

needing dual illumination than previously estimated.

Finally, the *Public Notice* establishes the process for electing lump sum payments. Consistent with the *3.7 GHz Report and Order*, incumbent earth station owners must make their lump sum payment election no later than August 31, 2020. Because IBFS registrations do not contain sufficient information to determine the classes of earth stations/antennas that are registered at each earth station site or to determine whether an earth station site is an MVPD earth station, the Bureau requires earth station owners to certify that the information they provide in their lump sum election—including the antenna type and class of earth station—is accurate to the best of their knowledge.

Incumbent earth station owners choosing the lump sum election must file in IB Docket No. 20–205, with the following information for each of that operator's incumbent earth station sites:

1. Licensee/Registrant/Applicant Name,
2. Earth Station Callsign,
3. Site ID,
4. Antenna ID,
5. Number of antennas associated with that Antenna ID,
6. Site address,
7. GPS coordinates of the earth station,
8. File Number(s) of current authorization and/or pending application,
9. Confirmation that the earth station meets the definition of incumbent earth station under 47 CFR 27.1411(b)(3) and 25.138(c), including indication of whether earth station appears on the International Bureau's final list of eligible earth stations,¹
10. Category of lump sum election for each registered antenna at that registered earth station site (e.g. Receive Only ES Single-feed; Receive Only ES Multi-feed; Small Multi-beam (2–4 beams) ES, etc.),
11. Whether earth station site is an MVPD earth station site (to claim the per-site technology upgrade installation amount),
12. Total lump sum amount claimed for that earth station (calculated by the number of registered antennas at that incumbent earth station multiplied by the relevant lump sum base amount, plus technology upgrade installation amount if MVPD), and

13. Whether the incumbent earth station will be transitioned to the upper 200 megahertz in order to maintain C-band services or will discontinue C-band services.

The lump sum election must include a certification from the incumbent earth station owner (if an individual) or a duly authorized representative with authority to bind the station, which certifies to the following:

1. That the information contained in the lump sum election is true and accurate to the best of the incumbent earth station owner (if an individual) or duly authorized representative knowledge;
2. That all earth stations for which the lump sum is being elected will not have ceased operation more than 90 days before the deadline for the lump sum election;
3. That, if the incumbent earth station owner intends to continue to receive content from a satellite operator after the transition at any of its earth station antennas, it accepts responsibility for undertaking the necessary transition actions in accordance with the timelines set forth in the satellite operators' Transition Plans;
4. That the incumbent earth station owner agrees to coordinate with the relevant space station operator as necessary to complete the transition;
5. An irrevocable release of claims for reimbursement for actual reasonable relocation costs from the Relocation Payment Clearinghouse, eligible satellite operators, or video programmers; and
6. An irrevocable release of claims against the payor and/or Commission with respect to any dispute about the amount received.

Federal Communications Commission.

Amy Brett,

Chief of Staff, Competition and Infrastructure Policy Division, Wireless Telecommunications Bureau.

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FEDERAL COMMUNICATIONS COMMISSION

[WC Docket No. 18–89; FCC 20–99; FRS 16963]

National Security Threats to the Communications Supply Chain Through FCC Programs

AGENCY: Federal Communications Commission.

ACTION: Notice.

SUMMARY: In this document, the Federal Communications Commission (Commission) finds it has already

substantially complied with the Secure and Trusted Communications Networks Act of 2019 (Secure Networks Act) with the prohibition adopted in the *2019 Supply Chain Order*.

DATES: This Declaratory Ruling is applicable July 17, 2020.

FOR FURTHER INFORMATION CONTACT: For further information, please contact Brian Cruikshank, Wireline Competition Bureau, Brian.Cruikshank@fcc.gov, 202–418–7400 or TTY: 202–418–0484.

SUPPLEMENTARY INFORMATION: This is a summary of the Commission's Declaratory Ruling in WC Docket No. 18–89, FCC 20–99, adopted on July 16, 2020 and released July 17, 2020. Due to the COVID–19 pandemic, the Commission's headquarters will be closed to the general public until further notice. The full text of this document is available at the following internet address: <https://www.fcc.gov/document/implementing-secure-networks-act-0>. The Second Further Notice of Proposed Rulemaking that was adopted concurrently with this Declaratory Ruling will be published elsewhere in the **Federal Register**.

I. Introduction

1. America's communications networks have become the indispensable infrastructure of our economy and our everyday lives. The COVID–19 pandemic has demonstrated as never before the importance of these networks for employment and economic opportunity, education, health care, social and civic engagement, and staying connected with family and friends. It is therefore imperative that the Commission safeguards this critical infrastructure from potential security threats.

2. The Commission has taken a number of targeted steps in this regard. For example, in November 2019, the Commission prohibited the use of public funds from the Commission's Universal Service Fund (USF) to purchase or obtain any equipment or services produced or provided by companies posing a national security threat to the integrity of communications networks or the communications supply chain. The Commission also initially designated Huawei Technologies Company (Huawei) and ZTE Corporation (ZTE) as covered companies for purposes of this rule, and the Commission established a process for designating additional covered companies in the future. Additionally, last month, the Commission's Public Safety and Homeland Security Bureau (PSHSB) issued final designations of Huawei and

¹ See *International Bureau Releases Preliminary List of Incumbent Earth Stations in the 3.7–4.2 GHz Band in the Contiguous United States*, Public Notice, DA 20–703, at 1–2 (IB July 6, 2020). We note that the International Bureau will have released the final list of incumbent earth stations prior to the election deadline.

ZTE as covered companies, thereby prohibiting the use of USF funds on equipment or services produced or provided by these two suppliers.

3. The Commission takes further steps to protect the nation's communications networks from potential security threats as it integrates provisions of the recently enacted Secure and Trusted Communications Networks Act of 2019 (Secure Networks Act) into its existing supply chain rulemaking proceeding. The Commission adopts a Declaratory Ruling finding that, in the *2019 Supply Chain Order*, 85 FR 230, January 3, 2020, it fulfilled its obligation pursuant to section 3 of the Secure Networks Act to prohibit the use of funds made available through a Federal subsidy program administered by the Commission to purchase, rent, lease, or otherwise obtain or maintain any covered communications equipment or services from certain companies.

II. Declaratory Ruling

4. In the *2019 Supply Chain Order*, the Commission prohibited the use of universal service support for equipment and services produced or provided by companies designated as a national security threat. The Commission finds that its prohibition, codified in section 54.9 of the Commission's rules, is consistent with and substantially implements subsection 3(a) of the Secure Networks Act, which prohibits the use of federal funds on certain communications equipment and services. Accordingly, the Commission further finds that it has satisfied the requirements of section 3(b) in the Secure Networks Act and it needs not revisit or otherwise modify our prior action in the *2019 Supply Chain Order*.

5. Introduced prior to the adoption of the *2019 Supply Chain Order* and subsequently enacted on March 12, 2020, section 3(a) of the Secure Networks Act prohibits "[a] Federal subsidy that is made available through a program administered by the Commission and that provides funds to be used for the capital expenditures necessary for the provision of advanced communications service" from being used either to "purchase, rent, lease or otherwise obtain any covered communications equipment or service; or maintain any covered communications equipment or service . . ." The prohibition applies "60 days after the date the Commission places such equipment or service on the list" required by section 2(a) of the statute.

6. In section 3(b), Congress directed the Commission to adopt a Report and Order to implement this prohibition

within 180 days following the Secure Networks Act's enactment. Section 3(b) further states, "If the Commission has, before the date of the enactment of this Act, taken action that in whole or in part implements subsection (a), the Commission is not required to revisit such action, but only to the extent such action is consistent with this section." The Commission interprets the language in section 3(b) to mean that if it has, prior to the enactment of the Secure Networks Act, already adopted a prohibition on the use of Federal funds that substantially tracks the statutory prohibition, then the Commission is deemed to have satisfied the 180-day deadline contained in section 3(b) and need not revisit its prior action. To avail itself of this exception to the statutory deadline, however, the Commission's previously adopted prohibition must be "consistent" with, *i.e.*, compatible with, and must not conflict with, the requirements of section 3(a).

7. In the *2019 Supply Chain Order*, the Commission prohibited the use of universal service support to "maintain, improve, modify, operate, manage, or otherwise support any equipment or services produced or provided by a company posing a national security threat to the integrity of the communications networks or the communications supply chain." The Commission also initially designated two companies, Huawei and ZTE, as companies posing a national security threat. PSHSB recently issued final designations of these entities, thereby prohibiting the use of USF funds to maintain, improve, modify, operate, manage, or otherwise support equipment or services produced or provided by Huawei and ZTE effective June 30, 2020.

8. The Commission's prohibition in the *2019 Supply Chain Order* is consistent with and substantially implements the prohibition required by section 3(a) of the Secure Networks Act. The Commission starts by noting that it administers two ongoing programs that provide a "Federal subsidy": the USF, a Federal subsidy program that subsidizes the cost of obtaining communications equipment and/or services for carriers serving high-cost areas, schools and libraries, rural health care providers, and low-income households, and the Interstate Telecommunications Relay Service Fund, a Federal subsidy program that subsidizes the cost of relay services for individuals who are deaf, hard of hearing, deaf/blind, or have a speech impediment. Given that the USF, unlike the Interstate Telecommunications Relay Service Fund, "provides funds to be used for the

capital expenditures necessary for the provision of advanced communications service," we believe Congress clearly intended the section 3 prohibition to apply to the USF.

9. The Commission also finds the scope of communications equipment and services covered by the Commission's prohibition encompasses the scope of the Secure Networks Act's section 3 prohibition. The Commission's prohibition broadly covers "any equipment or services produced by any company posing a national security threat." In comparison, the prohibition in section 3 of the Secure Networks Act applies to "any covered communications equipment or service." Covered communications equipment or service is limited to that which is capable of certain functions and capabilities or otherwise poses a security threat. Although the Commission's prohibition goes further than the requirements of the Secure Networks Act, it does not conflict with the statutory requirements of section 3(a). Accordingly, by complying with the Commission's broader prohibition, USF support recipients will be in compliance with the Secure Networks Act prohibition. Section 3(a) of the Secure Networks Act also specifies that the ban takes effect 60 days after the Commission places the equipment or service on the list required by section 2 of the statute. The Commission believes that rule 54.9 substantially implements this section 3 requirement by providing a notice period for interested parties (which, if opposed, the Commission would expect to last at least 60 days) and stating that the ban takes effect only when initial designations of covered companies are finalized. However, to the extent there are differences between the Commission's rules and section 3 of the Secure Networks Act, it seeks comment on additional changes to its rules.

10. With the Commission's adoption of the prohibition in the *2019 Supply Chain Order*, the Commission has substantially implemented the section 3 statutory mandate to adopt a prohibition on covered communications equipment or services. As such, the Commission avails ourselves of the proviso, set forth in section 3(b), not to revisit its prior action implementing the mandate. Nevertheless, in the concurrently adopted Further Notice, the Commission seeks comment on additional changes to its rules pursuant to section 3 of the Secure Networks Act.

III. Ordering Clause

11. It is further Ordered that, pursuant to Section 3 of the Secure Networks Act,

47 U.S.C. 1602 and the authority contained in Sections 1, 4(i), 201(b), 214, 254, 303(r), and 403 of the Communications Act of 1934, as amended, 47 U.S.C. 151, 154(i), 155(b), 155(c), 201(b), 214, 254, 303(r), and 403, and Sections 1.2 and 54.9 of the Commission's rules, 47 CFR 1.2 and 54.9, the Declaratory Ruling in WC Docket No. 18–89 *is adopted*.

12. It is further Ordered that the Declaratory Ruling is *effective* upon release.

Federal Communications Commission.
Marlene Dortch,
Secretary.

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FEDERAL DEPOSIT INSURANCE CORPORATION

Notice of the FDIC's Response to Exception Requests Pursuant To Recordkeeping for Timely Deposit Insurance Determination

AGENCY: Federal Deposit Insurance Corporation (FDIC).

ACTION: Notice of the FDIC's response to exception requests pursuant to the Recordkeeping for Timely Deposit Insurance Determination rule.

SUMMARY: In accordance with its rule regarding recordkeeping for timely deposit insurance determination, the FDIC is providing notice to covered institutions that it has granted a time-limited exception of up to 18 months concerning the information technology system requirements and general recordkeeping requirements for certain deposit accounts for sole proprietorships that the covered institution's information technology systems misclassify with an incorrect ownership right and capacity code and a time-limited exception of up to 12 months concerning the information technology system requirements and general recordkeeping requirements for limited number of joint deposit accounts that the covered institution has not confirmed are "qualifying joint accounts" for deposit insurance purposes.

DATES: The FDIC's grants of exception relief were effective as of July 28, 2020.

FOR FURTHER INFORMATION CONTACT: Benjamin Schneider, Section Chief, Division of Complex Institution Supervision and Resolution; bschneider@fdic.gov; 917–320–2534.

SUPPLEMENTARY INFORMATION: The FDIC granted two time-limited exception

requests to a covered institution pursuant to the FDIC's rule entitled "Recordkeeping for Timely Deposit Insurance Determination," codified at 12 CFR part 370 (part 370).¹ Part 370 generally requires covered institutions to implement the information technology system and recordkeeping capabilities needed to quickly calculate the amount of deposit insurance coverage available for each deposit account in the event of failure. Pursuant to section 370.8(b)(1), one or more covered institutions may submit a request in the form of a letter to the FDIC for an exception from one or more of the requirements of part 370 if circumstances exist that would make it impracticable or overly burdensome to meet those requirements. Pursuant to section 370.8(b)(3), a covered institution may rely upon another covered institution's exception request which the FDIC has previously granted by notifying the FDIC that it will invoke relief from certain part 370 requirements and demonstrating that the covered institution has substantially similar facts and circumstances to those of the covered institution that has already received the FDIC's approval. The notification letter must also include the information required under section 370.8(b)(1) and cite the applicable notice published pursuant to section 370.8(b)(2). Unless informed otherwise by the FDIC within 120 days after receipt of a complete notification for exception, the exception will be deemed granted subject to the same conditions set forth in the FDIC's published notice.

These grants of relief may be rescinded or modified upon material change of circumstances or conditions related to the subject accounts, or upon failure to satisfy conditions applicable to each. These grants of relief will be subject to ongoing FDIC review, analysis, and verification during the FDIC's routine part 370 compliance tests. The FDIC presumes each covered institution is meeting all the requirements set forth in the Rule unless relief has otherwise been granted. The following exceptions were granted by the FDIC as of July 28, 2020.

I. Certain Deposit Accounts for Sole Proprietorships That the Covered Institution's Information Technology Systems Misclassify With an Incorrect Ownership, Right and Capacity Code

The FDIC granted a time-limited exception of up to 18 months from the information technology requirements set forth in section 370.3 and general recordkeeping requirements set forth in

section 370.4(a) of the rule to allow a covered institution to perform system updates and remediation efforts to ensure certain sole proprietorship deposit accounts are correctly classified by its part 370 information technology system. The covered institution identified that the subject accounts were opened in a manner such that its information technology systems identified the accounts as being held under the BUS ownership right and capacity code. As a result, the institution must update its information technology systems to ensure the appropriate ownership right and capacity code of SGL is applied to the subject accounts.

In connection with the FDIC's grant of relief, the covered institution has represented that it will both perform information technology system updates and update policies to ensure current and future accounts for sole proprietorships are assigned the appropriate SGL ownership right and capacity code. The covered institution has represented that it will maintain the capability to place holds on the deposit accounts subject to the exception in the event of failure until a deposit insurance determination can be made and place all such accounts into the pending file of its part 370 output files during the relief period. As conditions of relief, the covered institution must submit a status report to part370@fdic.gov at the midpoint of the exception relief period and immediately bring to the FDIC's attention any change of circumstances or conditions.

II. A Limited Number of Joint Accounts for Which the Covered Institution Has Not Confirmed "Qualifying Joint Account" Status for Deposit Insurance Purposes Pursuant to 12 CFR Section 330.9

The FDIC granted a time-limited exception of up to 12 months from the information technology requirements set forth in section 370.3 and general recordkeeping requirements set forth in section 370.4(a) of the rule for a limited number of joint accounts that a covered institution has not confirmed are "qualifying joint accounts" entitled to separate deposit insurance coverage pursuant to 12 CFR 330.9(c).² The

² Pursuant to 12 CFR 330.9(c)(1), the following requirements must be met for a joint account to be a "qualifying joint account" entitled to separate deposit insurance coverage: (i) All co-owners of the funds in the account are "natural persons" (as defined in § 330.1(l)); (ii) each co-owner has personally signed, which may include signing electronically, a deposit account signature card, or the alternative method provided in paragraph (c)(4)

¹ 12 CFR part 370.