



FEDERAL COMMUNICATIONS COMMISSION

2 CFR Part 6001

47 CFR Parts 54 and 64

[GN Docket No. 19-309; FCC 26-18; FR ID 339027]

Modernizing Suspension and Debarment Rules

AGENCY: Federal Communications Commission.

ACTION: Proposed rule.

SUMMARY: In this document, the Federal Communications Commission (Commission) proposes additional safeguards to protect against waste, fraud, and abuse, including additional mandatory reporting requirements, and proposes to extend the Commission's suspension and debarment framework to additional programs. A Final Rule relating to the Commission's adoption of revised suspension and debarment rules is published elsewhere in this issue of the *Federal Register*.

DATES: Comments are due on or before [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER] and reply comments are due on or before [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: Pursuant to §§ 1.415 and 1.419 of the Commission's rules, 47 CFR 1.415, 1.419, interested parties may file comments and reply comments on or before the dates provided in the DATES section above. Comments may be filed using the Commission's Electronic Comment Filing System (ECFS). See Electronic Filing of Documents in Rulemaking Proceedings, 63 FR 24121 (1998). You may submit comments, identified by GN Docket No. 19-309, by any of the following methods:

- *Electronic Filers:* Comments may be filed electronically using the internet by accessing the ECFS: <https://www.fcc.gov/ecfs>.

- *Paper Filers:* Parties who choose to file by paper must file an original and one copy of each filing.
 - Filings can be sent by hand or messenger delivery, by commercial courier, or by the U.S. Postal Service. **All filings must be addressed to the Secretary, Federal Communications Commission.**
 - Hand-delivered or messenger-delivered paper filings for the Commission's Secretary are accepted between 8:00 a.m. and 4:00 p.m. by the FCC's mailing contractor at 9050 Junction Drive, Annapolis Junction, MD 20701. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes and boxes must be disposed of before entering the building.
 - Commercial courier deliveries (any deliveries not by the U.S. Postal Service) must be sent to 9050 Junction Drive, Annapolis Junction, MD 20701. Filings sent by U.S. Postal Service First-Class Mail, Priority Mail, and Priority Mail Express must be sent to 45 L Street NE, Washington, DC 20554.
- *People with Disabilities:* To request materials in accessible formats for people with disabilities (braille, large print, electronic files, audio format), send an email to fcc504@fcc.gov or call the Consumer & Governmental Affairs Bureau at 202-418-0530.

FOR FURTHER INFORMATION CONTACT: Paula Silberthau, Attorney Advisor, Office of General Counsel, 202-418-1874, paula.silberthau@fcc.gov.

SUPPLEMENTARY INFORMATION: This is a summary of the Commission's Further Notice of Proposed Rulemaking (*FNPRM*) in GN Docket No. 19-309, FCC 26-18, adopted on March 26, 2026, and released on March 27, 2026. The complete text of this document is available for download at <https://docs.fcc.gov/public/attachments/FCC-26-18A1.pdf>. Alternative formats are available for people with disabilities (Braille, large print, electronic files, audio format) by sending an email to fcc504@fcc.gov or calling the Commission's Consumer and Government Affairs Bureau at (202) 418-0503.

Ex Parte Presentations. The proceeding this document initiates shall be treated as a “permit-but-disclose” proceeding in accordance with the Commission's *ex parte* rules. Persons making *ex parte* presentations must file a copy of any written presentation or a memorandum summarizing any oral presentation within two business days after the presentation (unless a different deadline applicable to the Sunshine period applies). Persons making oral *ex parte* presentations are reminded that memoranda summarizing the presentation must (1) list all persons attending or otherwise participating in the meeting at which the *ex parte* presentation was made, and (2) summarize all data presented and arguments made during the presentation. If the presentation consisted in whole or in part of the presentation of data or arguments already reflected in the presenter's written comments, memoranda or other filings in the proceeding, the presenter may provide citations to such data or arguments in his or her prior comments, memoranda, or other filings (specifying the relevant page and/or paragraph numbers where such data or arguments can be found) in lieu of summarizing them in the memorandum. Documents shown or given to Commission staff during *ex parte* meetings are deemed to be written *ex parte* presentations and must be filed consistent with rule 1.1206(b). In proceedings governed by rule 1.49(f) or for which the Commission has made available a method of electronic filing, written *ex parte* presentations and memoranda summarizing oral *ex parte* presentations, and all attachments thereto, must be filed through the electronic comment filing system available for that proceeding, and must be filed in their native format (e.g., .doc, .xml, .ppt, searchable .pdf). Participants in this proceeding should familiarize themselves with the Commission's *ex parte* rules.

Regulatory Flexibility Act. The Regulatory Flexibility Act of 1980, as amended (RFA) requires that an agency prepare a regulatory flexibility analysis for notice and comment rulemakings, unless the agency certifies that “the rule will not, if promulgated, have a significant economic impact on a substantial number of small entities.” Accordingly, the Commission has prepared an Initial Regulatory Flexibility Analysis (IRFA) concerning the possible/potential impact of rule and policy proposals on small entities in the FCC document. The IRFA is found below and in

Appendix C of the Commission's Further Notice of Proposed Rulemaking. The Commission invites the general public, particularly small businesses, to comment on the IRFA. Comments must be filed by the deadlines for comments on the Notice of Proposed Rulemaking indicated on the first page of this document and must have a separate and distinct heading designating them as responses to the IRFA.

Paperwork Reduction Act. This document contains proposed new or modified information collection requirements. The Commission, as part of its continuing effort to reduce paperwork burdens, will invite the general public to comment on the information collection requirements contained in this *Notice of Proposed Rulemaking* as required by the Paperwork Reduction Act of 1995, Public Law 104-13. In addition, pursuant to the Small Business Paperwork Relief Act of 2002, Public Law 107-198, *see* 44 U.S.C. 3506(c)(4), the Commission seeks specific comment on how it might further reduce the information collection burden for small business concerns with fewer than 25 employees.

Providing Accountability Through Transparency Act: Consistent with the Providing Accountability Through Transparency Act, Public Law 1189-9, a summary of the Notice of Proposed Rulemaking will be available at <https://www.fcc.gov/proposed-rulemakings>.

Introduction

The Federal Communications Commission (FCC or Commission) administers several congressionally-mandated programs, such as the Universal Service Fund (USF) and the Telecommunications Relay Services (TRS) program, that provide significant funding to close the digital divide and ensure that all Americans have access to communications services. In administering these important programs, it is incumbent upon the Commission to be a good steward of these funds, which are ultimately paid for by the American people. We must ensure that these limited dollars serve their intended purposes. Waste, fraud, and abuse frustrate the Commission's goals and undermines public trust in these programs. Bad actors who would seek to enrich themselves by siphoning these critical resources away from connecting rural

households and businesses, schools and libraries, rural healthcare providers, low-income households, and people with disabilities have no place in these programs. As such, in a companion Report and Order, we adopted additional, critical tools which will allow us to promptly and efficiently take action to exclude or otherwise limit bad actors' participation in these programs. These changes, which received widespread support in the record, will align our processes with other agencies, incorporate current fraud prevention best practices, and, ultimately, distribute funds more responsibly.

In the Further Notice of Proposed Rulemaking, we propose to update existing information collection mechanisms for affected programs to include a new certification that applicable program participants have read and complied with the rules we adopt in the Report and Order. We also seek comment on additional safeguards to enhance accountability. We also seek comment on whether applying the new rules to the Commission's Secure and Trusted Communications Networks Reimbursement Program (also referred to as the Supply Chain Reimbursement Program or, colloquially, Rip-and-Replace) to subsidize smaller carriers to remove and replace certain equipment that poses an unacceptable risk to the national security of the United States, as well as to any future USF or TRS programs or National Deaf-Blind Equipment Distribution Program (NDBEDP) or similar financial assistance programs, will improve the sustainability of their funding for the benefit of those whom the programs serve.

Further Notice of Proposed Rulemaking

Additional Safeguards

In this Further Notice of Proposed Rulemaking, we seek comment on additional safeguards that could be added to the suspension and debarment framework adopted by the Report and Order. Specifically, we propose to update existing information collection mechanisms for affected programs to include a new certification that applicable program participants have read and complied with the rules we adopt in the Report and Order. We expect that this proposal will help streamline the implementation of the Guidelines and supplemental

rules and decrease the potential for waste, fraud, and abuse by prompting participants to both familiarize themselves, and comply, with the adopted rules and providing additional tools to remedy noncompliance. We anticipate this approach to pose little additional burden given that those participating in Commission programs are already responsible for complying with the rules relating to those programs and this approach could help increase awareness of Commission rules among entities that might not otherwise conduct business before the Commission. We seek comment on this proposal and the benefits or burdens it may create, particularly as to any adjustments to alleviate any potential burden on small entities.

We also propose adopting a mandatory disclosure requirement that would provide the agency with additional information concerning threats to program integrity, and other forms of waste, fraud, and abuse in our programs. Specifically, we propose to adopt the mandatory disclosure provision from OMB's Uniform Guidance for Federal Financial Assistance that would require any "applicant, recipient, or subrecipient of a Federal award [to] promptly disclose whenever . . . it has credible evidence of the commission of a violation of Federal criminal law involving fraud, conflict of interest, bribery, or gratuity violations" in connection with the award of Federal funds. 2 CFR 200.113. This provision would require applicants and recipients—often the first to learn of potential waste, fraud, and abuse—to proactively alert both the agency and the Office of the Inspector General (OIG) of any such credible evidence. We propose adoption of this requirement and propose modifications to the program certifications to require applicants and recipients to demonstrate their compliance with the provision when participating in our programs. We tentatively conclude that adoption of this requirement would better ensure program participants are actively assisting the agency in deterring and addressing waste, fraud, and abuse in its programs, and we seek comment on this proposal.

Finally, we also seek comment on any additional safeguards, such as additional certifications, appointment of compliance officers in connection with any compliance plan, or

other steps that the Commission may take to enhance its ability to promote greater accountability and policing among persons receiving financial assistance from Commission programs.

Additional Covered Programs

As discussed briefly above, in 2020, the Commission established the Supply Chain Reimbursement Program (SCRCP) to subsidize smaller carriers to remove and replace certain equipment that poses an unacceptable risk to the national security of the United States. Although reimbursements are funded by a separate appropriation, the program is designed in part to prohibit Universal Service Fund support from being used for equipment and services which pose a threat to national security. Over the past six years, the Commission has processed over 50,000 claims for reimbursement and has approved approximately \$1.3 billion in disbursements to recipients. As the Suspension and Debarment NPRM preceded the creation of the SCRCP, we did not seek comment on its inclusion as a covered program for the purposes of suspension and debarment.

We recognize that the Secure Networks Act provided for a debarment-like remedy in the SCRCP. Specifically, “[a]ny person or entity that violates the Reimbursement Program rules will also be banned from further participation in the [SCRCP], and the person or entity may also be barred from participating in other Commission programs, including Universal Service support programs.” We seek comment on whether we should nonetheless extend the suspension and debarment rules we adopt today to this program, and if so, how extension of the suspension and debarment rules adopted in the Report and Order would support this program-specific statutory requirement. We also seek comment on any implementation issues, including whether there should be any program-specific changes as to how these rules are applied in the context of the SCRCP, such as the definitions of primary and lower tier participants for those programs or the disclosure requirements.

Future Programs

The Report and Order applies the suspension and debarment framework to the USF programs (including High-Cost, E-Rate, Lifeline, and Rural Health Care), TRS and NDBEDP. On occasion, the Commission establishes new support programs—funded by similar mechanisms and designed to mirror existing programs—including new models of High-Cost, pilot programs to evaluate future modifications to universal service, and modernized forms of TRS. To the extent the Commission creates new universal service programs, including additional forms of high cost support or additional pilot programs, or authorizes new forms of TRS or NDBEDP in the future, we propose that any such program will be governed by default by the suspension and debarment framework adopted in the Report and Order. We tentatively conclude that a default application of the suspension and debarment rules to any future USF or TRS programs or NDBEDP or similar financial assistance programs will improve the sustainability of their funding for the benefit of those whom the programs serve. Given the anticipated similarities between any future USF or TRS program and those currently in effect, we do not expect any significant burden on program participants if the suspension and debarment rules were also extended to these similarly-designed programs. We further anticipate that, to the extent that modifications for a specific program are appropriate, the Commission can consider such customization in adopting program-specific rules. We seek comment on this proposal.

Initial Regulatory Flexibility Analysis

As required by the Regulatory Flexibility Act of 1980, as amended (RFA), the Federal Communications Commission (Commission) has prepared this Initial Regulatory Flexibility Analysis (IRFA) of the policies and rules proposed in the Further Notice of Proposed Rulemaking (*FNPRM*) assessing the possible significant economic impact on a substantial number of small entities. The Commission requests written public comments on this IRFA. Comments must be identified as responses to the IRFA and must be filed by the deadlines for comments specified on the first page of the *FNPRM*. The Commission will send a copy of the

FNPRM, including this IRFA, to the Chief Counsel for the Small Business Administration (SBA) Office of Advocacy.

Need for, and Objectives of, the Proposed Rules

The rules we propose in the Further Notice seek to revise the Commission's rules to include a certification requirement to transactions for the four USF programs (including High-Cost programs), the TRS program, and the NDBEDP, which are the Commission's primary permanent nonprocurement programs, as well as to other programs (collectively Covered Programs) to reflect that persons participating in those programs have read and agree to comply with the rules that the Commission adopted in its Report and Order above. The proposed certification could increase the likelihood that those receiving financial assistance from FCC-administered programs will be responsible stewards of these funds.

Additionally, we propose to adopt the mandatory disclosure provision from the Office of Management and Budget's (OMB) Uniform Guidance for Federal Financial Assistance that would require applicants and recipients to proactively alert both the agency and the Office of the Inspector General (OIG) of any credible evidence of fraud in our programs. We also seek comment on whether to extend the suspension and debarment framework to the Supply Chain Reimbursement Program, as well as to any new universal service programs or modernized forms of TRS or NDBEDP the Commission may adopt in the future.

Legal Basis

The proposed action is authorized pursuant to sections 1, 2, 4, 218, 225, 254, 403, 616, and 620 of the Communications Act of 1934, as amended, section 7402, Title VII of the American Rescue Plan Act 2021, Pub. L. No. 117-2, 135 Stat. 4 (2021), and Section 904 of Division N, Title IX of the Consolidated Appropriations Act, 2021, Pub. L. No. 116-260, 134 Stat. 1182, as amended by section 60502 of Division F, Title V of the Infrastructure Investment and Jobs Act, Pub. L. No. 117-58, 135 Stat. 429 (2021), 47 U.S.C. 151, 152, 154, 218, 225, 254, 403, 616, and 620.

Description and Estimate of the Number of Small Entities to Which the Proposed Rules Will Apply

The RFA directs agencies to provide a description of and, where feasible, an estimate of the number of small entities that may be affected by the proposed rules, if adopted. The RFA generally defines the term “small entity” as having the same meaning as the terms “small business,” “small organization,” and “small governmental jurisdiction.” In addition, the term “small business” has the same meaning as the term “small business concern” under the Small Business Act. A “small business concern” is one which: (1) is independently owned and operated; (2) is not dominant in its field of operation; and (3) satisfies any additional criteria established by the SBA. The SBA establishes small business size standards that agencies are required to use when promulgating regulations relating to small businesses; agencies may establish alternative size standards for use in such programs, but must consult and obtain approval from SBA before doing so.

Our actions, over time, may affect small entities that are not easily categorized at present. We therefore describe three broad groups of small entities that could be directly affected by our actions. In general, a small business is an independent business having fewer than 500 employees. These types of small businesses represent 99.9% of all businesses in the United States, which translates to 34.75 million businesses. Next, “small organizations” are not-for-profit enterprises that are independently owned and operated and not dominant in their field. While we do not have data regarding the number of non-profits that meet that criteria, over 99 percent of nonprofits have fewer than 500 employees. Finally, “small governmental jurisdictions” are defined as cities, counties, towns, townships, villages, school districts, or special districts with populations of less than fifty thousand. Based on the 2022 U.S. Census of Governments data, we estimate that at least 48,724 out of 90,835 local government jurisdictions have a population of less than 50,000.

The rules proposed in the *FNPRM* will apply to small entities in the industries identified in the chart below by their six-digit North American Industry Classification System (NAICS) codes and corresponding SBA size standard. Based on currently available U.S. Census data regarding the estimated number of small firms in each identified industry, we conclude that the proposed rules will impact a substantial number of small entities. Where available, we also provide additional information regarding the number of potentially affected entities in the industries identified below.

Table 1. 2022 U.S. Census Bureau Data by NAICS Code

Regulated Industry (Footnotes specify potentially affected entities within a regulated industry where applicable)	NAICS Code	SBA Size Standard	Total Firms	Total Small Firms	% Small Firms
Telephone Apparatus Manufacturing	334210	1,250 employees	155	136	87.74%
Radio and Television Broadcasting and Wireless Communications Equip Manufacturing	334220	1,250 employees	155	136	87.74%
Other Communications Equipment Manufacturing	334290	800 employees	310	294	94.84%
Software Publishers	513210	\$47 million	16,824	12,148	72.21%
Wired Telecommunications Carriers	517111	1,500 employees	3,403	3,027	88.95%
Wireless Telecommunications Carriers (except Satellite)	517112	1,500 employees	1,184	1,081	91.30%
Telecommunications Resellers	517121	1,500 employees	955	847	88.69%
Satellite Telecommunications	517410	\$44 million	332	195	58.73%
All Other Telecommunications	517810	\$40 million	1,673	1,007	60.19%
Libraries and Archives	519210	\$21 million	2,030	1,891	93.15%
Custom Computer Programming Services	541511	\$34 million	63,144	46,196	73.16%

Regulated Industry (Footnotes specify potentially affected entities within a regulated industry where applicable)	NAICS Code	SBA Size Standard	Total Firms	Total Small Firms	% Small Firms
Information Technology Value Added Resellers (Exception)	541519	150 employees	11,570	8,182	70.72%
Other Computer Related Services (Except Information Technology Value Added Resellers)	541519	\$34 million	11,570	8,152	70.46%
Administrative Management and General Management Consulting Services	541611	\$24.5 million	10,1761	69,836	68.63%
Marketing Consulting Services	541613	\$19 million	50,507	34,127	67.57%
Other Management Consulting Services	541618	\$19 million	10,446	6,383	61.10%
Schools	611110	\$20 million	14,088	14,087	99.99%
Offices of Physicians Except Mental Health Specialists	621111	\$16 million	138,120	104,486	75.65%
Offices of Physicians - Mental Health Specialists	621112	\$13.5 million	11,973	8,376	69.96%
Offices of Dentists	621210	\$9 million	121,011	105,588	87.25%
Offices of Chiropractors	621310	\$9 million	38,673	30,425	78.67%
Offices of Optometrists	621320	\$9 million	18,582	16,425	88.39%
Offices of Mental Health Practitioners Except Physicians	621330	\$9 million	39,395	30,210	76.68%
Offices of Physical Occupational & Speech Therapists & Audiologists	621340	\$12.5 million	31,682	25,139	79.35%
Offices of Podiatrists	621391	\$9 million	6,546	5,737	87.64%
Offices of All Other Miscellaneous Health Practitioners	621399	\$10 million	29,775	18,206	61.15%
Family Planning Centers	621410	\$19 million	1,671	1,238	74.09%
Outpatient Mental Health and Substance Abuse Centers	621420	\$19 million	9,647	6,837	70.87%
HMO Medical Centers	621491	\$44.5 million	56	25	44.64%

Regulated Industry (Footnotes specify potentially affected entities within a regulated industry where applicable)	NAICS Code	SBA Size Standard	Total Firms	Total Small Firms	% Small Firms
Kidney Dialysis Centers	621492	\$47 million	516	367	71.12%
Freestanding Ambulatory Surgical and Emergency Centers	621493	\$19 million	6,092	4,544	74.59%
All Other Outpatient Care Centers	621498	\$25.5 million	8,942	7,160	80.07%
Medical Laboratories	621511	\$41.5 million	4,527	3,525	77.87%
Diagnostic Imaging Centers	621512	\$19 million	4,717	3,537	74.98%
Home Health Care Services	621610	\$19 million	27,774	20,724	74.62%
Ambulance Services	621910	\$22.5 million	3,002	2,436	81.15%
Blood and Organ Banks	621991	\$40 million	371	258	69.54%
All Other Miscellaneous Ambulatory Health Care Services	621999	\$20.5 million	7,270	5,794	79.70%
General Medical and Surgical Hospitals	622110	\$47 million	2,280	501	21.97%
Psychiatric and Substance Abuse Hospitals	622210	\$47 million	403	134	33.25%
Specialty Hospitals - Except Psychiatric and Substance Abuse	622310	\$47 million	280	92	32.86%
Emergency and Other Relief Services	624230	\$41.5 million	714	514	71.99%

Table 2. Telecommunications Service Provider Data

2024 Universal Service Monitoring Report Telecommunications Service Provider Data (Data as of December 2023)	SBA Size Standard (1500 Employees)		
	Total # FCC Form 499A Filers	Small Firms	% Small Entities
Incumbent Local Exchange Carriers (Incumbent LECs)	1,175	917	78.04
Interexchange Carriers (IXCs)	113	95	84.07
Local Resellers	222	217	97.75

2024 Universal Service Monitoring Report Telecommunications Service Provider Data (Data as of December 2023)	SBA Size Standard (1500 Employees)		
	Affected Entity	Total # FCC Form 499A Filers	Small Firms
Operator Service Providers (OSPs)	22	22	100
Paging & Messaging	59	59	100.00
Toll Resellers	411	398	96.84
Telecommunications Resellers	633	615	97.16
Wired Telecommunications Carriers	4,682	4,276	91.33
Wireless Telecommunications Carriers (except Satellite)	585	498	85.13
Wireless Telephony	326	247	75.77

Table 3. E-Rate Funding Data

Affected Entity	# Receiving E-Rate Funding Commitments
Schools	101,522
Libraries	11,671

Description of Economic Impact and Projected Reporting, Recordkeeping, and Other Compliance Requirements for Small Entities

The RFA directs agencies to describe the economic impact of proposed rules on small entities, as well as projected reporting, recordkeeping and other compliance requirements, including an estimate of the classes of small entities which will be subject to the requirements and the type of professional skills necessary for preparation of the report or record.

In the *FNPRM*, the Commission seeks comment on its proposal to establish further protections to the suspension and debarment framework adopted by the Report and Order. We propose that applicable program participants certify that they have read and complied with the rules adopted in the Report and Order. To achieve this, we propose updating the existing information collection mechanisms for affected programs. The Commission also seeks comment

on additional safeguards, including additional certifications, appointment of compliance officers in connection with any compliance plan, or other steps that the Commission may take to enhance its ability to promote greater accountability and policing among persons receiving financial assistance from Commission programs. Specifically, we propose to adopt the mandatory disclosure provision from the Office of Management and Budget's (OMB) Uniform Guidance for Federal Financial Assistance that would require applicants and recipients to proactively alert both the agency and the Office of the Inspector General (OIG) of any credible evidence "of a violation of Federal criminal law involving fraud, conflict of interest, bribery, or gratuity violations" in connection with the award of Federal funds. We also see comment on whether to apply the recently adopted suspension and debarment framework to the SCRP, as well as to any new universal service programs or modernized forms of TRS or NDBEDP.

These proposals, if adopted, will help to streamline the implementation of the Guidelines and supplemental rules, and will aid the Commission in meeting its long-standing objective of decreasing the potential for waste, fraud, and abuse by prompting participants to both familiarize themselves, and comply, with the adopted rules and provide additional tools to remedy noncompliance.

The Commission does not anticipate that the proposals set forth in the *FNPRM* will create additional economic, recordkeeping, or other compliance burdens on small entities seeking to comply with the proposed rules, should they be adopted. We note that entities receiving FCC financial assistance are already required to familiarize themselves with, and comply with, Commission rules governing participation in such programs. As a result, the proposed rules should not create additional burdens to small and other entities. While we do not anticipate that such entities will need to hire professionals to comply with the proposals outlined herein, we request comments from small and other entities that are specific to any potential burdens or costs small entities may incur in connection with these requirements, as well as any benefits that may be achieved.

Discussion of Significant Alternatives Considered That Minimize the Significant Economic Impact on Small Entities

The RFA directs agencies to provide a description of any significant alternatives to the proposed rules that would accomplish the stated objectives of applicable statutes, and minimize any significant economic impact on small entities. The discussion is required to include alternatives such as: “(1) the establishment of differing compliance or reporting requirements or timetables that take into account the resources available to small entities; (2) the clarification, consolidation, or simplification of compliance and reporting requirements under the rule for such small entities; (3) the use of performance rather than design standards; and (4) an exemption from coverage of the rule, or any part thereof, for such small entities.”

In developing its proposals in the *FNPRM*, the Commission considered alternatives that could minimize significant economic impact on small entities. As discussed above, we propose including a new certification to our existing information collection methods for those entities participating in USF programs. For example, we considered not adopting such a requirement; however, maintaining the status quo would not meet our objectives of streamlining both the Guidelines and supplemental rules implementation, and would also not serve the public’s interest in decreasing the potential for waste, fraud, and abuse. Moreover, other alternatives beyond the *FNPRM*’s proposal could prove to be more economically burdensome to comply with for program participants, some of which are small entities. The certification proposal in the *FNPRM* will both meet the Commission’s objectives while minimizing administrative or other compliance costs to small entities. We propose to adopt the mandatory disclosure provision from OMB’s Uniform Guidance for Federal Financial Assistance, and seek comment on alternatives that would ensure program participants are actively assisting the agency in deterring and addressing waste, fraud, and abuse. As we propose to apply the recently adopted suspension and debarment framework to the Supply Chain Reimbursement Program, as well as any new universal service programs or modernized forms of TRS or NDBEDP, we seek comment on

other alternatives to improve the sustainability of their funding for the benefit of those whom the programs serve.

To assist in the Commission's evaluation of the economic impact on small entities, and to better explore options and alternatives, the Commission seeks comments from small entities and other interested parties on its proposal discussed in the *FNPRM*. We expect to more fully consider the economic impact on small entities following our review of comments filed in response to the *FNPRM* in reaching our final conclusions and promulgating rules in this proceeding.

Federal Rules that May Duplicate, Overlap, or Conflict with the Proposed Rules

None.

Federal Communications Commission.

Marlene Dortch,

Secretary.

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