



FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

OFFICE OF  
THE CHAIRMAN

June 1, 2018

The Honorable Bobby L. Rush  
U.S. House of Representatives  
2188 Rayburn House Office Building  
Washington, D.C. 20515

Dear Congressman Rush:

Thank you for your letter regarding the Lifeline program. I am committed to bridging the digital divide, and, like you, I believe the Lifeline program can help do just that. That is why the Commission adopted the *2017 Lifeline Reform Order*, which seeks to focus Lifeline support where it is most needed and incentivize investment in networks that enable 21<sup>st</sup> Century connectivity for all Americans. The *Order* increased consumer choice by eliminating restrictions that barred Lifeline consumers from changing Lifeline providers for a year and protected consumers by barring low-quality services that offered mobile broadband in theory but failed to do so in practice.

At the same time, I am deeply committed to ensuring that the Commission fulfills its obligation to be a responsible steward of the Universal Service Fund. It is critical to strengthen the Lifeline program's efficacy and integrity by reducing the waste, fraud, and abuse that has run rampant in this program for the better part of a decade. For example, GAO discovered 1,234,929 Lifeline subscribers who apparently were not eligible to participate in the program as well as 6,378 individuals who apparently reenrolled after being reported dead. That limited sample alone constituted more than \$137 million in abuse each year.

I agree with you that the National Lifeline Eligibility Verifier will be one important tool in eliminating this waste, fraud, and abuse. But it is not the only one, nor will it solve all the problems with the program. It simply isn't prudent to sit idly by when hundreds of millions of taxpayer dollars are at stake. That's why the Commission last year sought comment on a wide variety of measures to improve the administration of the Lifeline program—from re-empowering state commissions to police Lifeline carriers to partnering with states to stand up the National Verifier, from improving program audits to adopting a self-enforcing budget. The Lifeline program's goal is—or should be—to empower consumers, not companies. And that will be our lodestar as we move forward to ensure that unscrupulous companies stop abusing this important program.

Turning to the National Verifier itself, as you know, the *2016 Lifeline Reform Order* called for the Universal Service Administrative Company to design and establish a National Verifier, along with the accompanying information technology, in 2017. Despite the fact that Commission staff was able to negotiate information-sharing agreements with six states on time, I learned on November 30, 2017 that USAC's implementation of the National Verifier had failed key security checks. Accordingly, the Wireline Competition Bureau postponed the National Verifier's launch until USAC could fully test the system for compliance with the Federal

Information Security Management Act of 2002 (FISMA). Although I was disappointed to learn of this failing—and to learn of it at such a late hour—the Commission cannot ignore its duty to safeguard consumers' personal information.

In response to your particular questions:

1. *Please provide a comprehensive list of proactive efforts you have taken as Chairman, if any, to ensure that the National Verifier is deployed on time in all U.S. states and territories.*

I am deeply committed to ensuring that the Commission fulfills its obligation to be a responsible steward of the Universal Service Fund. In early 2017, I directed Commission staff to work collaboratively with USAC to ensure the timely establishment of the National Verifier. In May 2017, after the resignation of the Chief Executive Officer of USAC following the flawed roll-out of E-Rate's information technology system, I made clear to Commission staff and the USAC Board that finding a replacement with IT expertise was a priority. On December 13, I approved the appointment of Radha Sekar—an experienced federal information-technology administrator—as Chief Executive Officer of USAC. I also then sought, and received, the unqualified support of USAC's Board of Directors to strengthen its oversight of USAC's information technology and security systems. Since then, the Commission's IT staff have been working hand in hand with USAC's to ensure that the National Verifier comes into full FISMA compliance.

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Finally, I have directed our staff to work with our federal partners to facilitate data-sharing agreements for federal programs that qualify consumers for Lifeline. My office worked directly with the U.S. Department of Housing and Urban Development to facilitate the first such arrangement, and Commission staff continue to pursue others.

2. *Please provide a comprehensive list of what proactive efforts FCC staff have taken, if any, to ensure that the National Verifier is deployed on time in all U.S. states and territories.*

Commission staff support the National Verifier project by overseeing the development of National Verifier processes to ensure compliance with the Lifeline rules and applicable laws; negotiating and entering into data-sharing agreements with existing data sources to enable the National Verifier to cost-effectively verify subscribers' eligibility; updating the Lifeline program's System of Records Notice, Paperwork Reduction Act approvals, Records Schedule, and Privacy Impact Assessment to incorporate the National Verifier; providing guidance to USAC as it develops processes for reverifying consumers as they

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3. *Please provide the Commission's strategic plan to ensure that the National Verifier is deployed on time going forward.*

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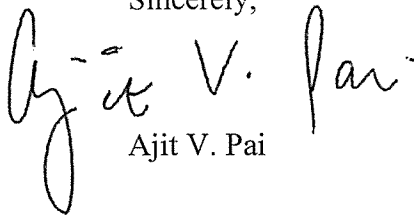
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I appreciate your interest in this matter. Please let me know if I can be of any further assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Ajit V. Pai". The signature is fluid and cursive, with the first name "Ajit" being the most prominent part.

Ajit V. Pai

Enclosures





FEDERAL COMMUNICATIONS COMMISSION  
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June 1, 2018

The Honorable Frank Pallone  
U.S. House of Representatives  
237 Cannon House Office Building  
Washington, D.C. 20515

Dear Congressman Pallone:

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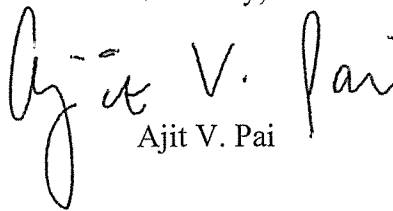
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Enclosures





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FEDERAL COMMUNICATIONS COMMISSION  
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June 1, 2018

The Honorable Mike Doyle  
U.S. House of Representatives  
239 Cannon House Office Building  
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Dear Congressman Doyle:

Thank you for your letter regarding the Lifeline program. I am committed to bridging the digital divide, and, like you, I believe the Lifeline program can help do just that. That is why the Commission adopted the *2017 Lifeline Reform Order*, which seeks to focus Lifeline support where it is most needed and incentivize investment in networks that enable 21<sup>st</sup> Century connectivity for all Americans. The *Order* increased consumer choice by eliminating restrictions that barred Lifeline consumers from changing Lifeline providers for a year and protected consumers by barring low-quality services that offered mobile broadband in theory but failed to do so in practice.

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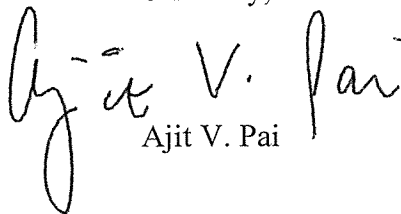
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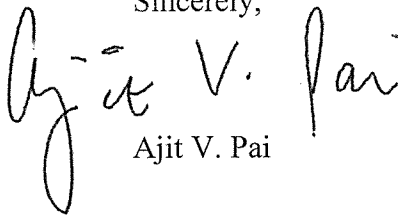
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I appreciate your interest in this matter. Please let me know if I can be of any further assistance.

Sincerely,

A handwritten signature in black ink that reads "Ajit V. Pai". The signature is fluid and cursive, with the first name "Ajit" being the most prominent part.

Ajit V. Pai

Enclosures



FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

OFFICE OF  
THE CHAIRMAN

June 1, 2018

The Honorable Yvette D. Clarke  
U.S. House of Representatives  
2058 Rayburn House Office Building  
Washington, D.C. 20515

Dear Congresswoman Clarke:

Thank you for your letter regarding the Lifeline program. I am committed to bridging the digital divide, and, like you, I believe the Lifeline program can help do just that. That is why the Commission adopted the *2017 Lifeline Reform Order*, which seeks to focus Lifeline support where it is most needed and incentivize investment in networks that enable 21<sup>st</sup> Century connectivity for all Americans. The *Order* increased consumer choice by eliminating restrictions that barred Lifeline consumers from changing Lifeline providers for a year and protected consumers by barring low-quality services that offered mobile broadband in theory but failed to do so in practice.

At the same time, I am deeply committed to ensuring that the Commission fulfills its obligation to be a responsible steward of the Universal Service Fund. It is critical to strengthen the Lifeline program's efficacy and integrity by reducing the waste, fraud, and abuse that has run rampant in this program for the better part of a decade. For example, GAO discovered 1,234,929 Lifeline subscribers who apparently were not eligible to participate in the program as well as 6,378 individuals who apparently reenrolled after being reported dead. That limited sample alone constituted more than \$137 million in abuse each year.

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Turning to the National Verifier itself, as you know, the *2016 Lifeline Reform Order* called for the Universal Service Administrative Company to design and establish a National Verifier, along with the accompanying information technology, in 2017. Despite the fact that Commission staff was able to negotiate information-sharing agreements with six states on time, I learned on November 30, 2017 that USAC's implementation of the National Verifier had failed key security checks. Accordingly, the Wireline Competition Bureau postponed the National Verifier's launch until USAC could fully test the system for compliance with the Federal

Information Security Management Act of 2002 (FISMA). Although I was disappointed to learn of this failing—and to learn of it at such a late hour—the Commission cannot ignore its duty to safeguard consumers’ personal information.

In response to your particular questions:

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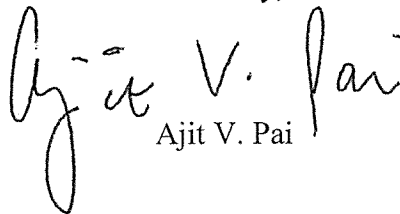
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Sincerely,



Ajit V. Pai

Enclosures



OFFICE OF  
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

June 1, 2018

The Honorable G.K. Butterfield  
U.S. House of Representatives  
2080 Rayburn House Office Building  
Washington, D.C. 20515

Dear Congressman Butterfield:

Thank you for your letter regarding the Lifeline program. I am committed to bridging the digital divide, and, like you, I believe the Lifeline program can help do just that. That is why the Commission adopted the *2017 Lifeline Reform Order*, which seeks to focus Lifeline support where it is most needed and incentivize investment in networks that enable 21<sup>st</sup> Century connectivity for all Americans. The *Order* increased consumer choice by eliminating restrictions that barred Lifeline consumers from changing Lifeline providers for a year and protected consumers by barring low-quality services that offered mobile broadband in theory but failed to do so in practice.

At the same time, I am deeply committed to ensuring that the Commission fulfills its obligation to be a responsible steward of the Universal Service Fund. It is critical to strengthen the Lifeline program's efficacy and integrity by reducing the waste, fraud, and abuse that has run rampant in this program for the better part of a decade. For example, GAO discovered 1,234,929 Lifeline subscribers who apparently were not eligible to participate in the program as well as 6,378 individuals who apparently reenrolled after being reported dead. That limited sample alone constituted more than \$137 million in abuse each year.

I agree with you that the National Lifeline Eligibility Verifier will be one important tool in eliminating this waste, fraud, and abuse. But it is not the only one, nor will it solve all the problems with the program. It simply isn't prudent to sit idly by when hundreds of millions of taxpayer dollars are at stake. That's why the Commission last year sought comment on a wide variety of measures to improve the administration of the Lifeline program—from re-empowering state commissions to police Lifeline carriers to partnering with states to stand up the National Verifier, from improving program audits to adopting a self-enforcing budget. The Lifeline program's goal is—or should be—to empower consumers, not companies. And that will be our lodestar as we move forward to ensure that unscrupulous companies stop abusing this important program.

Turning to the National Verifier itself, as you know, the *2016 Lifeline Reform Order* called for the Universal Service Administrative Company to design and establish a National Verifier, along with the accompanying information technology, in 2017. Despite the fact that Commission staff was able to negotiate information-sharing agreements with six states on time, I learned on November 30, 2017 that USAC's implementation of the National Verifier had failed key security checks. Accordingly, the Wireline Competition Bureau postponed the National Verifier's launch until USAC could fully test the system for compliance with the Federal

Information Security Management Act of 2002 (FISMA). Although I was disappointed to learn of this failing—and to learn of it at such a late hour—the Commission cannot ignore its duty to safeguard consumers’ personal information.

In response to your particular questions:

1. *Please provide a comprehensive list of proactive efforts you have taken as Chairman, if any, to ensure that the National Verifier is deployed on time in all U.S. states and territories.*

I am deeply committed to ensuring that the Commission fulfills its obligation to be a responsible steward of the Universal Service Fund. In early 2017, I directed Commission staff to work collaboratively with USAC to ensure the timely establishment of the National Verifier. In May 2017, after the resignation of the Chief Executive Officer of USAC following the flawed roll-out of E-Rate’s information technology system, I made clear to Commission staff and the USAC Board that finding a replacement with IT expertise was a priority. On December 13, I approved the appointment of Radha Sekar—an experienced federal information-technology administrator—as Chief Executive Officer of USAC. I also then sought, and received, the unqualified support of USAC’s Board of Directors to strengthen its oversight of USAC’s information technology and security systems. Since then, the Commission’s IT staff have been working hand in hand with USAC’s to ensure that the National Verifier comes into full FISMA compliance.

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Finally, I have directed our staff to work with our federal partners to facilitate data-sharing agreements for federal programs that qualify consumers for Lifeline. My office worked directly with the U.S. Department of Housing and Urban Development to facilitate the first such arrangement, and Commission staff continue to pursue others.

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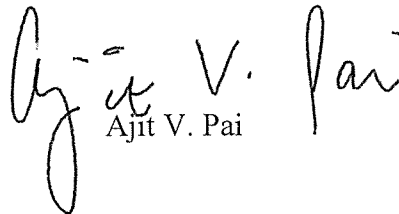
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Sincerely,

  
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Enclosures



FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

OFFICE OF  
THE CHAIRMAN

June 1, 2018

The Honorable Peter Welch  
U.S. House of Representatives  
2303 Rayburn House Office Building  
Washington, D.C. 20515

Dear Congressman Welch:

Thank you for your letter regarding the Lifeline program. I am committed to bridging the digital divide, and, like you, I believe the Lifeline program can help do just that. That is why the Commission adopted the *2017 Lifeline Reform Order*, which seeks to focus Lifeline support where it is most needed and incentivize investment in networks that enable 21<sup>st</sup> Century connectivity for all Americans. The *Order* increased consumer choice by eliminating restrictions that barred Lifeline consumers from changing Lifeline providers for a year and protected consumers by barring low-quality services that offered mobile broadband in theory but failed to do so in practice.

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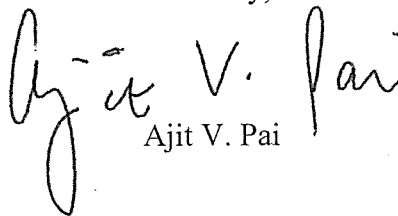
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