications Supply Chain Through FCC Programs

(WC Docket No. 18-89) that implements subsection (a),
 to the extent such subsection applies to a program admin istered by the Commission.

4 (c) APPLICATION TO OTHER AGENCIES.—Not later
5 than 180 days after the date of the enactment of this Act,
6 the head of each Federal agency that administers a pro7 gram through which Federal funds are made available
8 shall update the regulations for the program to comply
9 with subsection (a).

10sec. 4. secure and trusted communications net-11works reimbursement program.

(a) IN GENERAL.—The Commission shall establish a
reimbursement program, to be known as the "Secure and
Trusted Communications Networks Reimbursement Program", to make reimbursements to providers of advanced
communications service to replace covered communications equipment or services.

(b) ELIGIBILITY.—The Commission may not make a
reimbursement under the Program to a provider of advanced communications service unless the provider—

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

(2) makes all of the certifications required bysubsection (d)(5).

24 (c) USE OF FUNDS.—

| 1 | (1) IN GENERAL.—A recipient of a reimburse- |
|----|--|
| 2 | ment under the Program shall use reimbursement |
| 3 | funds solely for the purposes of— |
| 4 | (A) permanently removing covered commu- |
| 5 | nications equipment or services purchased, |
| 6 | rented, leased, or otherwise obtained before Au- |
| 7 | gust 14, 2018, and replacing such equipment or |
| 8 | services with communications equipment or |
| 9 | services that are not covered communications |
| 10 | equipment or services; and |
| 11 | (B) disposing of the equipment or services |
| 12 | removed as described in subparagraph (A) in |
| 13 | accordance with the requirements under sub- |
| 14 | section $(d)(8)$. |
| 15 | (2) LIMITATIONS.—A recipient of a reimburse- |
| 16 | ment under the Program may not use reimburse- |

17 ment funds to—

18 (A) remove, replace, or dispose of any cov19 ered communications equipment or service pur20 chased, rented, leased, or otherwise obtained on
21 or after August 14, 2018;

(B) purchase, rent, lease, or otherwise obtain any covered communications equipment or
service, using reimbursement funds or any

| 1 | other funds (including funds derived from pri- |
|----|--|
| 2 | vate sources); or |
| 3 | (C) make network upgrades that go beyond |
| 4 | the replacement of covered communications |
| 5 | equipment or services, as determined by the |
| 6 | Commission. |
| 7 | (d) Implementation.— |
| 8 | (1) REGULATIONS.—Not later than 270 days |
| 9 | after the date of the enactment of this Act, the |
| 10 | Commission shall promulgate regulations to imple- |
| 11 | ment the Program. |
| 12 | (2) Suggested replacements.— |
| 13 | (A) DEVELOPMENT OF LIST.—The Com- |
| 14 | mission shall develop a list of suggested replace- |
| 15 | ments of both physical and virtual communica- |
| 16 | tions equipment, application and management |
| 17 | software, and services. |
| 18 | (B) NEUTRALITY.—The list developed |
| 19 | under subparagraph (A) shall be technology |
| 20 | neutral and may not advantage the use of reim- |
| 21 | bursement funds for capital expenditures over |
| 22 | operational expenditures, to the extent that the |
| 23 | Commission determines that communications |
| 24 | services can serve as an adequate substitute for |
| 25 | the installation of communications equipment. |

| 1 | (3) Application process.— |
|----|---|
| 2 | (A) IN GENERAL.—The Commission shall |
| 3 | develop an application process and related |
| 4 | forms and materials for the Program. |
| 5 | (B) Cost estimate.— |
| 6 | (i) INITIAL ESTIMATE.—The Commis- |
| 7 | sion shall require an applicant to provide |
| 8 | an initial reimbursement cost estimate at |
| 9 | the time of application, with supporting |
| 10 | materials substantiating the costs. |
| 11 | (ii) UPDATES.—During and after the |
| 12 | application review process, the Commission |
| 13 | may require an applicant to— |
| 14 | (I) update the initial reimburse- |
| 15 | ment cost estimate submitted under |
| 16 | clause (i); and |
| 17 | (II) submit additional supporting |
| 18 | materials substantiating an updated |
| 19 | cost estimate submitted under sub- |
| 20 | clause (I). |
| 21 | (C) MITIGATION OF BURDEN.—In devel- |
| 22 | oping the application process under this para- |
| 23 | graph, the Commission shall take reasonable |
| 24 | steps to mitigate the administrative burdens |
| 25 | and costs associated with the application proc- |

| 1 | ess, while taking into account the need to avoid |
|----|---|
| 2 | waste, fraud, and abuse in the Program. |
| 3 | (4) Application review process.— |
| 4 | (A) DEADLINE.— |
| 5 | (i) IN GENERAL.—Except as provided |
| 6 | in clause (ii) and subparagraph (B), the |
| 7 | Commission shall approve or deny an ap- |
| 8 | plication for a reimbursement under the |
| 9 | Program not later than 90 days after the |
| 10 | date of the submission of the application. |
| 11 | (ii) Additional time needed by |
| 12 | COMMISSION.—If the Commission deter- |
| 13 | mines that, because an excessive number of |
| 14 | applications have been filed at one time, |
| 15 | the Commission needs additional time for |
| 16 | employees of the Commission to process |
| 17 | the applications, the Commission may ex- |
| 18 | tend the deadline described in clause (i) for |
| 19 | not more than 45 days. |
| 20 | (B) Opportunity for applicant to |
| 21 | CURE DEFICIENCY.—If the Commission deter- |
| 22 | mines that an application is materially deficient |
| 23 | (including by lacking an adequate cost estimate |
| 24 | or adequate supporting materials), the Commis- |
| 25 | sion shall provide the applicant a 15-day period |
| | |

| 1 | to cure the defect before denying the applica- |
|----|--|
| 2 | tion. If such period would extend beyond the |
| 3 | deadline under subparagraph (A) for approving |
| 4 | or denying the application, such deadline shall |
| 5 | be extended through the end of such period. |
| 6 | (C) Effect of denial.—Denial of an ap- |
| 7 | plication for a reimbursement under the Pro- |
| 8 | gram shall not preclude the applicant from re- |
| 9 | submitting the application or submitting a new |
| 10 | application for a reimbursement under the Pro- |
| 11 | gram at a later date. |
| 12 | (5) CERTIFICATIONS.—An applicant for a reim- |
| 13 | bursement under the Program shall, in the applica- |
| 14 | tion of such applicant, certify to the Commission |
| 15 | that— |
| 16 | (A) beginning on the date of the submis- |
| 17 | sion of the application, the applicant will not |
| 18 | purchase, rent, lease, or otherwise obtain cov- |
| 19 | ered communications equipment or services, |
| 20 | using reimbursement funds or any other funds |
| 21 | (including funds derived from private sources); |
| 22 | and |
| 23 | (B) as of the date of the submission of the |
| 24 | application, the applicant— |
| 25 | (i) has developed a plan for— |

| 1 | (I) the permanent removal and |
|----|---|
| 2 | replacement of any covered commu- |
| 3 | nications equipment or services that |
| 4 | are in the communications network of |
| 5 | the applicant as of such date; and |
| 6 | (II) the disposal of the equip- |
| 7 | ment or services removed as described |
| 8 | in subclause (I) in accordance with |
| 9 | the requirements under paragraph |
| 10 | (8); |
| 11 | (ii) has developed a specific timeline |
| 12 | (subject to paragraph (7)) for the perma- |
| 13 | nent removal, replacement, and disposal of |
| 14 | the covered communications equipment or |
| 15 | services identified under clause (i), which |
| 16 | timeline shall be submitted to the Commis- |
| 17 | sion as part of the application; |
| 18 | (iii) has taken, or will immediately |
| 19 | take, all necessary steps to mitigate the se- |
| 20 | curity threat the covered communications |
| 21 | equipment or services identified under |
| 22 | clause (i) could pose to the network of the |
| 23 | applicant until the equipment or services |
| 24 | can be permanently removed and replaced |

| 1 | in accordance with the timeline described |
|----|---|
| 2 | in clause (ii); and |
| 3 | (iv) in developing and tailoring the |
| 4 | risk management practices of such appli- |
| 5 | cant, will consult and consider the stand- |
| 6 | ards, guidelines, and best practices set |
| 7 | forth in the cybersecurity framework devel- |
| 8 | oped by the National Institute of Stand- |
| 9 | ards and Technology. |
| 10 | (6) DISTRIBUTION OF REIMBURSEMENT |
| 11 | FUNDS.— |
| 12 | (A) IN GENERAL.—The Commission shall |
| 13 | make reasonable efforts to ensure that reim- |
| 14 | bursement funds are distributed as equitably as |
| 15 | possible among all applicants for reimburse- |
| 16 | ments under the Program according to the |
| 17 | needs of the applicants, as identified by the ap- |
| 18 | plications of the applicants. |
| 19 | (B) NOTIFICATION.—If, at any time dur- |
| 20 | ing the implementation of the Program, the |
| 21 | Commission determines that the funds made |
| 22 | available to the Commission to carry out the |
| 23 | Program will not be sufficient to fully fund all |
| 24 | approved applications for reimbursements under |

| 1 | the Program, the Commission shall immediately |
|----|---|
| 2 | notify— |
| 3 | (i) the Committee on Energy and |
| 4 | Commerce and the Committee on Appro- |
| 5 | priations of the House of Representatives; |
| 6 | and |
| 7 | (ii) the Committee on Commerce, |
| 8 | Science, and Transportation and the Com- |
| 9 | mittee on Appropriations of the Senate. |
| 10 | (7) Removal, replacement, and disposal |
| 11 | TERM.— |
| 12 | (A) DEADLINE.—The permanent removal, |
| 13 | replacement, and disposal of any covered com- |
| 14 | munications equipment or services identified |
| 15 | under paragraph $(5)(B)(i)$ shall be completed |
| 16 | not later than 1 year after the date on which |
| 17 | the Commission approves the application. |
| 18 | (B) GENERAL EXTENSION.—The Commis- |
| 19 | sion may grant an extension of the deadline de- |
| 20 | scribed in subparagraph (A) for 6 months to all |
| 21 | recipients of reimbursements under the Pro- |
| 22 | gram if the Commission— |
| 23 | (i) finds that the supply of replace- |
| 24 | ment communications equipment or serv- |
| 25 | ices needed by the recipients to achieve the |

| 1 | purposes of the Program is inadequate to |
|----|--|
| 2 | meet the needs of the recipients; and |
| 3 | (ii) provides notice and a detailed jus- |
| 4 | tification for granting the extension to— |
| 5 | (I) the Committee on Energy and |
| 6 | Commerce of the House of Represent- |
| 7 | atives; and |
| 8 | (II) the Committee on Com- |
| 9 | merce, Science, and Transportation of |
| 10 | the Senate. |
| 11 | (C) Individual extension.— |
| 12 | (i) PETITION.—A recipient of a reim- |
| 13 | bursement under the Program may peti- |
| 14 | tion the Commission for an extension for |
| 15 | such recipient of the deadline described in |
| 16 | subparagraph (A) or, if the Commission |
| 17 | has granted an extension of such deadline |
| 18 | under subparagraph (B), such deadline as |
| 19 | so extended. |
| 20 | (ii) Grant.—The Commission may |
| 21 | grant a petition filed under clause (i) by |
| 22 | extending, for the recipient that filed the |
| 23 | petition, the deadline described in subpara- |
| 24 | graph (A) or, if the Commission has grant- |
| 25 | ed an extension of such deadline under |

subparagraph (B), such deadline as so extended, for a period of not more than 6
months if the Commission finds that, due
to no fault of such recipient, such recipient
is unable to complete the permanent removal, replacement, and disposal described
in subparagraph (A).

8 (8) DISPOSAL OF COVERED COMMUNICATIONS 9 EQUIPMENT OR SERVICES.—The Commission shall 10 include in the regulations promulgated under para-11 graph (1) requirements for the disposal by a recipi-12 ent of a reimbursement under the Program of cov-13 ered communications equipment or services identi-14 fied under paragraph (5)(B)(i) and removed from 15 the network of the recipient in order to prevent such 16 equipment or services from being used in the net-17 works of providers of advanced communications serv-18 ice.

19 (9) STATUS UPDATES.—

20 (A) IN GENERAL.—Not less frequently
21 than once every 90 days beginning on the date
22 on which the Commission approves an applica23 tion for a reimbursement under the Program,
24 the recipient of the reimbursement shall submit
25 to the Commission a status update on the work

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7

8

of the recipient to permanently remove, replace,
 and dispose of the covered communications
 equipment or services identified under para graph (5)(B)(i).

(B) PUBLIC POSTING.—The Commission shall make public on the website of the Commission each status update submitted under subparagraph (A).

9 (C) REPORTS TO CONGRESS.—Not less fre-10 quently than once every 180 days beginning on 11 the date on which the Commission first makes 12 funds available to a recipient of a reimburse-13 ment under the Program, the Commission shall 14 prepare and submit to the Committee on En-15 ergy and Commerce of the House of Represent-16 atives and the Committee on Commerce, 17 Science, and Transportation of the Senate a re-18 port on—

19 (i) the implementation of the Program20 by the Commission; and

(ii) the work by recipients of reimbursements under the Program to permanently remove, replace, and dispose of covered communications equipment or services
identified under paragraph (5)(B)(i).

1 (e) Measures to Avoid Waste, Fraud, and 2 Abuse.—

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

6 (2)SPENDING REPORTS.—The Commission 7 shall require recipients of reimbursements under the 8 Program to submit to the Commission on a regular 9 basis reports regarding how reimbursement funds 10 have been spent, including detailed accounting of the 11 covered communications equipment or services per-12 manently removed and disposed of, and the replacement equipment or services purchased, rented, 13 14 leased, or otherwise obtained, using reimbursement funds. 15

16 (3) AUDITS, REVIEWS, AND FIELD INVESTIGA17 TIONS.—The Commission shall conduct—

18 (A) regular audits and reviews of reim19 bursements under the Program to confirm that
20 recipients of such reimbursements are com21 plying with this Act; and

(B) random field investigations to ensure
that recipients of reimbursements under the
Program are performing the work such recipients are required to perform under the commit-

| 1 | ments made in the applications of such recipi- |
|----|--|
| 2 | ents for reimbursements under the Program, in- |
| 3 | cluding the permanent removal, replacement, |
| 4 | and disposal of the covered communications |
| 5 | equipment or services identified under sub- |
| 6 | section $(d)(5)(B)(i)$. |
| 7 | (4) FINAL CERTIFICATION.— |
| 8 | (A) IN GENERAL.—The Commission shall |
| 9 | require a recipient of a reimbursement under |
| 10 | the Program to submit to the Commission, in |
| 11 | a form and at an appropriate time to be deter- |
| 12 | mined by the Commission, a certification stat- |
| 13 | ing that the recipient— |
| 14 | (i) has fully complied with (or is in |
| 15 | the process of complying with) all terms |
| 16 | and conditions of the Program; |
| 17 | (ii) has fully complied with (or is in |
| 18 | the process of complying with) the commit- |
| 19 | ments made in the application of the re- |
| 20 | cipient for the reimbursement; |
| 21 | (iii) has permanently removed from |
| 22 | the communications network of the recipi- |
| 23 | ent, replaced, and disposed of (or is in the |
| 24 | process of permanently removing, replac- |
| 25 | ing, and disposing of) all covered commu- |

| 1 | nications equipment or services that were |
|----|--|
| 2 | in the network of the recipient as of the |
| 3 | date of the submission of the application of |
| 4 | the recipient for the reimbursement; and |
| 5 | (iv) has fully complied with (or is in |
| 6 | the process of complying with) the timeline |
| 7 | submitted by the recipient under subpara- |
| 8 | graph (B)(ii) of paragraph (5) of sub- |
| 9 | section (d) and the other requirements of |
| 10 | such paragraph. |
| 11 | (B) UPDATED CERTIFICATION.—If, at the |
| 12 | time when a recipient of a reimbursement under |
| 13 | the Program submits a certification under sub- |
| 14 | paragraph (A), the recipient has not fully com- |
| 15 | plied as described in clause (i), (ii), or (iv) of |
| 16 | such subparagraph or has not completed the |
| 17 | permanent removal, replacement, and disposal |
| 18 | described in clause (iii) of such subparagraph, |
| 19 | the Commission shall require the recipient to |
| 20 | file an updated certification when the recipient |
| 21 | has fully complied as described in such clause |
| 22 | (i), (ii), or (iv) or completed such permanent re- |
| 23 | moval, replacement, and disposal. |
| 24 | (f) Rule of Construction Regarding Timing of |
| 25 | REIMBURSEMENT.—Nothing in this section shall be con- |

strued to prohibit the Commission from making a reim bursement under the Program to a provider of advanced
 communications service before the provider incurs the cost
 of the permanent removal, replacement, and disposal of
 the covered communications equipment or service for
 which the application of the provider has been approved
 under this section.

8 (g) EDUCATION EFFORTS.—The Commission shall
9 engage in education efforts with providers of advanced
10 communications service to—

- (1) encourage such providers to participate inthe Program; and
- 13 (2) assist such providers in submitting applica-14 tions for the Program.

(h) SEPARATE FROM FEDERAL UNIVERSAL SERVICE
PROGRAMS.—The Program shall be separate from any
Federal universal service program established under section 254 of the Communications Act of 1934 (47 U.S.C.
254).

(i) AUTHORIZATION OF APPROPRIATIONS.—There is
authorized to be appropriated to the Commission
\$1,000,000,000 for fiscal year 2020 to carry out the Program. Such amount is authorized to remain available
through fiscal year 2029.

1 SEC. 5. HOLD HARMLESS.

2 In the case of a person who is a winner of the Con-3 nect America Fund Phase II auction, has not yet been authorized to receive Connect America Fund Phase II sup-4 5 port, and demonstrates an inability to reasonably meet the build-out and service obligations of such person under 6 7 Connect America Fund Phase II without using equipment 8 or services prohibited under this Act, such person may 9 withdraw the application of such person for Connect America Fund Phase II support without being found in 10 11 default or subject to forfeiture.

12 SEC. 6. ENFORCEMENT.

13 (a) VIOLATIONS.—A violation of this Act or a regulation promulgated under this Act shall be treated as a vio-14 lation of the Communications Act of 1934 (47 U.S.C. 151 15 16 et seq.) or a regulation promulgated under such Act, re-17 spectively. The Commission shall enforce this Act and the regulations promulgated under this Act in the same man-18 19 ner, by the same means, and with the same jurisdiction, powers, and duties as though all applicable terms and pro-20 21 visions of the Communications Act of 1934 were incor-22 porated into and made a part of this Act.

23 (b) Additional Penalties.—

24 (1) IN GENERAL.—Except as provided in para25 graph (2), in addition to penalties under the Com26 munications Act of 1934, a recipient of a reimburse-

| 1 | ment under the Program found to have violated sec- |
|----|--|
| 2 | tion 4, the regulations promulgated under such sec- |
| 3 | tion, or the commitments made by the recipient in |
| 4 | the application for the reimbursement— |
| 5 | (A) shall repay to the Commission all reim- |
| 6 | bursement funds provided to the recipient |
| 7 | under the Program; |
| 8 | (B) shall be barred from further participa- |
| 9 | tion in the Program; |
| 10 | (C) shall be referred to all appropriate law |
| 11 | enforcement agencies or officials for further ac- |
| 12 | tion under applicable criminal and civil laws; |
| 13 | and |
| 14 | (D) may be barred by the Commission |
| 15 | from participation in other programs of the |
| 16 | Commission, including the Federal universal |
| 17 | service support programs established under sec- |
| 18 | tion 254 of the Communications Act of 1934 |
| 19 | (47 U.S.C. 254). |
| 20 | (2) Notice and opportunity to cure.—The |
| 21 | penalties described in paragraph (1) shall not apply |
| 22 | to a recipient of a reimbursement under the Pro- |
| 23 | gram unless— |
| 24 | (A) the Commission provides the recipient |
| 25 | with notice of the violation; and |

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

4 (c) RECOVERY OF FUNDS.—The Commission shall
5 immediately take action to recover all reimbursement
6 funds awarded to a recipient of a reimbursement under
7 the Program in any case in which such recipient is re8 quired to repay reimbursement funds under subsection
9 (b)(1)(A).

10 SEC. 7. DEFINITIONS.

11 In this Act:

12 (1) ADVANCED COMMUNICATIONS SERVICE.—
13 The term "advanced communications service" has
14 the meaning given the term "advanced telecommuni15 cations capability" in section 706 of the Tele16 communications Act of 1996 (47 U.S.C. 1302).

17 (2) COMMISSION.—The term "Commission"18 means the Federal Communications Commission.

19 (3) COVERED COMMUNICATIONS EQUIPMENT OR
20 SERVICE.—The term "covered communications
21 equipment or service" means any communications
22 equipment or service that is on the list published by
23 the Commission under section 2(a).

| 1 | (4) CUSTOMERS.—The term "customers" |
|----|--|
| 2 | means, with respect to a provider of advanced com- |
| 3 | munications service— |
| 4 | (A) the customers of such provider; and |
| 5 | (B) the customers of any affiliate (as de- |
| 6 | fined in section 3 of the Communications Act of |
| 7 | 1934 (47 U.S.C. 153)) of such provider. |
| 8 | (5) EXECUTIVE BRANCH INTERAGENCY |
| 9 | BODY.—The term "executive branch interagency |
| 10 | body" means an interagency body established in the |
| 11 | executive branch. |
| 12 | (6) FEDERAL AGENCY.—The term "Federal |
| 13 | agency" has the meaning given the term "agency" |
| 14 | in section 551 of title 5, United States Code. |
| 15 | (7) FEDERAL FUNDS.—The term "Federal |
| 16 | funds" means— |
| 17 | (A) funds from a Federal universal service |
| 18 | support program established under section 254 |
| 19 | of the Communications Act of 1934 (47 U.S.C. |
| 20 | 254); |
| 21 | (B) any other Federal grants, subsidies, or |
| 22 | loans to support the deployment of communica- |
| 23 | tions networks in the United States; and |
| 24 | (C) any private loans— |

| 1 | (i) the purpose of which is to support |
|----|---|
| 2 | the deployment of communications net- |
| 3 | works in the United States; and |
| 4 | (ii) that are— |
| 5 | (I) obtained using a loan guar- |
| 6 | antee from the Federal Government; |
| 7 | Oľ |
| 8 | (II) secured in whole or in part |
| 9 | by other funds from the Federal Gov- |
| 10 | ernment. |
| 11 | (8) PERSON.—The term "person" means an in- |
| 12 | dividual or entity. |
| 13 | (9) Program.—The term "Program" means |
| 14 | the Secure and Trusted Communications Networks |
| 15 | Reimbursement Program established under section |
| 16 | 4(a). |
| 17 | (10) PROVIDER OF ADVANCED COMMUNICA- |
| 18 | TIONS SERVICE.—The term "provider of advanced |
| 19 | communications service" means a person who pro- |
| 20 | vides advanced communications service to United |
| 21 | States customers. |
| 22 | (11) RECIPIENT.—The term "recipient" means |
| 23 | any provider of advanced communications service the |
| 24 | application of which for a reimbursement under the |
| 25 | Program has been approved by the Commission, re- |
| | |

- gardless of whether the provider has received reim bursement funds.
- 3 (12) REIMBURSEMENT FUNDS.—The term "re4 imbursement funds" means any reimbursement re5 ceived under the Program.