

ALERT

# FCC Circulates Draft NPRM Intended to Mitigate U.S. Communications Supply Chain Risks Through Universal Service Fund Regime

---

March 27, 2018

The Federal Communications Commission (FCC) released a draft Notice of Proposed Rulemaking (NPRM) that, if approved, would seek comment on proposals to prohibit the use of money from the Universal Service Fund (USF) to purchase equipment or services from companies “posing a national security risk to communications networks or the communications supply chain.” The agency is expected to vote on the item at its next Open Commission Meeting on April 17, 2018.

The NPRM raises a series of complex questions about how to define covered equipment, how to identify companies who negatively impact national security, how to administer the regime, and what to do about existing contractual agreements. Although the Commission cites general Communications Act provisions as the basis for its legal authority, the proposed rules would be an extension of agency activity over the supply chain.

Read the full Wiley Rein summary [here](#).

## Authors

---

Megan L. Brown  
Partner  
202.719.7579  
mbrown@wiley.law  
Madeleine M. Lottenbach  
Partner  
202.719.4193  
mlottenbach@wiley.law

## Practice Areas

---

Telecom, Media & Technology