



N A R U C  
National Association of Regulatory Utility Commissioners

August 31, 2023

The Honorable Charles Schumer  
Senate Majority Leader

The Honorable Kevin McCarthy  
Speaker of the House

The Honorable Richard Durbin  
Senate Majority Whip

The Honorable Steve Scalise  
House Republican Leader

Mitch McConnell  
Senate Republican Leader

The Honorable Hakeem Jeffries  
House Democratic Leader

The Honorable Maria Cantwell  
Chair  
Commerce, Science & Transportation Committee

The Honorable Cathy McMorris Rodgers  
Chair  
Committee on Energy & Commerce

The Honorable Ted Cruz  
Ranking Member  
Commerce, Science & Transportation Committee

The Honorable Frank Pallone  
Ranking Member  
Committee on Energy & Commerce

United States Senate  
Washington, DC 20510

United States House of Representatives  
Washington, DC 20515

**RE: Congress should expedite passage of H.R. 3565, the Spectrum Auction Reauthorization Act of 2023 to support NG911 and the FCC's program to "Rip and Replace" suspect telecommunications equipment in the nation's networks.**

Senators Schumer, Durbin, McConnell, Cantwell, and Cruz and Representatives McCarthy, Scalise, Jeffries, McMorris Rodgers and Pallone:

On May 24, 2023, the House Energy and Commerce Committee [advanced H.R. 3565](#), the *Spectrum Act Auction Reauthorization Act of 2023*, to the House floor by a bipartisan vote of 50-0.

The National Association of Regulatory Utility Commissioners urges both chambers of Congress to promptly pass H.R. 3565.

The bill not only extends the FCC's auction authority, but it also funds two programs critical to your constituents and to national security. Specifically, it promotes national security and public safety by providing \$3.08 billion for small communications providers to remove suspect Huawei and ZTE equipment from their networks, as well as authorizes and funds a grant program to advance Next Generation 9-1-1 technology.

Each year, our nation's 9-1-1 systems answer more than 240 million calls for help. These systems are vital to your constituents' safety and security. Unfortunately, most rely on outdated technologies that are increasingly failing and susceptible to cyber-based attacks. Federal funding is needed to ensure that all parts of the country have access to advanced, secure, and reliable emergency response systems.

Also, Congress passed the Secure Networks Act on March 12, 2020, with the aim of purging equipment and services that pose national security risks emerging from U.S. communications networks that receive subsidies from the Federal Communications Commission's (FCC) universal service programs. That Act requires certain carriers to remove suspect equipment enumerated in an FCC list. It also created a Reimbursement Program to assist eligible providers to recover costs of removing, replacing, and destroying ("rip-and-replace") items on the Covered List. The program is chronically underfunded. Congress only appropriated \$1.9 billion to fund it, leading to a shortfall of more than \$3 billion. The FCC has already reported to Congress earlier this year that it could only pay initial reimbursements at about 39.5% of the total amounts and that about half of those filing for reimbursement have indicated that a lack of funding is a challenge and that about 2% cannot start work on their removal and replacement projects unless they receive additional funding.

Shortly after the FCC's report to Congress on the Secure Networks program in January, NARUC unanimously passed a [Resolution to support further extension of the FCC's Spectrum Auction authority with a portion of auction proceeds to fund both the FCC "Rip and Replace" Program and accelerate deployment of State Jurisdictional Next-Generation \(NG 911\) 911 Systems](#) on February 15, 2023.

NARUC urges Congress to prioritize securing the nation's telecommunications networks by providing crucial funds to remove suspect equipment as well as funding needed upgrades to our nation's emergency response systems.

If you have any questions about this or any other NARUC position, please the undersigned or Brad Ramsay, NARUC General Counsel at 202.257.0568 or [jramsay@naruc.org](mailto:jramsay@naruc.org).

Respectfully submitted,

Michael Caron  
NARUC President

Tim Schram  
Chair, Committee on Telecommunications

***Resolution to support further extension of the Federal Communication Commission’s Spectrum Auction authority with a portion of auction proceeds to fund both the FCC “Rip and Replace” Program and accelerate deployment of State Jurisdictional Next-Generation (NG 911) 911 Systems***

*Whereas* on July 27, 2022, the United States House of Representatives passed the Spectrum Innovation Act of 2022 (H.R.7624), which would authorize a new federal grant program for NG911 and use proceeds from future spectrum auctions to fund both (i) accelerated NG911 implementation nationwide; and (ii) the Secure and Trusted Communications Networks Act fund, aka the Huawei instigated “rip & replace” program;

*Whereas* the United States Senate considered, but failed to pass prior to adjournment of the 117th Congress, legislation that would have used future spectrum auction proceeds to fund a federal NG911 grant program; and the rip and replace program;

*Whereas* instead, Congress passed an omnibus government funding bill that extended the FCC’s auction authority to March 2023;

*Whereas* the Secure Networks Act was enacted March 12, 2020, with the aim of purging equipment and services that pose national security risks emerging from U.S. communications networks that receive subsidies from the Federal Communications Commission’s universal service programs;

*Whereas* that Act included a prohibition on use of FCC subsidy funds to purchase, rent, lease, otherwise obtain, or maintain communications equipment or services enumerated in a Covered List developed by the FCC and created a Reimbursement Program to assist eligible providers of "advanced communications services" (ACS providers) in recovering the costs of removing, replacing, and destroying ("rip-and-replace") items on the Covered List;

*Whereas* in July 2022, the FCC announced 126 applications filed by 85 entities seeking \$4.64 billion in funding to remove the suspect equipment, but Congress only appropriated \$1.9 billion to fund it, leading to the current shortfall of more than \$3 billion;

*Whereas* the FCC implemented a prioritization scheme to keep the ball rolling, but the allocation meant it could only pay initial reimbursements at about 39.5% of the total amounts;

*Whereas* on January 10, the FCC filed a report with Congress pointing out that roughly half of respondents indicated to the agency that a lack of funding is a challenge and that about 2% indicated they cannot start work on their removal and replacement projects unless they receive additional funding;

*Whereas* the FCC Task Force on Optimal PSAP Architecture (TFOPA) to examine the transition from legacy 911 to Internet Protocol enabled 911 systems, i.e., so-called Next-Generation 911, or NG911, released a final report January 29, 2016 that (i) recommends that the transition to NG911 be accelerated and (ii) also concludes that current 911 funding mechanisms are not sufficient to support the required investments in NG911 technology;

*Whereas*, even though funding of and jurisdiction over 911 systems remains fundamentally an issue for local and State governments, even NARUC has recognized the need for additional Congressional leadership to facilitating the rollout of the NG911 transition by targeting federal NG911 grants to State and local governments;

*Whereas* in 2015, NARUC, by resolution, specifically endorsed a proposal by then Chairman Wheeler to seek congressional approval to “ utilize future spectrum proceeds to provide funding to States, local governments and/or PSAPS – to accelerate the transition to Next-Generation 911 networks:

*Whereas* last February, FCC Chairwoman Jessica Rosenworcel proposed a similar plan to dedicate proceeds from upcoming spectrum auctions toward a nationwide investment in digital, NG911 services; now, therefore be it

*Resolved* that the Board of Directors of the National Association of Regulatory Utility Commissioners convened at its Winter meetings in Washington DC endorses the funding recommendations of FCC Chairman Wheeler and FCC Chairwoman Rosenworcel and urges Congress to extend the FCC's spectrum authority beyond March 2023 and specify that the FCC may use a portion of future spectrum proceeds to fund Advanced Next-Generation 911 (NG 911) state networks and to cover shortfalls in the "rip and replace" program.

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Passed by the Committee on Telecommunications on February 13, 2023.

Adopted by the NARUC Board of Directors on February 15, 2023