



FCC Initiates Comprehensive Review of Universal Service Fund Administration

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

WASHINGTON, August 6, 2026—Today, the Federal Communications Commission adopted a proposal 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 USAC's administration of the USF 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 the USF and its programs.

As outlined in the Communications Act, the USF is intended to ensure the availability of affordable telecommunications services to consumers living in rural areas, low-income households, eligible schools and libraries, and rural health care providers. The universal service programs are funded by contributions paid by telecommunications carriers providing interstate and international telecommunications services and by certain other providers of interstate telecommunications. While USAC was created to serve as the administrator of the USF in 1998, there have been no comprehensive reforms of USAC since that time, and today's action will seek to ensure efficient program operations into the future.

USAC's function is purely administrative. 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 funds, 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 or interpret unclear provisions of the statute or rules, and USAC must seek guidance from the Commission when the Act or the Commission's rules are unclear.

In the Notice of Proposed Rulemaking adopted today, 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; (3) operating costs associated with USF administration; and (4) the impact of USAC's Board of Directors on USF administration.

Action by the Commission August 6, 2026 by Notice of Proposed Rulemaking (FCC 26-52). Chairman Carr, Commissioners Gomez and Trusty approving. Chairman Carr and Commissioner Trusty issuing separate statements.

WC Docket No. 26-173

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