



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

June 8, 2018

The Honorable Susan Collins
Chairwoman
Committee on Special Committee on Aging
United States Senate
G31 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Chairwoman Collins:

Thank you for your letter regarding the Lifeline program and the essential services it makes available to low-income seniors. I am committed to bridging the digital divide, and, like you, I believe the Lifeline program can help do just that for low-income seniors and other eligible Americans. That is why the Federal Communications 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 21st-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.

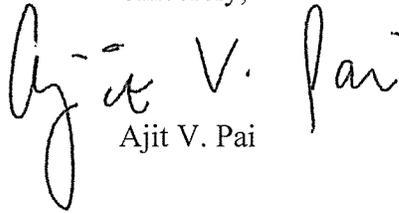
At the same time, I am deeply committed to ensuring that the Commission fulfills its obligation to be a responsible steward of the Universal Service Fund. It is critical to strengthen the Lifeline program's efficacy and integrity by reducing the waste, fraud, and abuse that has run rampant in this program 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 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. Some say that the Lifeline program is too important to have a meaningful budget. I say it's too important not to have one. Having an enforceable, easily administrable budget mechanism promotes good government and helps ensure that every dollar spent is spent more wisely. And every other Universal Service Fund program—E-Rate, high cost, and rural health care—has a real budget, and every one of those programs is critical, too.

The Lifeline program's goal is—or should be—to empower low-income seniors and all eligible Americans, not companies. And that will be our lodestar as we move forward to ensure that unscrupulous companies stop abusing this important program. We are currently reviewing the record that has been compiled in response to last year's Notice of Proposed Rulemaking to determine the best path forward, and your letter has been added to that record. Please be assured that we will take into consideration the issues and concerns presented by all stakeholders as the Commission concludes its review.

I appreciate your continued 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 written in a cursive style with a large initial "A" and a long tail on the "i".

Ajit V. Pai



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June 8, 2018

The Honorable Bob Casey
Ranking Member
Committee on Special Committee on Aging
United States Senate
628 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Casey:

Thank you for your letter regarding the Lifeline program and the essential services it makes available to low-income seniors. I am committed to bridging the digital divide, and, like you, I believe the Lifeline program can help do just that for low-income seniors and other eligible Americans. That is why the Federal Communications 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 21st-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.

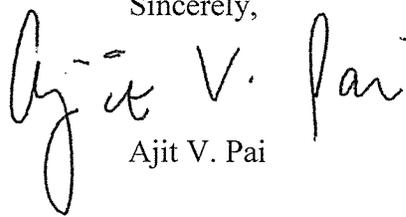
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Ajit V. Pai