

SCRPS Status Update

FCC Form 5640

OMB Control No. 3060-1270

File No. SC-SU0002907

Applicant Information

Applicant FRN 0001754209

Applicant Address 3984 County Rd 32

Applicant Name Pine Belt Cellular, Inc.

Applicant City Arlington

Applicant Email cores@pinebelt.net

Applicant State AL

Applicant Phone 3343855000

Applicant ZIP Code 36722

Contact Information



Is the contact the same as the contact listed on the Application Request for Funding Allocation? If not, please list below.

Contact Name Sam Hariton

Contact Address 10300 Eaton Place, Suite 440

Contact Email sc.external.rfi.pinebelt@wideii

Contact City Fairfax

Contact Phone 703-239-3299

Contact State VA

Contact ZIP Code 22030

*Indicate which deadline you are meeting with this filing.

2024-10-07

Explanation of Effort and Availability of Commercial Equipment

*Provide an explanation of efforts undertaken, and challenges encountered, in permanently removing, replacing, and disposing of covered communications equipment or service.

Since the previous report, my company has not conducted any additional work on the removal of covered equipment since the submittal of the last form. As reported in July 2024, we have completed the removal of covered equipment at 58 of 70 sites. Because of the funding shortfall, however, we are unable to continue with that work. As such, we have stopped project activities pending the resolution of the funding issue. We have spent at least \$8 million more than the available pro-rated reimbursement funding on covered equipment removal, destruction, and replacement activities. There is still removal work to be done. Our overextended financial situation coupled with the prolonged lack of federal action to address the program funding shortfall has made it impossible for us to continue our removal work and related activities. Likewise, since the last report, my company has not conducted work on the disposal of covered equipment since the submittal of the last form. We have spent at least \$8 million over the available pro-rated reimbursement funding on covered equipment removal, destruction, and replacement activities. We have destroyed the covered equipment removed from 58 of 70 sites. However, we are unable to dispose of the equipment from the remaining 12 sites, as we cannot afford to have it removed. In turn, my company has not conducted work on the replacement of covered equipment and services since the submittal of the last form. Consistent with the responses above regarding removal and disposal activities, all replacement work has stopped due to the funding shortfall. As stated, we have "spent" \$8 million above the pro-rated allocation; it should be noted this amount sits on our books as a current payable to primary equipment vendors. Over the past two years, those vendors, being as equally committed to the success of the program as we are, were willing to deliver the replacement equipment and provide the replacement services in advance expecting that the reimbursement funds would be available within a reasonable timeframe. Since that has not happened, those same vendors have become very concerned, and rightfully so, about the collectability due to the age of the associated invoices. If assurances that the reimbursement funding are not given by the federal government soon, these pressures could turn into collection actions, which would most probably lead to disastrous consequences for our operations.

*Explain whether you are finding commercially available equipment in the marketplace. If not, then explain efforts taken to obtain replacement equipment.

Because of the funding issues, we are not finding that equipment and services are commercially available. Without the additional funds needed to complete this national security replacement mandate, we are unable to proceed with additional work. Simply put, equipment and services that one cannot pay for are not available. To try to overcome the lack of funding during the reporting period, we made additional visits to the offices of elected representatives to plead for action, both in person and virtually, individually and alongside industry association personnel and representatives of other program participants. However, as of this writing, those efforts appear to have been in vain given that nothing has been published to indicate a solution may be near. Beyond these efforts, we have attempted discussions with various commercial entities regarding private funding for the balance of activities. However, the burdens of this federal mandate have created tremendous negative pressures on company operations, causing significant damage to our financial profile. This, coupled with the program funding shortfall and no indication further funding will be addressed soon, we find the notion of commercial financing for the balance of the work needed to be an impossible sell. Compounded by the fact that commercial financing costs are deemed non-reimbursable, even if feasible, this would not be a smart move.

* If there is additional information relevant to the preceding questions or that you believe the Commission should be aware of, please include the information below.

The need to "plug the security holes" in every segment of the national infrastructure has never been greater than today; communications networks are certainly no exception. At the same time, the calls by policy and lawmakers at all levels for better broadband for everyone, everywhere have never been louder. The mandate created by the Secure and Trusted Communications Networks Act of 2019 and the cost reimbursement program that it spawned is laudable. The backward manner in which the program budget was set, and the continued lack of action at the federal level to deal with the funding shortfall created by that misstep, is greatly diminishing its overall effectiveness and crippling many of its subjects. Bot the FCC and Congress need to take action now.

Program Compliance

*Indicate whether recipient has fully complied with (or is in the process of complying with) all requirements of the Reimbursement Program.

Yes No

*Indicate whether recipient has permanently removed from its communications network all covered communications equipment or services that were in the recipient's network as of the date of the submission of the recipient's application request for funding.

Yes No

If recipient has not yet completed the removal process, what estimated percentage of the removal process have you completed?

83

*Indicate whether recipient has replaced all covered communications equipment or services that were in the recipient's network as of the date of the submission of the recipient's application request for funding.

Yes No

If recipient has not yet completed the replacement process, what estimated percentage of the replacement process have you completed?

83

*Indicate whether recipient has disposed of all covered communications equipment or services that were in the recipient's network as of the date of the submission of the recipient's application request for funding.

Yes No

If recipient has not yet completed the disposal process, what estimated percentage of the disposal process have you completed?

83

*Indicate whether recipient has fully complied with (or is in the process of complying with) the timeline submitted by the recipient. If not, provide explanation for deviation.

Yes No

*The filer has indicated no to a question in this section, please provide additional information.

Timeline Deviation: Virtually all sections of the timeline are impacted. We still have elements of the insecure core running. We still have several sites running insecure RAN equipment. Until we installed the replacement equipment at all RAN sites we cannot remove and dispose of the remaining insecure items without significant negative impact on coverage and commercial services. The impact on the timeline is obvious. Without the additional funding, we will not be able to complete the work required and therefore we will not meet the project milestone dates.

Certifications

*By checking the box and providing the electronic signature where indicated below, the Certifying Official on behalf of the filer certifies under penalty of perjury that:

(1) The Certifying Official is authorized to submit this status report on behalf of the above-named filer and, based on information known to me or provided to me by employees responsible for the information being submitted, the information set forth in this status report has been examined and is true, accurate, and complete, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal award. The Certifying Official acknowledges that any false, fictitious, or fraudulent information or statement, or the omission of any material fact on this status report or on any other document submitted by the filer may subject the filer and the undersigned to punishment by fine or forfeiture under the Communications Act (47 U.S.C. §§ 502, 503(b), 1606), or fine or imprisonment under Title 18 of the United States Code (18 U.S.C. § 1001, §§ 286-287, and § 1343), or can lead to liability under the False Claims Act (31 U.S.C. §§ 3729-3733, and §§ 3801-3812). (2) The filer is in compliance with the statute, rules, and orders governing the Reimbursement Program, including but not limited to allocations, draw downs, payments, obligations and expenditures of money, and the Certifying Official acknowledges that failure to be in compliance and remain in compliance with those statutes, rules, and orders may result in the denial of funding, cancellation of funding commitments, and/or recoupment of past disbursements. The Certifying Official acknowledges that the filer will maintain detailed records, including receipts, of all costs eligible for reimbursement actually incurred for a period of 10 years; and will file all required documentation for its expenses. The Certifying Official acknowledges that failure to comply with the statute, rules, and orders governing the Reimbursement Program could result in civil or criminal prosecution by law enforcement authorities.

Certifier Information

Certifier Signature	John Nettles	Certifier Phone	334-385-5001
Certifier Name	John Nettles	Certifier Email	john@pinebelt.net
Certifier Title	President		
Date Signed	2024-10-04		