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mechanism, and the low-income support mechanism may also contest suspension or the scope of suspension, but such action will not ordinarily be granted. A person contesting suspension or the scope of suspension must file arguments and any relevant documentation within thirty (30) calendar days of receipt of notice or publication in the FEDERAL REGISTER, whichever is earlier.

(5) Within ninety (90) days of receipt of any information submitted by the respondent, the Commission, in the absence of extraordinary circumstances, shall provide the respondent prompt notice of the decision to debar. Debarment shall be effective upon the earlier of receipt of notice or publication in the FEDERAL REGISTER.

(f) *Reversal or limitation of suspension or debarment.* The Commission may reverse a suspension or debarment, or limit the scope or period of suspension or debarment, upon a finding of extraordinary circumstances, after due consideration following the filing of a petition by an interested party or upon motion by the Commission. Reversal of the conviction or civil judgment upon which the suspension and debarment was based is an example of extraordinary circumstances.

(g) *Time period for debarment.* A debarred person shall be prohibited from involvement with the schools and libraries support mechanism for three (3) years from the date of debarment. The Commission may, if necessary to protect the public interest, set a longer period of debarment or extend the existing period of debarment. If multiple convictions or judgments have been rendered, the Commission shall determine based on the facts before it whether debarments shall run concurrently or consecutively.

[68 FR 36943, June 20, 2003. Redesignated and amended at 72 FR 54218, Sept. 24, 2007]

§ 54.9 Prohibition on use of funds.

(a) *USF support restriction* No universal service support may be used to purchase, obtain, maintain, improve, modify, or otherwise support any equipment or services produced or provided by any company posing a national security threat to the integrity

of communications networks or the communications supply chain.

(b) *Designation of Entities Subject to Prohibition.* (1) When the Public Safety and Homeland Security Bureau (PSHSB) determines, either *sua sponte* or in response to a petition from an outside party, that a company poses a national security threat to the integrity of communications networks or the communications supply chain, PSHSB shall issue a public notice advising that such designation has been proposed as well as the basis for such designation.

(2) Upon issuance of such notice, interested parties may file comments responding to the initial designation, including proffering an opposition to the initial designation. If the initial designation is unopposed, the entity shall be deemed to pose a national security threat 31 days after the issuance of the notice. If any party opposes the initial designation, the designation shall take effect only if PSHSB determines that the affected entity should nevertheless be designated as a national security threat to the integrity of communications networks or the communications supply chain. In either case, PSHSB shall issue a second public notice announcing its final designation and the effective date of its final designation. PSHSB shall make a final designation no later than 120 days after release of its initial determination notice. PSHSB may, however, extend such 120-day deadline for good cause.

(3) PSHSB will act to reverse its designation upon a finding that an entity is no longer a threat to the integrity of communications networks or the communications supply chain. A designated company, or any other interested party, may submit a petition asking PSHSB to remove a designation. PSHSB shall seek the input of Executive Branch agencies and the public upon receipt of such a petition. If the record shows that a designated company is no longer a national security threat, PSHSB shall promptly issue an order reversing its designation of that company. PSHSB may dismiss repetitive or frivolous petitions for reversal of a designation without notice and comment. If PSHSB reverses its designation, PSHSB shall issue an order

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announcing its decision along with the basis for its decision.

(4) PSHSB shall have discretion to revise this process or follow a different process if appropriate to the circumstances, consistent with providing affected parties an opportunity to respond and with any need to act expeditiously in individual cases.

[85 FR 249, Jan. 3, 2020]

Subpart B—Services Designated for Support

§ 54.101 Supported services for rural, insular and high cost areas.

(a) *Services designated for support.* Voice telephony services and broadband service shall be supported by federal universal service support mechanisms.

(1) Eligible voice telephony services must provide voice grade access to the public switched network or its functional equivalent; minutes of use for local service provided at no additional charge to end users; access to the emergency services provided by local government or other public safety organizations, such as 911 and enhanced 911, to the extent the local government in an eligible carrier's service area has implemented 911 or enhanced 911 systems; and toll limitation services to qualifying low-income consumers as provided in subpart E of this part.

(2) Eligible broadband Internet access services must provide the capability to transmit data to and receive data by wire or radio from all or substantially all Internet endpoints, including any capabilities that are incidental to and enable the operation of the communications service, but excluding dial-up service.

(b) An eligible telecommunications carrier eligible to receive high-cost support must offer voice telephony service as set forth in paragraph (a)(1) of this section in order to receive federal universal service support.

(c) An eligible telecommunications carrier (ETC) subject to a high-cost public interest obligation to offer broadband Internet access services and not receiving Phase I frozen high-cost support must offer broadband services as set forth in paragraph (a)(2) of this

section within the areas where it receives high-cost support consistent with the obligations set forth in this part and subparts D, K, L and M of this part.

(d) Any ETC must comply with subpart E of this part.

[81 FR 33088, May 24, 2016]

Subpart C—Carriers Eligible for Universal Service Support

§ 54.201 Definition of eligible telecommunications carriers, generally.

(a) *Carriers eligible to receive support.*

(1) Only eligible telecommunications carriers designated under this subpart shall receive universal service support distributed pursuant to subparts D and E of this part. Eligible telecommunications carriers designated under this subpart for purposes of receiving support only under subpart E of this part must provide Lifeline service directly to qualifying low-income consumers.

(2) [Reserved]

(3) This paragraph does not apply to offset or reimbursement support distributed pursuant to subpart G of this part.

(4) This paragraph does not apply to support distributed pursuant to subpart F of this part.

(b) A state commission shall upon its own motion or upon request designate a common carrier that meets the requirements of paragraph (d) of this section as an eligible telecommunications carrier for a service area designated by the state commission.

(c) Upon request and consistent with the public interest, convenience, and necessity, the state commission may, in the case of an area served by a rural telephone company, and shall, in the case of all other areas, designate more than one common carrier as an eligible telecommunications carrier for a service area designated by the state commission, so long as each additional requesting carrier meets the requirements of paragraph (d) of this section. Before designating an additional eligible telecommunications carrier for an area served by a rural telephone company, the state commission shall find that the designation is in the public interest.