December 13, 2017

Dr. Brian L. Talbott, Chair
Joel Lubin, Vice Chair
Board of Directors
Universal Service Administrative Company
700 12th St NW, Suite 900
Washington, DC 20005

Dear USAC Board of Directors,

As we move into 2018, I ask that the Board redouble its efforts at oversight, specifically in the areas of information technology and security. I am pleased the Board has nominated Radha Sekar as the next USAC CEO, in large part because of her extensive experience leading organizations facing information technology challenges.

Recently, USAC has not ensured that the technology systems it has implemented to administer the Universal Service Fund (USF) are available, reliable, secure, and compliant with applicable guidance. And in many cases, USAC has not adequately planned for, coordinated, and executed testing and review activities necessary to prove the security, reliability, and functionality of its systems. Recent events highlight oversight and management problems throughout USAC's technology programs. These persistent challenges have caused delays that have impacted important FCC deadlines, including having a fully functioning E-Rate Productivity Center for the FY2017 funding year as well as the recently delayed Lifeline National Verifier launch. Given the critical nature of USAC's information systems to the proper function of USF, the inability of USAC to deliver secure and functional systems creates a significant risk to the success of USAC and the FCC.

With this letter, I seek the unqualified commitment of USAC's Board of Directors, consistent with its responsibility to oversee the administration of USAC, to strengthen its oversight of USAC's information technology and security systems. I appreciate your service on the Board and your attention to this matter.

Sincerely,

Ajit V. Pai
Chairman