



OFFICE OF
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

January 31, 2018

The Honorable Doris Matsui
U.S. House of Representatives
2311 Rayburn House Office Building
Washington, D.C. 20515

Dear Congresswoman Matsui:

In response to your request for periodic updates on the implementation of the National Verifier for Lifeline eligibility, I am providing this update on the Commission's efforts to advance the implementation of the National Verifier.

Since establishing the National Verifier in the 2016 Lifeline Order, the Commission has worked closely with the Universal Service Administrative Company (USAC), the administrator of the universal service programs, including Lifeline, on developing a system that is designed to interact with multiple federal and state resources to make independent eligibility determinations and perform a variety of other functions necessary to enroll subscribers into the Lifeline program. Use of the National Verifier will further the Commission's objective of protecting against and reducing waste, fraud, and abuse in the Lifeline program.

Over the last quarter, Commission staff have been actively engaged in a number of important steps associated with implementing the National Verifier. Commission staff have reviewed USAC's National Verifier development and implementation plans on an ongoing basis to ensure the National Verifier is implemented in a cost-effective manner that will create a more effective, efficient, and fiscally responsible program. Commission staff have also overseen the development of National Verifier processes to ensure compliance with the Lifeline rules and applicable laws.

In particular, Commission staff have: provided guidance to USAC as it developed a process for reverifying consumers as they are migrated into the National Verifier; provided ongoing feedback and guidance to USAC as it finalized the online portals that will be used by consumers and service providers to interface with the National Verifier; assisted in finalizing paper and online forms for use with the National Verifier and obtained Paperwork Reduction Act approvals for those forms. Staff have also reviewed and provided guidance on training materials that will be used to train individuals interacting with the National Verifier. Commission staff have been engaged in finalizing and publishing (in the Federal Register) data sharing agreements

with four states (New Mexico, Colorado, Utah, and Mississippi) and in continuing to support efforts to enter into data sharing agreements with other states and federal data sources. Staff of the FCC's Office of Native Affairs and Policy also participated, together with USAC, in a meeting with leaders of the Navajo Nation to learn more about opportunities to improve upon enrollment processes on Tribal lands, and follow-up is underway to pursue additional information about potential data connections. Commission staff have also been involved in providing feedback on USAC's information technology and security compliance efforts and reviewing additional procurements, when appropriate. I am attaching an update prepared by USAC of key milestones accomplished in preparation for the launch of the National Verifier in the last quarter.

In August 2017, the FCC announced that the initial launch of the National Verifier would occur in December 2017 in six states – New Mexico, Colorado, Utah, Mississippi, Wyoming, and Montana. On December 1, 2017, the Commission's Wireline Competition Bureau (Bureau) announced that the initial launch of the National Verifier would be postponed until early 2018. The Bureau explained that, as the development of the National Verifier progressed during the fourth quarter of 2017, USAC advised the Bureau that the National Verifier's systems have potential vulnerabilities that have not yet been fully tested and resolved under the Federal Information Security Management Act of 2002 (FISMA). The Commission takes its statutory obligations under FISMA very seriously. In light of these obligations and in order to protect the security of Lifeline applicants' personal information, the Commission announced that a postponement until early 2018 should provide USAC with sufficient time to complete all FISMA requirements prior to the initial launch of the National Verifier in the first six states.

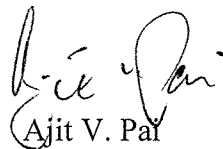
Due in part to the circumstances that led to the delay of the National Verifier launch, I sent a letter to the USAC Board on December 13, 2017 to bring to their attention the Commission's concerns and request the unqualified commitment of USAC's Board of Directors to strengthen its oversight of USAC's information technology and security systems. I sought, and have received, the Board's full commitment to strengthening oversight and delivery of timely, secure, and reliable systems for the administration of the Universal Service Fund.

Going forward, USAC has identified additional states and territories that it believes are appropriate candidates for launch in 2018 and has begun communicating with these states and territories to obtain data sharing agreements, where applicable. To identify the states and territories for launch in 2018, USAC weighed a number of factors including cost-effectiveness of building automated connections, the technical readiness of the state and the willingness of the state to work with USAC. The 2016 Lifeline Order set as an expectation that the National Verifier would be launched in all states and territories by December 2019. I remain confident that the launch of the National Verifier will be a major step forward in rooting out waste, fraud, and abuse in the program, in concert with the Commission's ongoing review of necessary programmatic changes to improve the integrity and efficacy of the Lifeline program.

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I appreciate your interest in this matter. Please let me know if I can be of any further assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Ajit V. Pai". The signature is written in a cursive style with a large initial "A".

Ajit V. Pai

Enclosure