



# PUBLIC NOTICE

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## WIRELINE COMPETITION BUREAU REMINDS ELIGIBLE TELECOMMUNICATIONS CARRIERS OF THEIR ONGOING RESPONSIBILITY TO CLAIM LIFELINE SUPPORT ONLY FOR ELIGIBLE LOW-INCOME CONSUMERS

### WC Docket No. 11-42

By this Public Notice, the Wireline Competition Bureau (Bureau) reminds eligible telecommunications carriers (ETCs) of their primary responsibility to ensure the eligibility of Americans seeking Lifeline support. Even as the Commission implements reforms to the Lifeline program to further protect the Universal Service Fund (Fund) from waste, fraud, and abuse, ETCs are, and will remain, responsible for any fraud that forms the basis of their claims for Lifeline reimbursement.<sup>1</sup>

The Commission created the National Lifeline Accountability Database (NLAD) to “detect and prevent duplicative support”<sup>2</sup> and the National Verifier to make Lifeline subscriber eligibility determinations.<sup>3</sup> These reforms do not relieve ETCs of their obligation to claim Lifeline reimbursement only for customers who are actually eligible for the Lifeline program under the Commission’s rules. The Commission has been clear on this point. In the *2016 Lifeline Modernization Order*, the Commission stated that the National Verifier would “reduc[e],” but not eliminate, providers’ “risks of facing a verification-related enforcement action,”<sup>4</sup> and that the National Verifier would “remove *many*”—but not all—“opportunities for Lifeline providers to inappropriately enroll subscribers.”<sup>5</sup> Thus, while the National Verifier will be a critical and powerful tool in the fight against waste, fraud, and abuse, its implementation will not provide a “safe harbor” for ETCs that improperly claim or obtain reimbursement. Providers must continue to take steps to detect and prevent fraud and improper claims.<sup>6</sup>

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<sup>1</sup> See 47 CFR § 54.407(a) (Lifeline reimbursement “shall be provided directly to an eligible telecommunications carrier based on the number of actual qualifying low-income customers it serves...”); 47 CFR § 54.407(d) (“In order to receive universal service support reimbursement, an officer of each [ETC] must certify... that [t]he [ETC] is in compliance with all of the rules in this subpart...”); 47 CFR § 54.409 (establishing consumer qualification for the Lifeline benefit, including a requirement that the consumer “must not already be receiving a Lifeline service”); 47 CFR § 54.410(a) (requiring all ETCs to “implement policies and procedures” to ensure that all of their Lifeline subscribers are eligible to receive Lifeline services).

<sup>2</sup> *Lifeline and Link Up Reform and Modernization et al.*, Report and Order and Further Notice of Proposed Rulemaking, 27 FCC Rcd 6656, 6734, para. 179 (2012) (*2012 Lifeline Order*).

<sup>3</sup> *Lifeline and Link Up Reform and Modernization et al.*, Third Report and Order, Further Report and Order, and Order on Reconsideration, 31 FCC Rcd 3962, 3964, para. 7 (2016) (*2016 Lifeline Modernization Order*).

<sup>4</sup> *Id.*

<sup>5</sup> *Id.* (emphasis added).

<sup>6</sup> See 47 U.S.C. § 217 (“In construing and enforcing the provisions of this chapter, the act, omission, or failure of any officer, agent, or other person acting for or employed by any common carrier or user, acting within the scope of

(continued...)

Notwithstanding the development of NLAD and the eventual implementation of the National Verifier, ETCs will remain primarily responsible for ensuring submissions for Lifeline support are accurate and those for whom support is requested are eligible. ETCs enjoy no “safe harbor” from auditing and enforcement, which may include, but is not limited to, repayments to the Fund, monetary penalties, and revocation of Commission authorizations. In the case of fraud, ETCs may be subject to civil and/or criminal penalties.

In sum, ETCs must ensure that they are in full compliance with the Commission’s rules, even after the National Verifier is operational.

For further information, please contact Nathan Eagan, Telecommunications Access Policy Division, Wireline Competition Bureau at (202) 418-0991.

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his employment, shall in every case be also deemed to be the act, omission, or failure of such carrier or user as well as that of the person.”); 47 CFR § 54.404(b)(6).