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Networks Reimbursement Program (“Reimbursement Program” or “Program”).<sup>4</sup> Specifically, the Associations support the requests filed by Summit Ridge Group, Widelity, Inc., Pine Belt Cellular, and Viaero Wireless (together, the “Requesting Parties”) seeking clarification that reasonable, documented costs incurred during the 120-day post-Removal, Replacement, and Disposal (“RRD”) Term close-out period—including project management, compliance, and audit-preparation costs—remain eligible for reimbursement under the Program.<sup>5</sup>

The Associations agree with the Requesting Parties’ assertions that these costs are reimbursable under the Secure and Trusted Communications Networks Act (“the Act”)<sup>6</sup> and the Commission’s rules. The Bureau should therefore clarify that reasonable, documented costs incurred to satisfy Commission-mandated close-out obligations remain eligible during the 120-day post-RRD Term close-out period, including for the duration of any granted extension of such close-out period. As explained below, the close-out period is a required phase of Program participation, not a voluntary post-Program undertaking, and reimbursing these costs is consistent with the Act, the Commission’s rules and guidance, prior Commission reimbursement programs, and broader federal cost-allocation principles.

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<sup>4</sup> *Wireline Competition Bureau Seeks Comment on Requests for Clarification in the Rip-and-Replace Program*, Public Notice, WC Docket No. 18-89, DA 26-547 (rel. June 3, 2026).

<sup>5</sup> Comments and Request for Clarification of Summit Ridge Group, WC Docket No. 18-89 (filed Apr. 23, 2026) (“Summit Ridge Comments and Request for Clarification”); Comments of Widelity, Inc., WC Docket No. 18-89 (filed Apr. 29, 2026) (“Widelity Comments”); Letter from Donald L. Herman, Jr., Herman & Whiteaker, LLC, Counsel for Pine Belt Tel. Co., to Marlene Dortch, Secretary, Federal Communications Commission, WC Docket No. 18-89 (filed May 14, 2026) (“Pine Belt Letter”); Letter from Michael Felicissimo, President, NE Colorado Cellular, Inc., to Joseph Calascione, Chief, Wireline Competition Bureau, Federal Communications Commission, WC Docket No. 18-89 (filed May 20, 2026) (“Viaero Letter”).

<sup>6</sup> Secure and Trusted Communications Networks Act of 2019, Pub. L. No. 116-124, 133 Stat. 158 (codified as amended at 47 U.S.C. §§ 1601–1609) (“Secure Networks Act” or the “Act”).

**I. THE COMMISSION SHOULD CLARIFY THAT REASONABLE CLOSE-OUT COSTS INCURRED DURING THE POST-RRD TERM CLOSE-OUT PERIOD ARE REIMBURSABLE**

**A. Congress and the Commission Intended the Program to Reimburse the Full Range of Reasonable Costs Necessary to Complete Removal, Replacement, and Disposal Activities, Including Required Close-Out Activities**

The requests before the Bureau do not seek reimbursement for a new category of costs. Rather, they seek confirmation that activities the Commission has long recognized as reimbursable remain reimbursable when performed during the Program's required close-out period. From the outset, Congress intended to reimburse providers for reasonable costs associated with permanently removing, replacing, and disposing of covered communications equipment and services.<sup>7</sup> Consistent with that directive, the Commission adopted a reimbursement framework that recognizes that successful completion of removal and replacement projects requires more than the installation and decommissioning of network equipment. Participants must also undertake significant administrative work before ultimately certifying completion of their projects and closing their reimbursement account.

The Commission has repeatedly reminded Program participants of the necessary administrative work that is required to satisfy their Program obligations. Through its Cost Catalog, User Guides, and Frequently Asked Questions, the Commission has recognized that reimbursement-related project management services are reimbursable Program expenses when reasonably incurred.<sup>8</sup> The Requesting Parties ask the Bureau to confirm that these reimbursable

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<sup>7</sup> Secure Networks Act § 4(c)(1) (providing that reimbursement funds shall be used for the purposes removing, replacing, and disposing of covered equipment).

<sup>8</sup> Wireline Competition Bureau, Secure and Trusted Communications Networks Reimbursement Program, *Final Cost Catalog and Eligible Expenses and Estimated Costs*, DA 21-1614 (rel. Dec. 17, 2021) (identifying reimbursement-related project management services among the categories of eligible Program expenses); *see also Secure and Trusted Communications Networks Reimbursement Program: Frequently Asked Questions*, Wireline Competition Bureau at 12

activities do not become non-reimbursable solely because they occur during the Commission-mandated close-out period.

As Summit Ridge notes, the 120-day post-RRD term is a “program-required phase, not a voluntary cool down.”<sup>9</sup> It is not a separate undertaking from the Rip-and-Replace process but rather a final phase of Program participation. Although the expiration of the RRD Term marks the completion of physical network work, it does not mark the end of a participant’s obligations. Program participants remain subject to substantial Commission-mandated requirements after completion of physical removal and replacement activities, including preparing and submitting filing the Final Certification, reimbursement claims, compiling the Final Spending Report, reconciling expenditures, responding to Requests for Information, maintaining supporting documentation, and preparing for potential audits.

Congress itself contemplated that Program-related administrative work would continue after completion of physical removal, disposal and replacement activities<sup>10</sup> and mandated the FCC to distribute reimbursement funds to participants according to their needs.<sup>11</sup> The Act requires participants to submit a Final Certification following completion of the removal and replacement work, demonstrating that Congress understood that participants’ compliance

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(updated Feb. 11, 2026) (“Reimbursement Program FAQ”) (acknowledging that reimbursable project management services may include “reimbursement-related project management services (e.g., FCC Form 5640 planning, preparation, and filing support, invoice processing, documentation collection and completion)”).

<sup>9</sup> Summit Ridge Comments and Request for Clarification at 3.

<sup>10</sup> See Secure Networks Act § 4(e)(4)(A) (requiring each recipient to file a Final Certification following completion of the removal, replacement, and disposal period); 47 C.F.R. § 1.50004(m)(1) (requiring recipients to file a Final Certification within ten days after expiration of the removal, replacement, and disposal term).

<sup>11</sup> See *Id.*, at § 4(d)(5)(A) (“The Commission shall make reasonable efforts to ensure that reimbursement funds are distributed equitably among all applicants for reimbursements under the Program according to the *needs* of the applicants...” ) (*emphasis added*).

obligations would extend beyond the completion of network construction. These obligations are neither discretionary nor supplemental. They are required by statute and Commission rules and serve as a mechanism through which the Commission verifies compliance; protects Program integrity; and guards against waste, fraud, and abuse.

Many of these close-out activities cannot reasonably occur until after the physical work is complete. Participants cannot prepare final reimbursement submissions until final invoices are received and reconciled.<sup>12</sup> They cannot certify completion until removal, disposal, and replacement activities have concluded. Nor can they prepare final spending reports and audit-support documentation until project costs have been fully documented and reviewed. The Commission's own rules therefore necessarily contemplate that significant Program-related work will likely occur after expiration of the RRD Term.

Accordingly, reasonable costs incurred to perform these required close-out activities are properly viewed as part of the cost of completing the removal, replacement, and disposal undertaking Congress directed the Commission to fund. Clarifying the eligibility of these costs for reimbursement would not expand the scope of the Program; it would simply confirm the Commission's longstanding understanding that reimbursement-related project management and compliance activities remain reimbursable when reasonably incurred throughout the life cycle of a project, including during the final close-out phase.

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<sup>12</sup> See 47 C.F.R. § 1.50004(g) (requiring that reimbursement claim requests be supported by invoices documenting costs actually incurred); Reimbursement Program FAQ at 27 (directing recipients to link actual costs incurred to the supporting invoice documentation submitted with each claim).

**B. The Commission’s Clarification in the Third Report and Order Regarding Limiting Expenses Incurred During the RRD Term Should Not be Read to Exclude Reimbursement of Required Close-Out Activities**

In its *Third Report and Order*, the Commission clarified “that only reasonable expenses incurred before the expiration of the removal, replacement, and disposal term are eligible for reimbursement” and that expenses incurred after the expiration of the term are ineligible.<sup>13</sup> The Associations interpret that this clarification addresses the timing of costs associated with performing the removal, replacement, and disposal work itself—not the separate administrative and compliance obligations that the same item expressly requires participants to complete after expiration of the RRD Term.

Paragraph 101 of the *Third Report and Order* appears within the portion of the item governing implementation of the removal, replacement, and disposal work and addresses the timing of costs associated with that work, including equipment purchases, construction activities, decommissioning efforts, and other implementation expenses. The discussion focuses on ensuring that participants do not seek reimbursement for physical removal-and-replacement activities undertaken after expiration of the applicable RRD deadline. It does not address the Commission’s separately established close-out requirements.

In the subsequent paragraphs, the Commission separately addresses Final Certifications, noting they are due 60 days after the 120-day close-out window, implying significant work will still remain for participants during the close-out period.<sup>14</sup> Interpreting Paragraph 101 to fully prohibit the reimbursement of costs incurred during the close-out period would place these

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<sup>13</sup> *Protecting Against National Security Threats to the Communications Supply Chain Through FCC Programs*, WC Docket No. 18-89, Third Report and Order, 36 FCC Rcd 11958, 11999, para. 101 (2021) (“Third Report and Order”).

<sup>14</sup> Third Report and Order ¶¶ 104-05.

provisions in direct tension with one another. Such a reading would require participants to undertake substantial Commission-mandated compliance activities while simultaneously denying reimbursement for the project-management and compliance costs necessary to perform those activities. The Bureau should therefore clarify that reasonable close-out costs incurred during the Commission's required post-RRD submission period remain eligible for reimbursement.

Alternatively, the Bureau should interpret reasonable close-out costs to be "incurred" prior to the expiration of the RRD term where those costs arise from obligations that are integral to and triggered by removal, disposal, and replacement obligations. In other words, costs associated with completing Commission-required close-out activities are properly understood as part of the overall removal-and-replacement effort, even if the work is performed or invoiced during the post-submission period.

Such clarification is not only consistent with the Commission's rules and prior guidance; it is also necessary to ensure that the Program fulfills its intended purpose of enabling providers to comply with federal removal-and-replacement mandates without bearing unnecessary and unreimbursed compliance costs.

## **II. REIMBURSEMENT OF REASONABLE CLOSE-OUT COSTS ADVANCES THE PURPOSES OF THE PROGRAM AND AVOIDS IMPOSING UNFUNDED COMPLIANCE BURDENS**

Clarifying that reasonable close-out costs remain reimbursable would further the core purposes of the Reimbursement Program and avoid imposing the type of unfunded compliance burden Congress sought to prevent. Congress established the Program to help providers comply with federal national security mandates requiring the removal and replacement of covered communications equipment and services. The close-out activities at issue exist solely because providers are participating in the Program and are required to demonstrate compliance with

Commission requirements. They are not ordinary business expenses. Rather, they are compliance costs created by the Program itself. Treating these costs as non-reimbursable would effectively require participants to absorb the costs of the Commission’s own oversight and reporting framework and would place participants in an untenable position—forcing them to divert their limited resources away from maintaining their high-cost networks and serving their rural customers in order to satisfy unfunded regulatory obligations. Preparing final reimbursement submissions, responding to Commission inquiries, reconciling expenditures, compiling spending reports, and preparing certifications and audit materials are all Commission-mandated requirements.

Interpreting Program guidance to prohibit reimbursement of those activities would shift the cost of compliance onto the very providers Congress sought to assist. That outcome—and the corresponding need for clarification—is heightened by the Program’s well-documented funding shortfall. As Pine Belt explains, participants have already absorbed substantial unreimbursed costs as a result of the Program’s pro rata allocation mechanism.<sup>15</sup> Requiring providers to additionally bear the costs of mandatory close-out activities would further reduce the relief Congress intended to provide and would disproportionately affect the small and rural carriers that Congress specifically sought to support.

Viaero illustrates the practical consequences of this uncertainty. As Viaero explains, significant administrative work remains after completion of physical removal-and-replacement activities, including preparation of final submissions, certifications, supporting documentation,

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<sup>15</sup> Pine Belt Letter at 2 (explaining at the funding shortfall “caused uncertainty for carriers... making it extremely difficult to budget accordingly and navigate the timeline of meeting the FCC’s build deadlines” and that it “has come at significant expense and has resulted in Pine Belt being in an extremely precarious financial position”).

and responses to Program-related inquiries.<sup>16</sup> Viaero further notes that, without assistance from outside counsel and consultants, it lacks the internal expertise and personnel necessary to complete these obligations efficiently and accurately.<sup>17</sup> Many smaller and rural providers face the same reality and have relied on outside experts throughout the Program to manage its reimbursement, reporting, and compliance requirements. Clarifying that reasonable costs associated with those services remain reimbursable during the Commission's required close-out period will provide needed certainty, facilitate Program compliance, and support an orderly and efficient conclusion of the Reimbursement Program.

Clarification is also consistent with Congress's directive that the Commission administer the Program in a manner that mitigates administrative burdens on participating providers.<sup>18</sup> Clarifying that reasonable close-out costs remain reimbursable will promote an orderly conclusion of the Program, provide certainty to participants approaching critical deadlines, and ensure that providers can devote the resources necessary to satisfy their remaining obligations accurately and efficiently.

### **III. REIMBURSEMENT OF CLOSE-OUT COSTS IS CONSISTENT WITH COMMISSION AND FEDERAL REIMBURSEMENT PRACTICE**

Reimbursement of reasonable close-out costs is not only consistent with the Commission's administration of analogous reimbursement programs but also reflects longstanding federal principles governing the treatment of close-out and compliance-related expenses. Most notably, the Commission's administration of the TV Broadcaster Relocation

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<sup>16</sup> Viaero Letter at 1.

<sup>17</sup> *Id.*

<sup>18</sup> Secure Networks Act § 4(d)(2)(C) ("In developing the application process...the Commission shall take reasonable steps to mitigate the administrative burden and costs associated with the application process").

Fund (“Repack Program”) following the incentive auction recognized that professional-service and project management costs incurred throughout the life cycle of the program—including during close-out—were eligible for reimbursement.<sup>19</sup> Like the Reimbursement Program, the Repack Program relied on cost estimates, reimbursement submissions, fund administration, and formal close-out procedures. Throughout that process, participants were permitted to recover not only the direct costs of physical transition work but also the professional and administrative costs necessary to complete reimbursement filings, documentation, and program compliance. As Widelity explains, these “soft costs” were treated as reimbursable through the conclusion of the program, including its close-out phase.<sup>20</sup>

Federal financial assistance programs likewise recognize that the cost of completing required close-out activities is part of the cost of completing the underlying funded undertaking. Under the Uniform Guidance, recipients are afforded 120 days following the end of a period of performance to submit required financial, performance, and close-out reports, and reasonable administrative, accounting, reporting, and audit-related costs incurred during that period are generally treated as allowable program expenses.<sup>21</sup> Although the Reimbursement Program is not

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<sup>19</sup> 47 U.S.C. § 1452(b)(2) (establishing the TV Broadcaster Relocation Fund and authorizing reimbursement of costs reasonably incurred by eligible entities).

<sup>20</sup> Media Bureau Seeks Comment on Widelity Report and Catalog of Potential Expenses and Estimated Costs, GN Docket No. 12-268, Public Notice, 29 FCC Rcd 2989 (2014) (cataloging both hard equipment costs and soft costs—including legal, engineering, and project-management services—as potentially reimbursable repacking expenses); *see also* Incentive Auction Task Force and Media Bureau Announce Procedures for Eligible Entities to Close Out Accounts in the TV Broadcaster Relocation Fund, Public Notice, 34 FCC Rcd 304 (2019) (providing for reimbursement of eligible expenses through the program’s close-out phase).

<sup>21</sup> *See* 2 C.F.R. § 200.344(a) (requiring recipients to submit all financial, performance, and other reports no later than 120 calendar days after the end of the period of performance); *see also id.* § 200.344(b) (affording recipients 120 calendar days after the end of the period of performance to liquidate financial obligations incurred under the award).

governed by the Uniform Guidance, that framework reflects a longstanding federal principle that costs incurred to prepare required certifications, financial reports, and audit documentation remain costs of the underlying program.

The contrary interpretation would produce an arbitrary result under which activities that are plainly reimbursable before expiration of the RRD Term become non-reimbursable immediately thereafter, despite being identical in nature and performed for the same Program-related purpose. Neither Commission precedent nor broader federal reimbursement practice supports such a distinction.

#### **IV. IN THE ALTERNATIVE, THE COMMISSION SHOULD EXERCISE ITS AUTHORITY TO CONFIRM THAT REASONABLE CLOSE-OUT COSTS ARE ELIGIBLE FOR REIMBURSEMENT**

The Associations maintain that the Program's existing rules, Cost Catalog, and guidance already support reimbursement of reasonable costs incurred during the 120-day post-RRD Term close-out period. If the Bureau nevertheless concludes that ambiguity exists, the Commission should exercise its authority to remove that ambiguity and expressly confirm *sua sponte* that Participants may recover the reasonable costs of completing Commission-mandated close-out activities.<sup>22</sup>

The Commission possesses broad authority under the Secure and Trusted Communications Networks Act to administer the Reimbursement Program and determine the categories of reasonable costs eligible for reimbursement. Nothing in the Act requires the Commission to draw an arbitrary distinction between reimbursable project-management and compliance activities performed before expiration of the RRD Term and identical activities

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<sup>22</sup> See 47 C.F.R. §§ 1.108 and 1.113 (regarding the ability of the Commission or its delegee to reconsider actions on its own motion). The Commission can and has waived the requirement that such reconsideration occur within 30 days of public notice of the relevant action.

performed during the Commission’s required close-out process. Exercising that authority to confirm the reimbursement eligibility of reasonable close-out costs would further the purposes of the statute and ensure that Program participants are not left bearing costs that exist solely because they complied with federal mandates requiring the removal, disposal, and replacement of covered communications equipment and services.

Such action would be particularly appropriate given the unique circumstances of this Program. Participants have already faced a substantial funding shortfall, significant delays caused by reasons beyond their control, and business harm from the requirements of the Program – all while being good stewards of federal funds and, in many cases, using significantly less funding than allocated by the Commission. Requiring providers to absorb additional unreimbursed costs associated with mandatory close-out activities would further reduce the relief Congress intended to provide and would disproportionately affect the small and rural carriers that Congress prioritized for participation in the Program.

## **CONCLUSION**

For the reasons discussed above, the Associations respectfully urge the Bureau to grant the clarification sought by the Requesting Parties and confirm that reasonable, documented costs incurred during the Commission’s 120-day post-RRD Term close-out period remain eligible for reimbursement. Such costs—including the preparation and filing of the Final Certification, and subsequent amendments as necessary, Reimbursement Claim Requests, the Final Spending Report, responses to Requests for Information, and audit-support activities—are necessary components of Program compliance and are properly understood as reimbursement-related project-management expenses. Clarifying their eligibility for reimbursement would not expand the Program; it would simply confirm that activities the Commission has long recognized as

reimbursable do not become non-reimbursable solely because they occur during the Commission's required close-out phase. This clarification is consistent with the Act, the Commission's rules and guidance, prior Commission reimbursement practice, and Congress's directive to minimize unnecessary burdens on the small and rural providers the Program was enacted to assist.

Respectfully Submitted,

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