



OFFICE OF CHAIRMAN BRENDAN CARR

Chairman Carr Proposes Comprehensive Review of Universal Service Fund Administration

Proceeding Would Seek to Strengthen Management and Administration of USF and Commission's Oversight of USAC

WASHINGTON, July 16, 2026—Yesterday, FCC Chairman Brendan Carr circulated an item that, if adopted by a full Commission vote on August 6, aims to strengthen the management and administration of the Universal Service Fund (USF) and the Commission's oversight of the Universal Service Administrative Company (USAC). The proceeding builds on a prior inquiry into improving administration of the USF by USAC and would launch a comprehensive review to ensure that funds are used for their intended purpose and the administration of those funds is efficient, fair, and cost-effective. This item is a continuation of the FCC's broader top to bottom review of USF and its programs.

Chairman Carr issued the following statement:

"Picking up on our efforts to conduct a top-to-bottom review of all aspects of the Universal Service Fund, this proposal reviews the structure and operating costs of USAC and USF administration. In taking up this effort, we will improve oversight, reduce administrative costs, and increase accountability of USAC and its Board of Directors. Our end goal is to ensure Americans receive the best bang for their buck on universal service spending—a commonsense win for government efficiency and accountability."

Additional Background Information:

As outlined in the Communications Act, the USF is intended to ensure the availability of affordable telecommunications services to consumers living in high-cost areas, low-income households, eligible schools and libraries, and rural health care providers. The universal service programs are funded by contributions remitted by telecommunications carriers providing interstate and international telecommunications services and from certain other providers of interstate telecommunications. In 1998, USAC was created to serve as the administrator of the USF.

USAC's function is purely administrative and in its role as USF administrator, USAC's operations are prescribed by Commission regulations and subject to strict Commission oversight. In that context, USAC is responsible for the efficient, effective, and competitively neutral management of the USF programs, including activities related to collection and disbursement of program support, producing timely and relevant data and analysis to inform the Commission's policies and oversight, and advising the Commission on the operational requirements of implementing its rules and policies. Consistent with Congress's directive, USAC has no authority to make policy, interpret unclear provisions of the statute or rules, or interpret the intent of Congress, and USAC must seek guidance from the Commission when the Act or the Commission's rules are unclear.

Specifically, in the Notice of Proposed Rulemaking which was circulated yesterday, the Commission

seeks to improve the administration of the USF by seeking comment on four areas related to USF administration: (1) current USF administration processes; (2) the structure of USF administration, including USAC's role and responsibilities related to USF administration; (3) operating costs associated with USF administration; and (4) the impact of USAC's Board of Directors on USF administration.

The draft Notice of Proposed Rulemaking will be available online later today at <https://www.fcc.gov/August2026>.

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