



December 2019

Section-by-Section Summary

H.R. 4998, the Secure and Trusted Communications Networks Act

COMMITTEE ON ENERGY & COMMERCE

Energy and Commerce Committee Chairman Frank Pallone, Jr. (D-NJ), Ranking Member Greg Walden (R-OR), Rep. Doris Matsui (D-CA), and Rep. Brett Guthrie (R-KY) introduced H.R. 4998, the Secure and Trusted Communications Networks Act to secure American communications networks.

United States communications service providers rely heavily on equipment and services manufactured and provided by foreign companies. The increasingly globalized market for telecommunications equipment and services has increased competition and opened the door to cheaper goods for consumers but poses new challenges for the United States, particularly for ensuring the security of the telecommunications supply chain.

Section 1

This section names the bill the Secure and Trusted Communications Networks Act of 2019.

Section 2

Given the pivotal role that private communications networks serve in connecting U.S. critical infrastructure functions, American networks are appealing targets for foreign adversaries. The United States, therefore, has a clear interest in mitigating threats posed by vulnerable communications equipment and services.

Section 2 requires the Federal Communications Commission (FCC) to publish and maintain on its website a list of suspect communications equipment or services that could undermine the security of U.S. networks. In publishing this list, the FCC must rely on either a specific determination made by any executive branch interagency body with appropriate national security expertise, a specific determination made by the Department of Commerce under Executive Order 13873, inclusion in section 889(f)(3) of the John S. McCain National Defense Authorization Act for Fiscal Year 2019, or a specific determination by a national security agency.

Section 3

The federal government supports the deployment of broadband infrastructure through several programs at the FCC. It is, therefore, critical that Congress ensure that those programs not be used to support the buildout of communications equipment and services that undermine our national security.

Section 3 prohibits the use of Federal subsidies made available through programs administered by the FCC from being used to purchase, rent, lease, or otherwise obtain any covered communications equipment or service, or to maintain any covered communications equipment or service previously purchased, rented, leased, or otherwise obtained.

Section 4

Federal agencies have actively reached out to large carriers to express concerns when carriers have considered purchasing suspect equipment. In contrast, some smaller carriers with more limited resources and less sophisticated security operations have purchased and installed suspect foreign equipment in their networks either because the equipment was less expensive or they were unaware of the security risk, or both.

Section 4 requires the FCC to issue regulations within 270 days to establish the “Secure and Trusted Communications Networks Reimbursement Program” to reimburse communications companies with 2 million or fewer subscribers for the costs associated with removing and replacing covered equipment from networks. Applicants for reimbursement under the Program are required to certify to the Commission, at the time of application, that they have developed a plan for the permanent removal, replacement, and disposal of covered equipment and services from their networks.

Section 5

Beyond those communications companies that accept federal funds, the federal government needs to ensure that no carriers within the United States compromise the security of our networks by using covered equipment and services.

In furtherance of that goal, Section 5 requires each provider of communications services to submit an annual report to the FCC regarding whether the provider purchased, rented, leased, or otherwise obtained covered equipment and services in the preceding year.

Section 6

Suspect network equipment is often cheaper, and there are concerns that, as part of the FCC’s Connect America Fund, some providers were able to win awards based on the use of covered equipment in their networks.

Section 6 clarifies that any winner of the Connect America Fund Phase II auction, who is unable to meet build-out obligations due to prohibitions on covered equipment and services in this Act, may withdraw their application for Connect America Fund Phase II support without being found in default.

Section 7

Section 7 requires the FCC to enforce this Act and the regulations promulgated under this Act consistent with all applicable terms and provisions of the Communications Act of 1934.

Section 8

Many smaller communications companies report that they were unaware of the suspect nature of some of the communications equipment in their networks.

Section 8 requires the Administrator of the National Telecommunications and Information Administration to establish a program to share information regarding supply chain security risks with trusted communications providers and trusted suppliers of communications equipment and services.