FCC NEWS from the Federal Communications Commission

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For Immediate Release

FCC PROPOSES NEW RULES TO REMOVE BAD ACTORS FROM COMMISSION PROGRAMS

Agency Would Have Improved Tools to Protect Its Universal Service & Accessible Communications Funds

WASHINGTON, November 22, 2019—The Federal Communications Commission today began a rulemaking which would adopt new procedures to protect federal funds from misuse. The proposed rules would provide the agency with broader and more flexible authority to promptly remove bad actors from participation in the Universal Service Fund (USF), the Telecommunications Relay Services (TRS) Fund, and the National Deaf-Blind Equipment Distribution Program.

The proposal would align FCC rules with the Office of Management and Budget's *Guidelines to Agencies on Government Debarment and Suspension*. The Notice of Proposed Rulemaking seeks to provide the FCC with greater flexibility in preventing fraud, including the ability to consider a broader range of misconduct and to immediately suspend entities when necessary to protect the public interest. The proposed rules would require program participants to verify that they themselves are not excluded from participating in federal programs and that they will not enter into new transactions with excluded third parties. This would keep bad actors out of Commission programs and help prevent bad actors from using other companies to shield them from accountability and let them access federal support. The proposed rules would also allow the FCC to participate in a government-wide mechanism through which suspension or debarment by the FCC would apply to other federal agencies and vice versa. If adopted as final rules following a period of public comment, the new rules would apply to programs supported by the FCC's Universal Service Fund and TRS Fund.

The covered USF-supported programs include (1) Lifeline, which helps make communications services more affordable for low-income consumers; (2) the High Cost program, which provides subsidies for rural broadband and voice service; (3) E-rate, which supports connectivity both to and within schools and libraries to the Internet; and (4) the Rural Health Care program, which subsidizes connectivity for rural health care facilities. The Universal Service Fund is paid for by an assessment on the interstate revenues of telecommunications providers, who may recover that assessment from consumers.

The USF programs currently operate under FCC-specific suspension and debarment rules which do not apply to other FCC programs. The current rules cover a relatively narrow range of conduct and require the Commission to suspend or debar any entity for whom there has been a civil judgment or conviction related to serious misconduct involving the USF programs. The proposed new rules would cover a much broader range of misconduct, while also providing the agency with more flexibility and the ability to act more expeditiously.

The proposed rules also would cover programs supported by the Telecommunications Relay Service Fund, which is not currently covered by the FCC's suspension and debarment regulations. The TRS Fund supports relay services, which enable individuals who are deaf, hard of hearing, deaf-blind, or who have speech disabilities to engage in communications with other individuals, and the National Deaf-Blind Equipment Distribution Program, which provides equipment needed to make phone, Internet, and advanced communications services accessible to low-income individuals who have both significant vision loss and significant hearing loss.

If adopted, these measures could not only help the Commission to fulfill its responsibility of ensuring that its programs are well managed, efficient, and fiscally responsible, but could also assist it in bridging the digital divide by ensuring that expenditures, including support for expanded broadband deployment, are directed in the first instance to good actors who will use them only for their intended purpose.

Action by the Commission November 22, 2019 by Notice of Proposed Rulemaking (FCC 19-120). Chairman Pai, Commissioners O'Rielly, Carr, Rosenworcel, and Starks approving and issuing separate statements.

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