Calendar No. 171

119TH CONGRESS *1st Session*	SENATE	REPORT 119–66

NETWORK EQUIPMENT TRANSPARENCY ACT

REPORT

OF THE

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

ON

S. 503

SEPTEMBER 29, 2025.—Ordered to be printed

U.S. GOVERNMENT PUBLISHING OFFICE
59–010 WASHINGTON : 2025

SENATE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

ONE HUNDRED NINETEENTH CONGRESS

FIRST SESSION

TED CRUZ, Texas, *Chairman*

JOHN THUNE, South Dakota
ROGER F. WICKER, Mississippi
DEB FISCHER, Nebraska
JERRY MORAN, Kansas
DAN SULLIVAN, Alaska
MARSHA BLACKBURN, Tennessee
TODD YOUNG, Indiana
TED BUDD, North Carolina
ERIC SCHMITT, Missouri
JOHN CURTIS, Utah
BERNIE MORENO, Ohio
TIM SHEEHY, Montana
SHELLEY MOORE CAPITO, West Virginia
CYNTHIA M. LUMMIS, Wyoming

MARIA CANTWELL, Washington
AMY KLOBUCHAR, Minnesota
BRIAN SCHATZ, Hawaii
EDWARD J. MARKEY, Massachusetts
GARY C. PETERS, Michigan
TAMMY BALDWIN, Wisconsin
TAMMY DUCKWORTH, Illinois
JACKY ROSEN, Nevada
BEN RAY LUJÁN, New Mexico
JOHN W. HICKENLOOPER, Colorado
JOHN FETTERMAN, Pennsylvania
ANDY KIM, New Jersey
LISA BLUNT ROCHESTER, Delaware

BRAD GRANTZ, *Majority Staff Director*
LILA HARPER HELMS, *Democratic Staff Director*

Calendar No. 171

119TH CONGRESS }
1st Session }

SENATE

{ REPORT
{ 119–66

NETWORK EQUIPMENT TRANSPARENCY ACT

SEPTEMBER 29, 2025.—Ordered to be printed

Mr. CRUZ, from the Committee on Commerce, Science, and Transportation, submitted the following

R E P O R T

[To accompany S. 503]

[Including cost estimate of the Congressional Budget Office]

The Committee on Commerce, Science, and Transportation, to which was referred the bill (S. 503) to direct the Federal Communications Commission to evaluate and consider the impact of the telecommunications network equipment supply chain on the deployment of universal service, and for other purposes, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

PURPOSE OF THE BILL

The purpose of S. 503, the Network Equipment Transparency Act, is to require the Federal Communications Commission (FCC or Commission) to report in its biennial communications marketplace report on the impact of network equipment availability on the deployment of universal broadband service.

BACKGROUND AND NEEDS

The COVID–19 pandemic caused major delays and disruptions in U.S. supply chains, including for raw materials, electronics, fiber optic cables, and other components necessary for building broadband networks.[1] At a time when broadband connectivity was essential, disruptions to the supply chains enabling that connectivity were extremely concerning. Future supply chain disruption could

[1] Fiber Broadband Association, *Strategies to Mitigate Bottlenecks in the Current Fiber Broadband Supply Chain*, pp. 2–3, March 2023, *https://fiberbroadband.org/wp-content/uploads/2023/03/FBA_Supply-Chain-White-Paper_March-2023-Update_Final.pdf*.

again reduce the availability of necessary equipment and materials, which could impact investments in broadband infrastructure.

The Network Equipment Transparency (NET) Act would seek to ensure that broadband projects remain on track by identifying supply chain gaps early. The bill would require the FCC to determine and report—based on available data—whether supply chain issues impacted the deployment of broadband and other advanced telecommunications capabilities over the past 2 years. The bill would require the FCC to include this determination in its biennial report on the state of the communications marketplace.

Pursuant to statute, in the last quarter of every even-numbered year, the FCC produces "a report on the state of the communications marketplace."[2] This biennial report assesses the state of competition; the state of deployment of capabilities; and barriers to competitive entry, including market entry barriers for entrepreneurs and other small businesses.[3] In the report, the FCC must describe the actions it has taken in the previous 2 years to address challenges and opportunities and its agenda for continuing to address those challenges and opportunities over the coming 2 years.[4]

The NET Act would require the FCC to include a determination on whether a lack of network equipment significantly impacted the broadband supply chain and broadband deployment during the report's term. The bill would preclude the FCC from requiring any additional information from providers in making this assessment.

SUMMARY OF PROVISIONS

S. 503 would require the FCC to do the following:

- Assess the impact of network equipment availability on the deployment of advanced telecommunications capabilities (i.e., broadband) to the extent that data is already available to the FCC.
- Include this assessment in the FCC's reports on the state of the communications marketplace, which are submitted to Congress and published publicly every other year.

LEGISLATIVE HISTORY

S. 503 was introduced on February 10, 2025, by Senator Hickenlooper (for himself and Senators Moran, Capito, and Peters) and was referred to the Committee on Commerce, Science, and Transportation of the Senate. On May 21, 2025, the Committee met in open Executive Session and, by voice vote, ordered S. 503 reported favorably without amendment.

118th Congress

S. 690, the NET Act, was introduced on March 7, 2023, by Senator Hickenlooper (for himself and Senators Moran, Tester, and Capito) and was referred to the Committee on Commerce, Science, and Transportation of the Senate. On July 31, 2024, the Committee met in open Executive Session and, by voice vote, ordered S. 690

[2] 47 U.S.C. 163(a).
[3] "Communications Marketplace Report," Federal Communications Commission, July 11, 2022, *https://www.fcc.gov/communications-marketplace-report*.
[4] Ibid.

reported favorably with an amendment (in the nature of a substitute).

117th Congress

S. 3692, the NET Act, was introduced on February 17, 2022, by Senator Hickenlooper (for himself and Senators Moran, Tester, and Capito) and was referred to the Committee on Commerce, Science, and Transportation of the Senate. On May 11, 2022, the Committee met in open Executive Session and, by voice vote, ordered S. 3692 reported favorably with amendments.

Estimated Costs

In accordance with paragraph 11(a) of rule XXVI of the Standing Rules of the Senate and section 403 of the Congressional Budget Act of 1974, the Committee provides the following cost estimate, prepared by the Congressional Budget Office:

S. 503, NET Act

As ordered reported by the Senate Committee on Commerce, Science, and Transportation on May 21, 2025

By Fiscal Year, Millions of Dollars	2025	2025-2030	2025-2035
Direct Spending (Outlays)	0	0	0
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	0	0
Spending Subject to Appropriation (Outlays)	0	*	not estimated

Increases *net direct spending* in any of the four consecutive 10-year periods beginning in 2036?	No	Statutory pay-as-you-go procedures apply?	No
		Mandate Effects	
Increases *on-budget deficits* in any of the four consecutive 10-year periods beginning in 2036?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	Yes, Under Threshold

* = between zero and $500,000.

S. 503 would require the Federal Communications Commission (FCC) to assess, in its biennial report on the state of the communications marketplace, how the availability of network equipment has affected the deployment of advanced telecommunications capabilities, such as broadband Internet.

Based on the costs of similar activities, CBO estimates that implementing S. 503 would cost the FCC less than $500,000 over the 2026–2030 period. Because the agency is authorized to collect fees each year sufficient to offset the appropriated costs of its regulatory activities, CBO estimates that the net cost to the FCC would be negligible, assuming appropriation actions consistent with that authority.

If the FCC increases annual fee collections to offset the costs of implementing provisions in the bill, S. 503 would increase the cost of an existing private-sector mandate on entities required to pay those fees. CBO estimates that the incremental cost of the mandate would be small and would fall well below the annual threshold established in the Unfunded Mandates Reform Act (UMRA) for private-sector mandates ($206 million in 2025, adjusted annually for inflation).

S. 503 contains no intergovernmental mandates as defined in UMRA.

The CBO staff contacts for this estimate are David Hughes (for federal costs) and Rachel Austin (for mandates). The estimate was reviewed by H. Samuel Papenfuss, Deputy Director of Budget Analysis.

PHILLIP L. SWAGEL,
Director, Congressional Budget Office.

REGULATORY IMPACT STATEMENT

In accordance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee provides the following evaluation of the regulatory impact of the legislation, as reported:

NUMBER OF PERSONS COVERED

S. 503 would require the FCC to report on the impact of network equipment availability on broadband deployment in its biennial communications marketplace report. This assessment would not allow the collection of additional information and, therefore, would not impose new reporting requirements on individuals or businesses.

ECONOMIC IMPACT

S. 503 is not expected to have an adverse impact on the Nation's economy. This legislation would require an evaluation of how the network equipment supply chain affects the deployment of advanced telecommunications capabilities.

PRIVACY

S. 503 would not impact the personal privacy of individuals.

PAPERWORK

This legislation would not increase paperwork requirements for private individuals or businesses. The bill would require the FCC to conduct an assessment of the impact of network equipment availability on the deployment of advanced telecommunications capabilities and include this assessment in the Commission's biennial report on the state of the communications marketplace. This assessment would be conducted with data already available to the FCC.

CONGRESSIONALLY DIRECTED SPENDING

In compliance with paragraph 4(b) of rule XLIV of the Standing Rules of the Senate, the Committee provides that no provisions contained in the bill, as reported, meet the definition of congressionally directed spending items under the rule.

SECTION-BY-SECTION ANALYSIS

Section 1. Short title.

This section would provide that the bill may be cited as the "Network Equipment Transparency Act" or the "NET Act".

Section 2. Telecommunications supply chain consideration.

This section would require the FCC, in its communications market report, to assess, to the extent it has access to data, how the availability of network equipment may have impacted the deployment of broadband capability during the biennial reporting period. This section would further clarify that the requirement cannot be construed to require broadband providers to provide more information to the FCC than is already required.

CHANGES IN EXISTING LAW

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new material is printed in italic, existing law in which no change is proposed is shown in roman):

COMMUNICATIONS ACT OF 1934

* * * * * * *

[47 U.S.C. 163(b)]

TITLE I—GENERAL PROVISIONS

* * * * * * *

SEC. 13. COMMUNICATIONS MARKETPLACE REPORT.

(a) IN GENERAL.—In the last quarter of every even-numbered year, the Commission shall publish on its website and submit to the Committee on Energy and Commerce of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate a report on the state of the communications marketplace.

(b) CONTENTS.—Each report required by subsection (a) shall—

(1) assess the state of competition in the communications marketplace, including competition to deliver voice, video, audio, and data services among providers of telecommunications, providers of commercial mobile service (as defined in section 332), multichannel video programming distributors (as defined in section 602), broadcast stations, providers of satellite communications, Internet service providers, and other providers of communications services;

(2) assess the state of deployment of communications capabilities, including advanced telecommunications capability (as defined in section 706 of the Telecommunications Act of 1996 (47 U.S.C. 1302)), regardless of the technology used for such deployment;

(3) assess, to the extent that data is available to the Commission, how the availability of network equipment may have impacted the deployment of advanced telecommunications capability during the applicable reporting period;

【(3)】 *(4)* assess whether laws, regulations, regulatory practices (whether those of the Federal Government, States, political subdivisions of States, Indian tribes or tribal organizations (as such terms are defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5304)), or foreign governments), or demonstrated marketplace practices pose a barrier to competitive entry into the communications marketplace or to the competitive expansion of existing providers of communications services;

【(4)】 *(5)* describe the agenda of the Commission for the next 2-year period for addressing the challenges and opportunities in the communications marketplace that were identified through the assessments under paragraphs (1) through 【(3)】 *(4)*; and

【(5)】 *(6)* describe the actions that the Commission has taken in pursuit of the agenda described pursuant to paragraph 【(4)】 *(5)* in the previous report submitted under this section.

(c) EXTENSION.—If the President designates a Commissioner as Chairman of the Commission during the last quarter of an even-numbered year, the portion of the report required by subsection 【(b)(4)】 *(b)(5)* may be published on the website of the Commission and submitted to the Committee on Energy and Commerce of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate as an addendum during the first quarter of the following odd-numbered year.

(d) SPECIAL REQUIREMENTS.—

(1) ASSESSING COMPETITION.—In assessing the state of competition under subsection (b)(1), the Commission shall consider all forms of competition, including the effect of intermodal competition, facilities-based competition, and competition from new and emergent communications services, including the provision of content and communications using the Internet.

(2) ASSESSING DEPLOYMENT.—In assessing the state of deployment under subsection (b)(2), the Commission shall compile a list of geographical areas that are not served by any provider of advanced telecommunications capability.

(3) CONSIDERING SMALL BUSINESSES.—In assessing the state of competition under subsection (b)(1) and regulatory barriers under subsection 【(b)(3)】 *(b)(4)*, the Commission shall consider market entry barriers for entrepreneurs and other small businesses in the communications marketplace in accordance with the national policy under section 257(b).

* * * * * * *

○