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For Immediate Release**FCC PROPOSES PROHIBITING UNIVERSAL SERVICE SPENDING ON EQUIPMENT AND SERVICES FROM COMPANIES THAT POSE NATIONAL SECURITY THREATS**

WASHINGTON, April 17, 2018—The Federal Communications Commission is proposing to help protect the security of the nation’s communications networks through its stewardship of the over \$8.5 billion a year Universal Service Fund (USF).

Threats to the nation’s communications infrastructure from certain equipment providers have been a longstanding concern of those in both the Executive Branch and Congress. While the FCC alone can’t safeguard our networks from these threats, it does have an important role to play in addressing this problem. Specifically, as the steward of the USF, the FCC has a responsibility to ensure that the money in the fund—which comes from fees paid by American consumers and businesses on their phone bills—is not spent on equipment or services from suppliers that raise national security concerns.

The FCC is therefore seeking comment on a proposal to prohibit use of USF funds on the purchase of equipment or services from any company that poses a national security threat to the integrity of U.S. communications networks or the communications supply chain. The Notice of Proposed Rulemaking adopted by the Commission today also seeks comment on a number of issues, including:

- How best to implement the proposed prohibition on the use of USF support going forward
- What types of equipment and services should be covered by the proposed rule
- How the FCC should identify, and how USF recipients can learn, which suppliers are covered by the proposed rule
- The costs and benefits of the proposed rule
- How best to enforce the proposed rule

The FCC’s proposal is intended to ensure that USF funds are not used in a way that undermines or poses a threat to our national security.

Action by the Commission April 17, 2018 by Notice of Proposed Rulemaking (FCC 18-42). Chairman Pai, Commissioners Clyburn, O’Rielly, Carr and Rosenworcel approving. Chairman Pai, Commissioners Clyburn, O’Rielly, and Carr issuing separate statements.

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This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action. See MCI v. FCC, 515 F.2d 385 (D.C. Cir. 1974).