

**STATEMENT OF
CHAIRWOMAN JESSICA ROSENWORCEL**

Re: *Letters of Credit for Recipients of High-Cost Competitive Bidding Support, et al.*, WC Docket Nos. 10-90, 18-143, 19-126, 24-144; AU Docket Nos. 17-182, 20-34; and GN Docket No. 20-32, Notice of Proposed Rulemaking (June 6, 2024)

We are on a mission to connect everyone, everywhere in this country to high-speed broadband. It's a lofty goal that requires attention to a whole lot of details. Today we address one of those details by taking a close look at the letter of credit requirement in our universal service support programs for broadband.

Historically, some of these programs have mandated that participating providers procure a letter of credit from a qualified financial institution. This protects public universal service funds in the event a provider receiving funds to expand broadband in rural areas defaults on its obligations. However, over time the number of banks meeting the rating standards in our different programs has decreased. This change in the marketplace has put a strain on providers because the cash reserves sufficient to secure a new letter or maintain a letter at the banks still in the business of providing them can sometimes slow deployment and operations.

That is why today we are taking a fresh look at our letter of credit requirements. Our goal is to make sure that we have right sized these letters and our rules for the current environment, so we can both protect our universal service programs and support broadband deployment for everyone, everywhere.

A special thank you to Commissioner Simington for identifying the need to address this issue. Thank you also to the staff responsible for this rulemaking, including Nathan Eagan, Jodie Griffin, Trent Harkrader, Jesse Jachman, and Heidi Lankau of the Wireline Competition Bureau; Malena Barzilai, Thomas Driscoll, Michael Janson, Richard Mallen and Wisam Naoum from the Office of General Counsel; Mary Lovejoy, Gary Michaels, Mark Montano, and Kelly Quinn from the Office of Economics and Analytics; Garnet Hanly from the Wireless Telecommunications Bureau; and Michael Gussow and Joycelyn James from the Office of Communications Business Opportunities.