

Resolution on Reform of Lifeline Program

WHEREAS, The National Association of Regulatory Utility Commissioners (NARUC) has previously demonstrated its commitment to advancing the availability and adoption of broadband services in low-income communities across the United States in resolutions adopted at the February 2008 Winter Meetings, February 2009 Winter Meetings, July 2011 Summer Meetings, and July 2015 Summer Meeting; *and*

WHEREAS, The Universal Service Fund (USF), and the Lifeline program for low-income households, are a shared responsibility of federal and State regulators; *and*

WHEREAS, Reform proposals now before the Federal Communications Commission (FCC) (FCC WC Dockets Nos. 11-42, 09-197, and 10-90) include adding Internet access service as an eligible program, thereby expanding choices for which low-income consumers may receive discounts; *and*

WHEREAS, A carrier must be designated as an Eligible Telecommunications Carrier (ETC) to participate in the Lifeline program; *and*

WHEREAS, In most States the ETC (whether wireless or wireline) has the obligation to verify if a consumer is eligible for the Lifeline benefit; *and*

WHEREAS, The potential exists in some States for ETCs to take advantage of the current system by failing to rigorously verify eligibility; *and*

WHEREAS, Verifying eligibility requires State agencies or participating carriers to collect sensitive consumer information, including social security numbers, financial information, and/or other confidential data and thus raises privacy and data security concerns; *and*

WHEREAS, The proposed reforms offered by the FCC would limit waste, fraud and abuse by ending the administrative role of the ETCs in verifying eligibility and, instead, centralize those functions in a third party such as the Universal Service Administrative Company (USAC) with FCC oversight or with the States; *and*

WHEREAS, A General Accountability Office witness at a 2015 U.S. Senate Commerce Committee hearing on the Lifeline program stated that the data needed to confirm consumer eligibility reside at the State level; *and*

WHEREAS, States play a key role today in the Lifeline program and are on the front lines in the fight against waste, fraud, and abuse; *and*

WHEREAS, Nearly half of the States have implemented databases that allow eligible telecommunications carriers or the States to verify the eligibility of an applicant for the Lifeline program before such applicant is enrolled in the program; *and*

WHEREAS, These databases have proven to be a strong and effective tool against waste, fraud, and abuse by ensuring that only eligible applicants receive Lifeline benefits; *and*

WHEREAS, One of the several proposals to improve program administration seeks to adopt a “Coordinated Enrollment/De-enrollment” process that would allow consumers to establish or verify eligibility for Lifeline at the same time that they sign up for other qualifying low-income assistance programs at a State agency; *and*

WHEREAS, With centralized registration for low-income benefits, the State agencies may require additional federal funds to compensate for costs associated with verifying the eligibility of a consumer to participate in Lifeline in addition to verifying the consumer’s household eligibility for other qualifying assistance programs; *now, therefore be it*

RESOLVED, That the Board of Directors of the National Association of Regulatory Utility Commissioners (NARUC), convened at its 2016 Winter Committee Meetings in Washington, D.C., urges the FCC to continue the State role in federal universal service required by federal law to any newly-reformed federal Lifeline “Coordinated Enrollment/De-enrollment” process, such as the centralization of those functions with State or federal expert agencies, and thereby reducing waste, fraud and abuse; *and be it further*

RESOLVED, That expert State and federal agencies consider administering the program at a central source seeking to lower overall costs for the Lifeline program and reduce instances of carrier abuse; *and be it further*

RESOLVED, That NARUC encourages the FCC and the States to cooperate to facilitate access, directly or indirectly, to State social service databases for the purpose of verifying a Lifeline service applicant’s eligibility for the program; *and be it further*

RESOLVED, That NARUC encourages the FCC to help the States defray any cost associated with making customer eligibility information available to the centralized database.

Sponsored by the Committee on Telecommunications

Adopted by the NARUC Board of Directors on February 17, 2016