



**UNITED STATES DEPARTMENT OF COMMERCE**

National Telecommunications and  
Information Administration  
Washington, DC 20230

August 5, 2021

As required by Section 9202(a)(1)(G) of the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021 (FY 21 NDAA), I am writing to provide an initial report with additional recommendations to promote the competitiveness and sustainability of trusted suppliers in the wireless supply chain, as well as on any further authorities that may be needed to facilitate timely adoption of open standards-based equipment.<sup>1</sup> Through the National Telecommunications and Information Administration (NTIA), the Department of Commerce continues to closely monitor legislative developments pertinent to the Public Wireless Supply Chain Innovation Fund (Innovation Fund) authorized by Section 9202(a)(1) of the FY 21 NDAA, such as the \$1.5 billion in appropriated funding included as part of the Senate-passed United States Innovation and Competition Act.<sup>2</sup>

The Department's primary recommendation is to support final passage of measures necessary to allow NTIA to begin operating the Innovation Fund. Public research and development investments have previously helped to drive transformative technological breakthroughs, such as the emergence of the early Internet,<sup>3</sup> and today rank among the most broadly supported measures among U.S. stakeholders active on open and interoperable telecommunications networks. For example, a wide range of participants cited the Innovation Fund during NTIA's February 25, 2021, industry listening session on "Vendor Diversity for 5G Security."<sup>4</sup> This same theme recurred across various responses to the FCC's March 2021 Notice

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<sup>1</sup> William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021, Pub. L. No. 116-283, Div. H., Title XCII, § 9202(a)(1)(G), (Jan. 1, 2021) (authorizing the Public Wireless Supply Chain Innovation Fund (Innovation Fund) to support the promotion, deployment, and acceleration of open and interoperable interface radio access networks (RAN) and equipment).

<sup>2</sup> United States Innovation and Competition Act of 2021, S. 1260, 117th Cong. § 1003 (2021), available at <https://www.congress.gov/117/bills/s1260/BILLS-117s1260es.pdf>.

<sup>3</sup> Vint Cerf, "A Brief History of the Internet & Related Networks," available at <https://www.internetsociety.org/internet/history-internet/brief-history-internet-related-networks/>.

<sup>4</sup> NTIA, Industry Listening Session: Vendor Diversity for 5G Security 02/25/2021, available at <https://www.ntia.doc.gov/other-publication/2021/industry-listening-session-vendor-diversity-5g-security-02252021>.

of Inquiry on “Open RAN,”<sup>5</sup> one of which asserted that the Innovation Fund (along with a related “Multilateral Telecommunications Security Fund”)<sup>6</sup> would “propel research and development, job creation and the building of secure and trusted solutions domestically.”<sup>7</sup>

As this broad support indicates, the Innovation Fund offers promise to bolster American leadership in trusted 5G and future wireless technology solutions. These investments will increase the capacity for U.S. communications providers and suppliers to move effectively into an interoperable, software-enabled model. Governmental assistance in promoting, testing, and deploying open, interoperable 5G technology will enhance U.S. competitiveness and strengthen the foundation for our long-term economic prosperity and security.

The market is already beginning to move in this direction. As demonstrated in the presentations by the over 30 vendors and service providers that participated in the FCC’s recent Open RAN Solutions Showcase,<sup>8</sup> deployments of networks featuring Open RAN architectures are currently underway both in the United States and internationally. However, some key issues remain that are keeping Open RAN products and services from large-scale deployment. The Innovation Fund would target concerns regarding integration, compatibility, scalability, and security, while also supporting underlying technical efforts and use case development more widely.

It is a critical time to make foundational investments in next-generation innovation, particularly as other governments undertake their own next-generation network investment strategies. From an international perspective, Innovation Fund investments would bolster U.S. efforts to build global coalitions for secure, trusted, and diverse 5G networks, including by fostering tangible use cases and proof-points for open network architectures. They would likely yield technical insights and lessons learned that could be shared with other governments, and more broadly advance the viability of approaches that enhance our common security. The Multilateral Telecommunications Security Fund, also authorized by Section 9202 of the FY 21 NDAA, would be another important contribution in this respect.

Finally, the Department does not recommend additional authorities for NTIA to facilitate the timely adoption of open standards-based equipment at this time. NTIA is preparing its

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<sup>5</sup> Federal Communications Commission, Notice of Inquiry, Promoting the Deployment of 5G Open Radio Access Networks, FCC 21-31, GN Dkt. No. 21-63 (rel. March 18, 2021), available at <https://docs.fcc.gov/public/attachments/FCC-21-31A1.pdf>.

<sup>6</sup> NDAA FY21, § 9202(a)(2) (establishing Multilateral Telecommunications Security Fund).

<sup>7</sup> See Comments of Dish Network Corporation, GN Dkt. No. 21-63 (Apr. 28, 2021), available at [https://ecfsapi.fcc.gov/file/10428931000397/2021-04-28%20DISH%20FCC%20NOI%20Open%20RAN%20Comments%20\(FINAL\).pdf](https://ecfsapi.fcc.gov/file/10428931000397/2021-04-28%20DISH%20FCC%20NOI%20Open%20RAN%20Comments%20(FINAL).pdf).

<sup>8</sup> Federal Communications Commission, Open RAN Solutions Showcase, July 14-15, 2021, available at <https://www.fcc.gov/news-events/events/2021/07/open-ran-solutions-showcase-day-1>.

findings following extensive stakeholder outreach conducted since the FY 21 NDAA was enacted, such as the previously noted industry listening session on vendor diversity and a prior session on 5G security.<sup>9</sup> In addition, if the Innovation Fund receives a final appropriation, NTIA will carefully assess lessons learned from operating the program. At that time, NTIA will draw upon this enriched knowledge base to develop informed analysis and potential recommendations, which could then be presented in the separate, annual report on the Innovation Fund mandated by the FY 21 NDAA.

The Department appreciates the opportunity to provide information on this important matter. Should you have any questions, please do not hesitate to contact my office at (202) 482-3663.

Sincerely,



Evelyn Remaley  
Acting Assistant Secretary for  
Communications and Information  
and Acting NTIA Administrator

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<sup>9</sup> NTIA, Industry Listening Session: Market Incentives for 5G Security 01/28/2021, available at <https://www.ntia.doc.gov/other-publication/2021/industry-listening-session-market-incentives-5g-security-01282021>.