

SCRPS Status Update

FCC Form 5640

OMB Control No. 3060-1270

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Applicant Information

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Applicant Name	Hotwire Communications, Ltd	Applicant City	Bala Cynwyd
Applicant Email	jbullock@hotwiremail.com	Applicant State	PA
Applicant Phone	4845726003	Applicant ZIP Code	19004

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	Summit Ridge Group	Contact Address	49 W 38th Street
Contact Email	hotwirernr@summitridgegroup	Contact City	New York
Contact Phone	2124334800	Contact State	NY
		Contact ZIP Code	10018

*Indicate which deadline you are meeting with this filing.

2025-04-03

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.

Hotwire is making steady progress in executing its Build Timeline and Plan ("Plan"). To understand Hotwire's efforts and the challenges involved in permanently removing, replacing, and disposing of covered equipment, it's essential to recognize the task's scale and complexity. The process requires replacing existing Optical Line Terminals (OLTs) across dozens of Hotwire's residential properties—many of which contain thousands of individual residential units—as well as replacing the Optical Network Terminals (ONTs) within those units.

The replacement process at each property follows a structured sequence to ensure service continuity. First, Hotwire must install a replacement OLT at the property while keeping the existing covered OLT operational, as customers are still relying on the property's covered OLT for their service. Next, Hotwire must replace each customer's covered ONT with a replacement ONT, connecting each to the new OLT to maintain service continuity and minimize disruption. Once a customer's ONT is removed, it can be disposed of. After all covered ONTs at a property have been replaced and all customers are fully connected to the new OLT, Hotwire can remove and dispose of the covered OLT, completing the migration. This process repeats at every property with a covered OLT.

Hotwire has proactively scheduled and completed on-site visits to install replacement OLTs at numerous properties. Moreover, we've collaborated with thousands of residential end-users to remove and replace their covered ONTs. Despite these efforts, unforeseen circumstances beyond our control that emerged after the submission of our Plan have significantly delayed our progress, preventing us from meeting the original one-year deadline, and subsequent extensions. Below are the primary obstacles.

Significantly, Hotwire does not have unrestricted access to the tens of thousands of residential locations where the covered OLTs and ONTs must be removed, which are the same locations where the replacement OLTs and ONTs need to be installed. Importantly, as discussed above, installing the replacement OLT is a necessary first step before removing and replacing any ONTs, meaning delays in scheduling the OLT replacement directly impact the timeline for ONT replacements. A key hurdle is that many customers are unresponsive to calls and messages, necessitating repeated outreach efforts or even in-person visits just to coordinate access. Once contact is finally made, Hotwire often encounters resistance from customers who do not see the need for the work because their devices appear to be functioning properly. Even when customers agree to the work, significant scheduling challenges remain. Some customers grant access only at limited times, preventing Hotwire from scheduling all necessary appointments at a residential property consecutively over a series of days. As a result, Hotwire must return to the same property multiple times over an extended period, increasing inefficiencies and causing delays. Additionally, some residents are unavailable for months due to seasonal residency, further complicating the scheduling process. Even when a schedule is set, additional delays occur when customers are not present at the agreed time, requiring the work to be rescheduled—sometimes multiple times. Despite Hotwire's persistent efforts to communicate and schedule efficiently, these obstacles prolong the upgrade process.

Additionally, we have encountered significant delays in receiving custom-designed replacement equipment and face uncertainty about future deliveries. These delays, combined with our depleting equipment on hand, have hindered the progress we expected in the Plan. Furthermore, the prolonged equipment delays, the unique demands of removing and replacing the equipment, and the reduced time to complete the work now require hiring additional skilled workers to meet the deadline.

Unfortunately, persistent labor shortages continue to hinder our hiring efforts.

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

Since we submitted our Plan, the risks we initially identified regarding the availability of commercially available equipment have become more significant challenges. Specifically, our vendor has yet to provide critical components of the custom-designed equipment ordered in January 2022. While we are actively sourcing alternative solutions, options for alternative equipment are limited. This limitation applies not only to our current vendor and existing inventory but also to other vendors.

We recognize the significance of these issues and are working towards finding solutions. We maintain frequent communication with the vendor responsible for supplying the equipment, regularly inquiring about their timeline for delivering the ordered equipment and their potential to provide alternative options. This ongoing dialogue ensures that we are prepared and ready to take prompt action with whatever equipment the vendor can supply. Furthermore, despite the constraints on accessing alternative replacement equipment, we have begun using alternative devices that we possess or have acquired. We deploy this equipment in locations where it is technologically feasible.

By maintaining open communication with our vendor, actively deploying the alternative equipment we have on hand or acquire, and continuously monitoring the situation, we are committed to mitigating the effects of equipment unavailability and successfully executing the project as closely as possible to our original Plan.

* 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.

In addition to the supply chain and labor shortage challenges mentioned above, the lack of program funding and the fluctuating signals from the Administration and Congress regarding additional funding allocations to the program have significantly impeded Hotwire's adherence to its Plan. Despite receiving guarantees for only a fraction of the expected reimbursement funding, these mixed messages left Hotwire uncertain whether to significantly alter its Build Timeline and Plan.

Under these circumstances, we hesitated to make significant alterations to the Build Timeline and Plan because we knew such changes would compromise network integrity and increase consumer impact. However, to mitigate our financial risk of the program not being fully funded, we proceeded with the Build Timeline at a slower pace than initially planned, which impacted our ability to complete all tasks on time.

Hotwire did make some adjustments based on the possibility of not being fully funded. Specifically, given the uncertainty around securing sufficient funds to cover the substantial costs of proactively scheduling Covered Equipment replacements and conducting on-site visits solely for this purpose. Hotwire adopted some alternative approaches. These strategies, which involved greater customer participation in the equipment swap process, ensured steady progress on replacements despite the funding challenges, though they did not achieve results as quickly as the original proactive strategy. Fortunately, in late 2024, Congress allocated additional funding to the program, validating our decision not to make significant alterations to the Build Timeline and Plan.

While Congress has allocated additional funding to the program and the FCC has taken steps to secure it through the borrowing authority granted by Congress, the FCC has yet to make these funds available to participants. In response, Hotwire has accelerated its efforts but has not yet fully ramped up operations, pending confirmation that the funds will be accessible.

Hotwire has made progress in implementing its Build Timeline and Plan; however, due to the issues described above, Hotwire will still require a material increase – by years – in the time required to complete the entire project, necessitating further timeline extensions from the FCC.

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?

28

*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?

36

*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?

5

*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.

Please see the text above.

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

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Certifier Title Chief Strategy Officer

Date Signed 2025-04-03