

**STATEMENT OF COMMISSIONER
MIGNON L. CLYBURN**

Re: *Blanca Telephone Company, Seeking Relief from the June 22, 2016 Letter Issued by the Office of the Managing Director Demanding Repayment of a Universal Service Fund Debt Pursuant to the Debt Collection Improvement Act, WC Docket No. 96-45*

The FCC is about to confront what can best be described as an unfortunate situation: A company that should have known better, and an agency that should have figured it out sooner. Blanca Telephone Company should have known that it was impermissible to claim that costs for both their wireline and wireless network were compensable. The FCC should have quickly discovered this wrongdoing, and addressed it with swift enforcement action. Sadly, it was too little, too late, on both accounts.

At least today we can make clear that at a minimum the Universal Service Fund (USF) is due the money that was wrongfully spent. For that, I vote to approve.

I remain fearful, however, about whatever else lies beneath. As a consistent spokesperson on the need to address waste, fraud, and abuse in our universal service outlays, I have seen too many instances — particularly during my time as a state commissioner — of companies using the USF high-cost fund as a piggy bank for all manner of inappropriate expenses. Unfortunately for the high-cost fund and for all of us, we remain slow in discovering wrongdoing and late in addressing it. As the agency considers further reforms to our high-cost fund, I am hopeful that we will also take a serious look at measures to stamp out waste, fraud, and abuse wherever we find it.