

UTILIZING STRATEGIC ALLIED TELECOMMUNICATIONS
ACT OF 2020

NOVEMBER 16, 2020.—Committed to the Committee of the Whole House on the
State of the Union and ordered to be printed

Mr. PALLONE, from the Committee on Energy and Commerce,
submitted the following

R E P O R T

[To accompany H.R. 6624]

The Committee on Energy and Commerce, to whom was referred the bill (H.R. 6624) to support supply chain innovation and multi-lateral security, and for other purposes, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

CONTENTS

	Page
I. Purpose and Summary	1
II. Background and Need for the Legislation	2
III. Committee Hearings	3
IV. Committee Consideration	3
V. Committee Votes	3
VI. Oversight Findings	3
VII. New Budget Authority, Entitlement Authority, and Tax Expenditures	4
VIII. Federal Mandates Statement	4
IX. Statement of General Performance Goals and Objectives	4
X. Duplication of Federal Programs	4
XI. Committee Cost Estimate	4
XII. Earmarks, Limited Tax Benefits, and Limited Tariff Benefits	4
XIII. Advisory Committee Statement	4
XIV. Applicability to Legislative Branch	4
XV. Section-by-Section Analysis of the Legislation	5
XVI. Changes in Existing Law Made by the Bill, as Reported	6

I. PURPOSE AND SUMMARY

H.R. 6624, the “Utilizing Strategic Allied Telecommunications Act of 2020” or the “USA Telecommunications Act”, was introduced by Representatives Frank Pallone, Jr. (D–NJ), Greg Walden (R–OR), Doris O. Matsui (D–CA), and Brett Guthrie (R–KY). This bill

establishes a grant program to help secure communications networks in the United States through promoting competition in the supply chains of Open Radio Access Network (Open RAN) 5G network equipment, accelerate deployment of Open Network Equipment, and promote the inclusion of security features that enhance the integrity and availability of such equipment. The National Telecommunications and Information Administration (NTIA) is responsible for administering the grant program, including establishing the criteria for awarding the grants, and for establishing a committee to advise on technological developments to inform the grant program and government efforts to support Open RAN 5G Networks.

II. BACKGROUND AND NEED FOR LEGISLATION

United States communications service providers rely heavily on equipment and services manufactured and made available by foreign companies. The increasingly globalized market for communications 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 communications supply chain.

In particular, the United States identified individual Chinese telecommunications firms, including Huawei Technologies Co. Ltd (Huawei) and its affiliates, as posing significant threats to U.S. commercial and security interests.¹ Their susceptibility to state influence over business operations results in China having “the means, opportunity, and motive to use telecommunications companies for malicious purposes,” such as espionage and cyberattacks.² In April 2018, the U.S.-China Economic and Security Review Commission found that the Chinese Government has “invested significant state capital and influence” on state-owned enterprises to strategically place these companies in the U.S. telecommunications supply chain.³

Several countries around the world have prohibited or severely curtailed the use of communications equipment from Huawei and other manufacturers of suspect network equipment.⁴ To support the development of a competitive market for trusted, secure network equipment, a growing movement has focused on Open RAN network architecture, which relies primarily on open-sourced standards and software to operate wireless communications networks.⁵ Though now only in a nascent stage, Open RAN architecture has the potential to allow a network operator to choose network components from various vendors, rather than relying on one vendor for its entire network, spurring the development of a competitive marketplace for secure equipment.⁶

¹ Department of Commerce, *Department of Commerce Announces the Addition of Huawei Technologies Co. Ltd. to the Entity List* (May 15, 2019) (press release).

² House Permanent Select Committee on Intelligence, *Investigative Report on the US National Security Issues Posed by Chinese Telecommunications Companies Huawei and ZTE*, 112th Cong. (Oct. 8, 2012).

³ U.S.-China Economic Security Review Commission, *Supply Chain Vulnerabilities from China in US Federal Information and Communications Technology* (Apr. 2018).

⁴ Reuters, *As Britain Bans Huawei, U.S. Pressure Mounts on Europe to Follow Suit* (July 14, 2020).

⁵ Financial Times, *Telecoms Networks Look To Fix Huawei Problem With Open Source Software* (July 26, 2020).

⁶ *Id.*

Federal investment in the promotion of this technology, as is contemplated in H.R. 6624, will assist in the development and acceleration of a competitive market and a secure supply chain for communications network equipment in the United States.

III. COMMITTEE HEARINGS

For the purposes of section 103(i) of H. Res. 6 of the 116th Congress, the following hearing was used to develop or consider H.R. 6624:

The Subcommittee on Communications and Technology held a hearing on September 27, 2019, entitled “Legislating to Secure America’s Wireless Future.” The Subcommittee received testimony from the following witnesses:

- John Nettles, President, Pine Belt Wireless
- Harold Feld, Senior Vice President, Public Knowledge
- Dean R. Brenner, Senior Vice President, Spectrum Strategy and Tech Policy, Qualcomm Incorporated
- Bobbie Stempfley, Managing Director, CERT Division, Software Engineering Institute, Carnegie Mellon University

IV. COMMITTEE CONSIDERATION

Representatives Pallone, Walden, Matsui, and Guthrie introduced H.R. 6624 on March 24, 2020, and the bill was referred to the Committee on Energy and Commerce. H.R. 6624 was then referred to the Subcommittee on Communications and Technology on March 25, 2020. A hearing was held prior to its introduction on September 27, 2019.

On July 15, 2020, H.R. 6624 was discharged from further consideration by the Subcommittee on Communications and Technology as the bill was called up for consideration by the full Committee on Energy and Commerce. The full Committee met in virtual open markup session on July 15, 2020, pursuant to notice, to consider H.R. 6624. No amendments were offered during consideration of the bill. Upon conclusion of its consideration, the full Committee agreed to a motion on final passage offered by Mr. Pallone, Chairman of the committee, to order H.R. 6624 reported favorably to the House, without amendment, by a voice vote, a quorum being present.

V. COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee to list each record vote on the motion to report legislation and amendments thereto. The Committee advises that there were no record votes taken on H.R. 6624, including the motion for final passage of the bill.

VI. OVERSIGHT FINDINGS

Pursuant to clause 3(c)(1) of rule XIII and clause 2(b)(1) of rule X of the Rules of the House of Representatives, the oversight findings and recommendations of the Committee are reflected in the descriptive portion of the report.

VII. NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY,
AND TAX EXPENDITURES

Pursuant to 3(c)(2) of rule XIII of the Rules of the House of Representatives, the Committee adopts as its own the estimate of new budget authority, entitlement authority, or tax expenditures or revenues contained in the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

The Committee has requested but not received from the Director of the Congressional Budget Office a statement as to whether this bill contains any new budget authority, spending authority, credit authority, or an increase or decrease in revenues or tax expenditures.

VIII. FEDERAL MANDATES STATEMENT

The Committee adopts as its own the estimate of Federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act.

IX. STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

Pursuant to clause 3(c)(4) of rule XIII, the general performance goal or objective of this legislation is to provide Federal funds to encourage competitiveness in the communications equipment supply chain for Open RAN network equipment and promote the development and use of secure, standards-based, and interoperable Open RAN network equipment.

X. DUPLICATION OF FEDERAL PROGRAMS

Pursuant to clause 3(c)(5) of rule XIII, no provision of H.R. 6624 is known to be duplicative of another Federal program, including any program that was included in a report to Congress pursuant to section 21 of Public Law 111-139 or the most recent Catalog of Federal Domestic Assistance.

XI. COMMITTEE COST ESTIMATE

Pursuant to clause 3(d)(1) of rule XIII, the Committee adopts as its own the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

XII. EARMARKS, LIMITED TAX BENEFITS, AND LIMITED
TARIFF BENEFITS

Pursuant to clause 9(e), 9(f), and 9(g) of rule XXI, the Committee finds that H.R. 6624 contains no earmarks, limited tax benefits, or limited tariff benefits.

XIII. ADVISORY COMMITTEE STATEMENT

One advisory committee within the meaning of section 5(b) of the Federal Advisory Committee Act was created by this legislation.

XIV. APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or

accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

XV. SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

Section 1. Short title

Section 1 designates that the short title may be cited as the “Utilizing Strategic Allied Telecommunications Act of 2020” or the “USA Telecommunications Act”.

Sec. 2. Wireless Supply Chain Innovation Grant Program

Section 2 establishes the Wireless Supply Chain Innovation Grant Program (Program) and authorizes an appropriation of \$750,000,000 in fiscal years 2021 through 2031 for such purpose. The section provides the Assistant Secretary of Commerce for Communications and Information (Assistant Secretary) with authority to administer the Program, and requires the Assistant Secretary to, within 18 months, begin making grants on a competitive basis to support the development and deployment of Open RAN 5G networks throughout the United States by: (1) promoting the use of technology, including software, hardware, and microprocessing technology, that will enhance the competitiveness in the supply chains of Open RAN 5G networks; (2) accelerating the deployment of Open Network Equipment; (3) promoting the use of Open Network Equipment; (4) establishing objective criteria that can be used to determine if equipment meets the definition of Open Network Equipment; (5) promoting the inclusion of security features that enhance the integrity and availability of Open Network Equipment; or (6) promoting the application of network function virtualization to facilitate the deployment of Open RAN 5G networks and a more diverse vendor market. The Assistant Secretary, in consultation with the Federal Communications Commission (Commission), the Director of the National Institute of Standards and Technology (NIST), the Secretary of Homeland Security, the Director of the Defense Advanced Research Projects Agency (DARPA), and the Director of the Intelligence Advanced Research Projects Activity of the Office of the Director of National Intelligence (IARPA), is required to establish the criteria for the Program.

Section 2 also requires that the Assistant Secretary submit two reports to Congress, an annual report on the grants made under the Program and a report within 180 days of enactment that includes recommendations on promoting the competitiveness and sustainability of trusted Open RAN 5G networks, and identifying any additional authorities needed by the Assistant Secretary to facilitate the timely adoption of Open Network Equipment.

Sec. 3. Advisory Committee

Section 3 requires the Assistant Secretary to establish an Advisory Committee to help inform the direction of the Program and the efforts of the Federal Government to promote a more secure, diverse, sustainable, and competitive supply chain for Open RAN 5G Networks. The Advisory Committee shall be comprised of representatives from the Commission, DARPA, IARPA, NIST, the Department of State, the National Science Foundation, and the Department of Homeland Security.

Sec. 4. Definitions

Section 4 provides definitions for certain terms used in the Act, such as Open Network Equipment and Open RAN 5G Network.

XVI. CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

There are no changes to existing law made by the bill H.R. 6624.

