



## NEWS FROM THE FEDERAL COMMUNICATIONS COMMISSION

### **FCC Saves Taxpayers Over \$9 Million Following Audit Reviews**

*Wireline Bureau Orders Seven Companies to Repay the Universal Service Fund Based on Audit Findings of Non-Compliance*

WASHINGTON, September 10, 2025—The Federal Communications Commission today ordered seven phone companies to repay over \$9 million to the Universal Service Fund after audits discovered overpayments of federal support. In doing so, the FCC's Wireline Competition Bureau largely affirmed the findings of non-compliance by the Universal Service Administrative Company for these legacy rate-of-return carriers and ordered the support recovery. The complex regulatory and auditing processes associated with these legacy programs often lead to inefficiencies that can be avoided as the FCC increasingly works with carriers to transition them to more efficient fixed-support alternatives and from circuit-switched to modern IP networks.

#### **Chairman Brendan Carr issued the following statement:**

"The FCC is focused on delivering great and efficient results for the public. That means we need to closely scrutinize USF support payments, particularly in the case of our antiquated high-cost programs where the rules and recovery mechanisms are more complex, to ensure funding is used to efficiently connect rural households and businesses. I am pleased that the FCC is acting today to recover over \$9 million for the American taxpayer. While these thorough audit reviews offer important safeguards against waste, fraud, and abuse, today's actions are also a reminder of the need for carriers to continue the transition to more efficient support mechanisms and modern IP networks, which do not require these types of reticulated reviews and regulatory structures."

#### **Additional Background:**

The Fund supports, among other programs, rural telecommunications services through both rate-of-return or fixed support structures. While the FCC looks to move increasingly toward fixed support models, which encourage carrier efficiency and minimization of costs, the legacy rate-of-return program continues to support some high-cost universal service needs in rural areas.

Today, the Bureau issued six orders to resolve seven appeals of USAC audit reports of rate-of-return carriers. The audit reports found the companies had sought and received improper support and the Bureau today ordered the recovery of support from these companies. Today's [orders](#) addressed non-compliance by Marquette Adams Telephone Cooperative (Wisconsin), West Kentucky Rural Telephone Cooperative Corp, Duo County Telephone Cooperative Corp (Kentucky), Rural Telephone Service Co. (Kansas), Hart Telephone Company (Georgia), Cross Telephone Company (Oklahoma), and Knology Total Communications (Alabama). These orders build on action taken in June ordering the recovery of over \$5.5 million in improper support from Big Bend Telephone Company (Texas).

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