

***Resolution to ensure the National Verifier is Properly Launched so that Low-Income Consumers can Access the Federal Lifeline Program***

*Whereas* since 1985, the federal Lifeline program has provided eligible low-income households with affordable access to telecommunications services so that low-income households can be connected to jobs, healthcare, education, family, and friends;

*Whereas* currently, approximately 9 million households participate in the Lifeline program, receiving \$9.25 per month in Lifeline benefits from the Universal Service Fund;

*Whereas* in the Third Report and Order, *In the Matter of Lifeline and Link Up Reform and Modernization*, 31 F.C.C. Rcd. 3962 ¶¶ 5, 7, 126-166 (2016), the Federal Communications Commission (“FCC”) modernized the federal Lifeline program by expanding Lifeline to include broadband service and by establishing the Lifeline National Eligibility Verifier (“National Verifier”) to address “waste, fraud, and abuse;”

*Whereas* the FCC’s objectives for the National Verifier were threefold: to (1) protect against and reduce waste, fraud, and abuse; (2) lower costs to the federal Universal Service Fund and Lifeline providers through administrative efficiencies; and (3) improve service to beneficiaries by facilitating choice and improving the enrollment experience;

*Whereas* following a brief, five-month soft launch, on November 2, 2018, the Universal Service Administrative Company (“USAC”) implemented the National Verifier hard launch in six states: Colorado, Mississippi, Montana, New Mexico, Utah, and Wyoming; and on January 15, 2019, USAC implemented the National Verifier hard launch in six additional states and territories: Guam, Hawaii, Idaho, New Hampshire, North Dakota, and South Dakota. On December 4, 2018, USAC implemented the National Verifier soft launch in North Carolina, Tennessee, Missouri, and Pennsylvania and is slated to meet the FCC’s mandate of launching in all 50 states by the end of 2019;

*Whereas* consumer groups, public utilities commissions, and Lifeline providers have identified significant shortcomings that undermine the three FCC objectives for the National Verifier as illustrated in comments filed in WC Docket Nos. 17-287, 11-42, 09-197, by, *e.g.*, the National Lifeline Association (December 18, 2018), Nebraska Commissioner Crystal Rhoades (December 17, 2018), the National Association of Regulatory Utility Commissioners (“NARUC”) (August 10, 2018), New America’s Open Technology Institute, Access Humboldt, Benton Foundation, Center for Rural Strategies, Common Cause, Consumers Union, Electronic Frontier Foundation, Free Press, National Association for the Advancement of Colored People, National Consumers League, National Digital Inclusion Alliance, National Hispanic Media Coalition, Native Public Media, Public Knowledge, Greenlining Institute, and United Church of Christ (August 10, 2018), as well as the July 5, 2018 Emergency Petition filed by Q Link Wireless;

*Whereas* in July 2018, NARUC already passed a resolution urging the FCC to order USAC to incorporate application programming interfaces (“APIs”), into its National Verifier implementation;

*Whereas* the issues that have been raised include: (1) new eligibility documentation requirements that prevent the use of the Supplemental Nutrition Assistance Program (“SNAP”), Electronic Benefits Transfer (“EBT”) card or the Medicaid enrollment card as acceptable proofs of Lifeline eligibility; (2) lengthy and complex paper application forms that include an “initialing” requirement pursuant to 47 C.F.R. § 54.410(d)(3) to indicate acknowledgement and consent; and (3) the lack of adequate state or federal qualifying program databases for the National Verifier to perform automated eligibility verification;

*Whereas* USAC, as directed by the FCC has indicated that it will now require a level of additional proof associated with low-income program participation designed to ensure that a consumer is a *current* participant in one of the five federal low-income programs used to qualify for Lifeline. Specifically, USAC has announced that a copy of a consumer’s SNAP EBT card will no longer be sufficient proof of the consumer’s current participation in the SNAP program because the SNAP card does not include either an “issued on” date within the prior 12 months or an “expiration date.” If this change in Lifeline policy is implemented, it will preclude Lifeline providers from continuing to accept SNAP EBT cards and, in some instances Medicaid enrollment cards, as proof of Lifeline eligibility. This change was not contemplated by the States upon review of the FCC’s rules, and appears to be inconsistent with FCC requirements;

*Whereas* for years, eligible low-income consumers have provided and Lifeline providers have accepted SNAP EBT cards and Medicaid cards as proof of eligibility, though all SNAP benefit cards and many Medicaid enrollment cards do not include issuance or expiration dates on the card itself;

*Whereas* the FCC in the *Lifeline Reform Order*, 27 F.C.C. Rcd. 6656 ¶ 101, explicitly states that SNAP EBT cards and Medicaid enrollment cards are acceptable documentation of program-based eligibility;

*Whereas* eliminating these forms of documentation can only undermine the program as more Lifeline enrollees qualify through participation in SNAP and Medicaid than through any other federal low-income programs;

*Whereas* in many cases, a SNAP or Medicaid card is the only documentation in a Lifeline applicant’s possession to demonstrate participation in the qualifying Federal program. Due to the transient nature of the Lifeline customer base, many eligible customers do not hold onto their initial SNAP or Medicaid enrollment letter, and will face additional challenges obtaining another physical proof;

*Whereas* at least one carrier estimates that approximately 25 % of their subscribers currently use their SNAP or Medicaid card to qualify and enroll;

*Whereas* the FCC has directed USAC to hard launch certain States without having gained access to major federal or state benefits program databases, such as the SNAP and Medicaid databases. This shortcoming significantly undermines the efficiency and effectiveness of the National Verifier. Without access to the databases, the National Verifier will not be able to perform automated, near-real time eligibility verification. Instead, they have to rely on the manual verification process that may be costlier and more time consuming with higher potential for errors;

*Whereas* to avoid an over-reliance of the manual enrollment process in States where the National Verifier has been, or will be, launched without the databases needed for the automated verification process, the FCC should direct USAC to accept proof of eligibility generated through third-party access to state databases, including proof of eligibility generated through Managed Care Organizations’ (“MCO”) access to state Medicaid databases;

*Whereas* as one of the wireless carriers points out in its August 2018 Emergency Petition for an order directing the USAC to alter the National Verifier processes, filed in WC Docket Nos. 17-287, 11-42, 09-197, such access could help mitigate the efficiency losses and reduce the risk of fraud and abuse created by the manual verification process;

*Whereas* paper applications are important to many Lifeline applicants because some applicants are not comfortable filling out forms online for security reasons; are disabled and cannot access broadband and a

computer; or otherwise require a friend or family member to assist with understanding and filling out the application in a home or other setting where a computer is not readily available. Some Lifeline providers estimate that 10% of its Lifeline subscribers sign up via paper applications per year;

*Whereas* in the newly revised paper application, applicants are required to acknowledge and/or agree to nine different statements by initialing nine separate boxes to signify their assent. However, many applicants incorrectly interpret the boxes as checkboxes, check-marking each statement rather than initialing it. Because of this, these applications are rejected by the National Verifier and Service Providers for the non-National Verifier states. The “initialing” requirement is codified as 47 C.F.R. § 54.410(d)(3);

*Whereas* in July 2018, the FCC, working closely with USAC, changed the paper application by way of Public Notice DA 18-161, from a service provider specific one page application to a standardized eight page application. The paper application with detailed legal disclosures, blank spaces, and significant fine print is not well-designed for comprehension by many low-income consumers. For example, many potential applicants are apparently so intimidated by the length and complexity of the application that they decline to complete the application. A Lifeline provider estimates that since July, after the National Verifier launched in six States, the number of paper applications submitted has declined by approximately 51%; *now therefore be it*

*Resolved* that the Board of Directors of the National Association of Regulatory Commissioners, convened at its 2019 Winter Policy Summit in Washington DC, urges the FCC and USAC to work with the states to properly launch the National Verifier so that eligible low-income consumers can reasonably and efficiently sign up for the federal Lifeline program without undue burdens or delays; *and be it further*

*Resolved* that NARUC urges USAC to follow the rules set forth by the FCC for the proof of eligibility; streamline the Lifeline paper application; ensure that critical state/federal databases for eligibility programs such as SNAP and Medicaid are accessible in states where the National Verifier has been launched or is being launched; and allow Lifeline providers to provide MCO-generated proof of eligibility for Medicaid recipients, until such time as the National Verifier is otherwise able to handle these matters in a satisfactory manner.

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*Sponsored by the Committee on Telecommunications*

*Adopted by the NARUC Board of Directors on February 13, 2019*