

Report on Supply Chain Compliance Volume 3, Number 10. May 14, 2020 US moves to secure telecommunications networks ahead of 5G rollouts

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On March 12, U.S. President Donald Trump <u>signed the Secure and Trusted Communications Networks Act of 2019 into law. [1]</u> The new law establishes a "remove and replace" program for U.S. organizations—primarily rural carriers—that are currently using equipment from companies the Federal Communication Commission (FCC) has designated as threats to U.S. national security, such as Zhongxing Telecommunications Equipment Corporation (ZTE) and Huawei Technologies Company Ltd.

FCC Chairman Ajit Pai said in a statement, [2]

This new law ratifies the FCC's recently-adopted initiative to help small, rural telecommunications companies end their reliance on manufacturers that pose national security threats. Last November, the FCC initially designated two companies—Huawei and ZTE—as threats to the communications supply chain. We are now considering whether to finalize those preliminary designations while also collecting data about where equipment and services from these two companies are currently deployed.

The legislation is also expected to make permanent the FCC ban on the use of Universal Service Fund dollars—and any other funds administered by the FCC—to purchase equipment from covered entities, such as Huawei. The FCC has created an <u>online portal^[3]</u> for companies to file information regarding covered equipment and services they currently use. The current deadline for filing that information is May 22, 2020.

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