



# PUBLIC NOTICE

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## WIRELINE COMPETITION BUREAU ANNOUNCES THE LAUNCH OF THE NATIONAL LIFELINE ELIGIBILITY VERIFIER IN CALIFORNIA

### WC Docket No. 11-42

By this Public Notice, the Wireline Competition Bureau (Bureau) announces the full launch of the National Lifeline Eligibility Verifier (National Verifier) in California, effective December 18, 2020.<sup>1</sup>

Given the unique circumstances in California, where the state agency conducts Lifeline eligibility determinations directly, the Bureau and USAC have collaborated with the state to enable it to continue to conduct eligibility verification for the federal Lifeline program in partnership with National Verifier.<sup>2</sup> California has managed eligibility verification and duplicate checking for the federal Lifeline program in parallel with administering its own state low-income subsidy program for many years. Additionally, pursuant to a waiver granted under the *2012 Lifeline Order*, California does not participate in the National Lifeline Accountability Database (NLAD).<sup>3</sup> In light of that waiver and the systems California already has in place, the National Verifier will leverage the state's existing processes so that Lifeline consumers in California can continue to apply using a streamlined state application process for both federal and state benefits.

California consumers seeking to enroll in the Lifeline program will use the state's existing application process, with the most notable change in the application process for consumers who subscribe to standalone broadband service. For these consumers, eligibility verification is currently handled by their eligible telecommunications carrier (ETC) rather than the California Public Utility Commission (CPUC). Starting on December 18, 2020, however, the National Verifier will take responsibility for eligibility verification for all new subscribers of standalone broadband service, and ETCs must cease using legacy eligibility processes for such subscribers. The National Verifier will also conduct

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<sup>1</sup> See *Lifeline and Link Up Reform and Modernization et al.*, Third Report and Order, Further Report and Order, and Order on Reconsideration, 31 FCC Rcd 3962, 4021, para. 165 (2016) (*2016 Lifeline Order*) (directing the Bureau to "issue a notification to all interested participants providing information about effective dates and any other relevant obligations" as USAC deploys the National Verifier in each state).

<sup>2</sup> See *Wireline Competition Bureau Announces the Next National Lifeline Eligibility Verifier Launch in Three States*, Public Notice, 34 FCC Rcd 12302 (WCB 2019) (announcing the December 20, 2019 soft launch of the National Verifier in California, Oregon, and Texas). The Bureau issued a separate Public Notice announcing full launch of the National Verifier in Oregon and Texas. See *Wireline Competition Bureau Announces the Launch of the National Lifeline Eligibility Verifier in Oregon and Texas*, Public Notice, DA 20-1237 (WCB Oct. 19, 2020).

<sup>3</sup> See *Lifeline and Link Up Reform and Modernization et al.*, Report and Order and Further Notice of Proposed Rulemaking, 27 FCC Rcd 6656, 6752, para. 221 (2012) (*2012 Lifeline Order*); *Wireline Competition Bureau Clarifies Minimum Requirements for States Seeking to Opt Out of the National Lifeline Accountability Database*, Public Notice, 27 FCC Rcd 12321 (WCB 2012).

reverification of existing subscribers of standalone broadband service to ensure they are eligible for the federal Lifeline discount.<sup>4</sup>

USAC has provided outreach and training for ETCs in California during the soft launch. ETCs have also had access to a pre-production test environment during the soft launch, which was designed to improve ETCs' ability to conduct sample transactions using test data that does not reflect actual Lifeline applicants and train their employees for readiness. To ensure that ETCs continue to be supported during the transition to the National Verifier, USAC will be contacting ETCs in California to provide details regarding additional training opportunities. Informational resource materials regarding the National Verifier are also available on USAC's website.<sup>5</sup>

Where California conducts eligibility verification and duplicate checking, USAC will continue to partner with the CPUC on additional program integrity measures that were implemented during the National Verifier soft launch period. During the soft launch, California began sharing state eligibility data for USAC to validate ETCs' claims for federal Lifeline support and conduct sampling of state eligibility determinations to ensure compliance with FCC rules.

For claims validations, USAC compares the state's monthly subscriber list with the claims each carrier submits in the Lifeline claims system and rejects any claims that do not match. Currently, USAC conducts claims validations at the aggregate subscriber level. However, USAC is working closely with the state to automate this process so that claims validations can be conducted at the individual subscriber level after full launch. ETCs are expected to provide the CPUC with any data the CPUC has requested to enable USAC to perform per-subscriber claims validations. This data includes information specifying the type of service being provided to each Lifeline subscriber. Based on USAC's review of recent eligibility data from the state, however, it appears that certain ETCs are not providing service type data to the CPUC.<sup>6</sup> Starting with claims filed in January 2021 for the December 2020 data month, all California ETCs are expected to provide this data to the CPUC if they are not already doing so. Starting in March 2021 (for the February data month) USAC will begin rejecting any claims for reimbursement where the ETC has not supplied service type (or other necessary data) to the CPUC.

USAC will also continue to use the National Verifier to review state eligibility information and documentation to ensure that state eligibility determinations are made in accordance with the Commission's rules. USAC reviews a statistically valid sample (at a 95% confidence level) of the state's eligibility determinations each month to confirm those decisions are consistent with FCC rules. If any

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<sup>4</sup> Pursuant to the Bureau's recent orders waiving reverification and certain other Lifeline rules in response to the COVID-19 pandemic, USAC will commence reverification within 60 days of when the waivers expire. *See Lifeline and Link Up Reform and Modernization*, Order, 35 FCC Rcd 2729 (WCB Mar. 17, 2020) (waiving reverification and recertification requirements for 60 days beginning March 17, 2020); *Lifeline and Link Up Reform and Modernization*, Order, 35 FCC Rcd 2950 (WCB Mar. 30, 2020) (waiving usage and general de-enrollment requirements and extending prior waiver until May 29, 2020); *Lifeline and Link Up Reform and Modernization*, Order, 35 FCC Rcd 4482 (WCB Apr. 29, 2020) (relaxing income documentation requirements and extending prior waivers until June 30, 2020); *Lifeline and Link Up Reform and Modernization*, Order, 35 FCC Rcd 5510 (WCB June 1, 2020) (waiving certain requirements to make it easier for subscribers in rural areas on Tribal lands to begin receiving Lifeline service and extending prior waivers until August 31, 2020); *Lifeline and Link Up Reform and Modernization*, Order, 35 FCC Rcd 8791 (WCB Aug. 17, 2020) (extending prior waivers until November 30, 2020); *Lifeline and Link Up Reform and Modernization*, Order, DA 20-1357 (WCB Nov. 16, 2020) (extending prior waivers until February 28, 2021).

<sup>5</sup> *See* Universal Service Administrative Company, Lifeline, Eligibility, National Verifier, How To Use It, <https://www.usac.org/lifeline/eligibility/national-verifier/how-to-use-it/> (last visited Nov. 18, 2020).

<sup>6</sup> It appears based on USAC's review of the data that ETCs are providing the CPUC with almost all other fields required for USAC to conduct subscriber-level claims validations (e.g., service initiation date, study area code, etc.).

sample has an error rate of 5% or more, the sample size will be increased to reach a 99% confidence level until the state satisfies the higher threshold for at least three consecutive months.<sup>7</sup>

Where USAC identifies errors that indicate a potential violation of FCC rules, USAC will work with the state to determine the appropriate resolution to ensure that only eligible consumers are receiving the federal Lifeline benefit. When appropriate, such resolution will consist of the state either reverifying the subscriber's eligibility, de-enrolling the subscriber, and/or pursuing available enforcement remedies.<sup>8</sup> However, USAC and the Commission reserve the right to take appropriate action to direct an ETC to de-enroll a subscriber, deny reimbursement for an ineligible subscriber, recover improper payments, and/or refer the matter to the FCC's Enforcement Bureau and Office of Inspector General for further investigation of the ETC's compliance when necessary.<sup>9</sup> Additionally, USAC may recommend best practices for the state to consider implementing to further strengthen program integrity.

This partnership is contingent upon the continued good faith cooperation by the state in providing necessary data and information for USAC to validate ETC reimbursement claims and ensure consistency between state eligibility determinations and Commission rules, including requirements to ensure that duplicate subscribers are ineligible for the program. To the extent the Bureau determines that the state is not providing the eligibility data or documentation needed to ensure that this approach fulfills the Commission's objectives in establishing the National Verifier, or the state is not complying with the conditions upon which it was permitted to opt out of the NLAD, the Bureau may revoke the state's NLAD opt-out status and rely exclusively on the National Verifier and related federal processes for conducting both eligibility and duplicate checks for all Lifeline applicants in the state.

Finally, we emphasize that ETCs remain responsible for any fraud that forms the basis of their claims for Lifeline reimbursement, and that even though the National Verifier (for standalone broadband subscribers) and the CPUC (for all other subscribers) are processing Lifeline applications and recertifications and conducting eligibility verification, it does not provide a "safe harbor" for ETCs that improperly claim or obtain reimbursement.<sup>10</sup>

For further information, please contact Allison Jones of the Wireline Competition Bureau's Telecommunications Access Policy Division at [Allison.Jones@fcc.gov](mailto:Allison.Jones@fcc.gov) or (202) 418-1571.

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<sup>7</sup> Sampling has been underway California since July 2020. So far, no reviews have triggered the need to increase the sample size.

<sup>8</sup> Any reverification and de-enrollment activities must be conducted consistent with any waiver orders issued by the Bureau as part of the Commission's efforts to keep Lifeline subscribers connected during the COVID-19 pandemic. See *supra* note 4.

<sup>9</sup> See *id.*

<sup>10</sup> See *Lifeline Providers Remain Liable for Ensuring the Eligibility of Their Subscribers to Receive Lifeline Service*, Public Notice, FCC Enforcement Advisory, 34 FCC Rcd 11934 (EB 2019); *Wireline Competition Bureau Reminds Eligible Telecommunications Carriers of Their Ongoing Responsibility to Claim Lifeline Support Only for Eligible Low-Income Consumers*, Public Notice, 32 FCC Rcd 5129 (WCB 2017).