

SCRPS Status Update

FCC Form 5640

OMB Control No. 3060-1270

File No. SC-SU0001195

Applicant Information

Applicant FRN 0001768159

Applicant Address 111 High St

Applicant Name Advantage Cellular Systems, Applicant City Alexandria

Applicant Email ctownson@staff-dtc.com Applicant State TN

Applicant Phone 6154642303 Applicant ZIP Code 37012

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 Jonathan Sessums

Contact Address 7852 WALKER DR

Contact Email jsessums@jsitel.com

Contact City greenbelt

Contact Phone 2404722963

Contact State MD

Contact ZIP Code 20770

*Indicate which deadline you are meeting with this filing.

2022-10-13

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.

Advantage Cellular Systems, Inc. (ACS or The Company) has made a substantial effort to permanently remove, replace, and dispose of covered communications equipment and service. ACS has undertaken the following steps to move the project forward and meet the program's requirements.

- 1) ACS continues to develop and adjust plans for the completion of the project. However, due to real challenges regarding the unknown timing and lack of guidance for the potential full funding of the program, lack of workforce availability, and supply chain delays, ACS has spent significant unexpected time in operational and engineering planning meetings with potential vendors, financiers, and workforce crews, evaluating every potential option on how to move the project forward.
- 2) ACS has worked with and continues to work with consulting engineers and crews to evaluate and undertake site visits, procure warehousing space, coordinate equipment removal plans with tower company representatives, and coordinate the ordering and delivering new equipment pending further program funding approval.
- 3) ACS has removed covered equipment from six sites and is working to remove additional covered equipment from other sites. A plan is underway to replace the core equipment and supporting software, pending additional funding.

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

ACS has requested and received quotes from four vendors for replacement equipment. All four vendors are experiencing certain supply chain delays. Certain network components are not available and ACS is seeing a lead time of 35-52+ weeks when previously similar lead times were 8-16 weeks. ACS has also seen a 20%+ (and growing) increase in pricing for certain equipment since demand and inflation have increased. ACS is addressing the lack of available equipment in the market by engaging multiple vendors for quotes for replacement equipment.

* 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.

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, replaced, and disposed of (or is in the process of permanently removing, replacing, and disposing of) all covered communications equipment or services that were in the recipient's network as of the date of submission of the recipient's application requesting funding.

Yes No

If you have not yet completed the removal, replacement, and/or disposal process, what estimated percentage of the removal, replacement, and/or disposal process have you completed?

8

*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.

ACS is in the process of complying with all of the Reimbursement Program's requirements, but delays are real. The unknown timing and lack of guidance on fully funding the Reimbursement Program, lack of workforce availability, and supply chain delays have all significantly hampered ACS's efforts. As indicated on ACS's proposed timeline, each challenge has significantly slowed expected progress.

ACS is in the process of removing all of its covered communications equipment and services contemplated in its application. As stated earlier, ACS has removed covered equipment from six sites and is working to remove additional covered equipment from other sites. However, ACS will continue to be significantly delayed until it is fully funded, supply chain issues are resolved, and workforce availability meets demand.

ACS is attempting to comply with the timeline submitted, but the project is continuing to be delayed, as stated in other parts of this report. The delays are caused by various factors outside the company's control and should be considered as ACS fulfills the requirements of the program. Without and until full funding approval is obtained, the program's requirements are placing a burden on ACS, a small rural company, to take unnecessary risks that place the company in a position of being unable to operate and serve in the best interest of the communities it serves. [ACS has submitted a revised timeline with this filing.]

ACS has completed approximately 8% of the total project. As stated, delays have been caused by various issues that are completely out of ACS's control. While no portion of the project is complete, ACS would estimate that, as stated in the timeline, RFPs and planning activities are 45% complete, the Core activity is 6% complete, the RAN activity is less than 4% complete, and destruction activity is 0% complete. Still, to be clear, until full funding for the program is obtained, the company will likely be unable to fully complete any portion of the program.

Without full funding for the program, it will be impossible for ACS to permanently remove all covered equipment and services and replace it with trusted and secure equipment during the program's required timeline without operational and financial harm. To further illustrate the importance of the timeliness of the full funding of the program, ACS is not in a position to expend significant funds or even procure loan funds for the completion of the program, not knowing that the funding will ultimately be made available for the completion of the project.

Additionally, inflationary impacts on the program's requirements are real. In addition to the challenges caused by unknown timing of potential full funding, workforce availability, and supply chain, increasing costs for each program element causes ACS to scrutinize further every decision to ensure the company can operate without operational or financial harm and its customers are served without interrupted or degraded service.

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	Chris Townson	Certifier Phone	6154642303
Certifier Name	Chris Townson	Certifier Email	ctownson@staff-dtc.com
Certifier Title	CEO		
Date Signed	2022-10-12		