

**STATEMENT OF
CHAIRMAN AJIT PAI**

Re: *Modernizing Suspension and Debarment Rules*, GN Docket No. 19-309.

Currently, the Commission can debar from participation in the Universal Service Fund those convicted or found civilly liable for certain misconduct related to the USF. That tool has proven useful for stopping some bad actors. But it can come too late in the administrative process to be an effective remedy against others. In addition, the remedy doesn't cover abusers of other programs overseen by the FCC, such as the Telecommunications Relay Services (TRS) Fund or the National Deaf-Blind Equipment Distribution Program.

We're now going to address these problems. We propose to expand our suspension and debarment rules by adopting the Office of Management and Budget's Guidance for Governmentwide Debarment and Suspension. Most federal agencies have implemented these guidelines already, and they've proven to be effective. Under our proposed rules, we would suspend entities immediately when it is necessary to protect the public interest. To prevent fraudulent behavior, we would require that participants verify that any entity with which they intend to do business is not already excluded from participating in federal programs because of prior misconduct. Moreover, bad actors debarred by the Commission could not participate in the programs of another agency, nor could those suspended by other government agencies participate in ours. Our proposed rules would also cover the TRS Fund and National Deaf-Blind Equipment Distribution Program, in addition to the USF.

I'd like to thank the following people who were essential to moving this proceeding forward: from the Office of General Counsel, Deborah Broderson, Michael Carlson, Bill Dever, Doug Klein, Keith McCrickard, Paula Silberthau, Jeffrey Steinberg, and Chin Yoo; from the Wireline Competition Bureau, Bryan Boyle, Elizabeth Drogula, Jodie Griffin, Alex Minard, and Ryan Palmer; from the Consumer and Governmental Affairs Bureau, Diane Burstein, Darryl Cooper, and Eliot Greenwald; from the Enforcement Bureau, Pamela Gallant; from the Office of Economics and Analytics, Virginia Metallo, Erik Salovaara, and Margaret Wiener; from the Media Bureau, Hillary DeNigro; from the Office of Communications Business Opportunities, Chana Wilkerson; and from the Office of Inspector General, Jeffrey Dickey, Sharon Diskin, and Elliot Lowenstein. With your help, I'm optimistic that it will be easier for the FCC to flag and eject wrongdoers from our programs.