

# NATIONAL VERIFIER ANNUAL REPORT AND DATA

## SUBMISSION DATE: JANUARY 31, 2022

### I. BACKGROUND

In March 2016, the Federal Communications Commission (FCC) adopted the Lifeline Reform and Modernization Order (*2016 Lifeline Order*) to further update the Lifeline program, including the streamlining of eligibility verification for enrollment and recertification.<sup>1</sup> Previously, eligible telecommunications carriers (ETCs) or state administrators were responsible for verifying the eligibility of potential subscribers. The FCC recognized that this structure was complex, burdensome, and had the potential for waste, fraud, and abuse. With the adoption of the *2016 Lifeline Order*, the FCC directed USAC to establish a system for independent, third-party eligibility determinations. To enable this new process, USAC built the National Lifeline Eligibility Verifier (National Verifier) to automate, where possible, and standardize eligibility verification across all states and territories.

USAC deployed the National Verifier in groups of states and territories on a rolling basis beginning in June 2018. As of December 2020, the National Verifier had fully launched in all states, territories, and the District of Columbia. In 2021, consumers submitted over 12 million Lifeline applications nationwide. Also in 2021, USAC administered the Emergency Broadband Benefit (EBB) Program, which utilized the National Verifier as one means of eligibility verification. The EBB Program is discussed further in Section II.

This annual report provides a summary of the National Verifier and its functionality, and outlines how the National Verifier meets the FCC's key objectives to protect against waste, fraud, and abuse; lower costs to the Universal Service Fund (Fund) and ETCs through administrative efficiencies; and better serve eligible beneficiaries by facilitating choice and improving the enrollment experience. This report also provides an update on the use and performance of the National Verifier, including a discussion of system enhancements.

This report also discusses how the FCC and USAC have responded to the ongoing COVID-19 pandemic. Access to affordable broadband services is more important than ever as social distancing efforts have kept many Americans at home. Changes in daily behaviors and closures of businesses and schools have necessitated virtual schooling, telemedicine, and telework. During this time, many Americans became newly unemployed or unable to find work. With the increased need to access broadband services, low-income households struggling to afford broadband services were at risk of not being able to engage in work, school, and other activities remotely. The EBB Program was administered in 2021 to address these challenges.

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<sup>1</sup> *Lifeline and Link Up Reform and Modernization et al.*, WC Docket No. 11-42 *et al.*, Third Report and Order, Further Report and Order, and Order on Reconsideration, 31 FCC Rcd 3962 (2016) (*2016 Lifeline Order*).

## II. EMERGENCY BROADBAND BENEFIT PROGRAM

In December 2020, the Consolidated Appropriations Act of 2021 established the Emergency Broadband Connectivity Fund and directed the FCC to launch the EBB Program. In February 2021, the FCC adopted the Emergency Broadband Benefit Program Report and Order (*EBB Program Order*) to support broadband services and connected devices (tablets, desktop computers, and laptops) to help low-income households stay connected during the COVID-19 pandemic.<sup>2</sup> The FCC designated USAC to implement and administer the EBB Program and authorized the use of existing Lifeline tools, including the National Verifier and National Lifeline Accountability Database (NLAD). Though some rules and processes were unique to the EBB Program, the *EBB Program Order* utilized many of the existing Lifeline requirements, enabling USAC to quickly modify existing Lifeline systems to meet the needs of the new program. USAC and the FCC launched the EBB Program on May 12, 2021, allowing both existing Lifeline subscribers and new customers to apply for and enroll in the program. The EBB Program ended on December 30, and on December 31, 2021, the Affordable Connectivity Program (ACP), a longer-term broadband affordability program, began.<sup>3</sup> The ACP is described further in Section III.

The EBB Program provided a discount of up to \$50 per month for broadband services for eligible consumers and up to \$75 per month for consumers living on qualifying Tribal lands. Additionally, a one-time connected device discount of up to \$100 for a laptop, desktop computer, or tablet was available with a one-time consumer co-pay of between \$10 and \$50. Households could qualify for the EBB Program if they were enrolled in the Lifeline program; experienced a substantial loss of income since February 29, 2020 due to a job loss or furlough; met Lifeline-income criteria; or participated in a qualifying program including, but not limited to, the Lifeline-qualifying programs (e.g., Federal Public Housing Assistance, Medicaid, Supplemental Nutrition Assistance Program (SNAP)), free or reduced-price school breakfast/lunch program,<sup>4</sup> the federal Pell Grant program, or a service provider's existing low-income program or COVID-19 program.

By utilizing existing Lifeline application and enrollment systems for EBB enrollments through the National Verifier, USAC and the FCC leveraged well-tested processes and automation that contributed to the success of the EBB Program. For example, EBB consumers benefited from many of the existing data connections with state and federal agency partners used to verify participation in qualifying programs like Medicaid and SNAP.

From May 12, 2021 to December 31, 2021, the EBB Program provided discounts on broadband services to over 9 million households and discounts on over 1.5 million connected devices. Forty-nine percent (4.4 million) of EBB subscribers enrolled directly in the EBB Program due to their

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<sup>2</sup> *Emergency Broadband Benefit Program*, WC Docket No. 20-445, Order, 36 FCC Rcd 4612 (2021) (*EBB Program Order*).

<sup>3</sup> Infrastructure Investment and Jobs Act, 47 U.S.C. § 1752 (Infrastructure Act). The Infrastructure Act, which was signed into law on November 15, 2021, directed the FCC to establish the Affordable Connectivity Program to replace the EBB Program. The Infrastructure Act directed the Commission to effectuate for the Affordable Connectivity Program specified changes, such as to eligibility criteria and the program benefit amount, by a delayed effective date, which the statute defines as the date the Commission notifies Congress that all EBB Program funds are fully expended or by December 31, 2021, whichever is earlier.

<sup>4</sup> Qualification requirements for the free and reduced price lunch program are under the Richard B. Russell National School Lunch Act, and for the school breakfast program, under section 4 of the Child Nutrition Act of 1966.

participation in the Lifeline program. Thirty percent (2.7 million) of EBB subscribers applied through the National Verifier and the remaining 21 percent (1.9 million) were enrolled after being verified through their provider's approved alternative verification process. Less than 0.1 percent (around 7,000) of EBB subscribers were verified through the school-based process.

### III. AFFORDABLE CONNECTIVITY PROGRAM (ACP)

On November 15, 2021, President Biden signed the Infrastructure Investment and Jobs Act (Infrastructure Act), which modified and extended the EBB Program into the ACP.<sup>5</sup> The Infrastructure Act retained many of the requirements of the EBB Program but also made several modifications, including changes to the eligibility criteria and a reduction of the monthly discount amount for non-Tribal subscribers from up to \$50 to up to \$30. On January 14, 2022, the FCC adopted the Affordable Connectivity Program Report and Order (*ACP Order*).<sup>6</sup>

On December 31, 2021, the FCC and USAC launched the ACP, allowing existing EBB Program subscribers to transition into the program and enabling new consumers to apply and enroll. Existing EBB Program systems and processes, including the National Verifier and NLAD, were updated to address the program changes. The ACP benefits from the data connections established for Lifeline and the EBB Program eligibility verification processes. The Infrastructure Act also requires the Secretaries of the Department of Health and Human Services (HHS), USDA, and the Department of Education to enter into a Memorandum of Understanding with USAC to share National Verifier data.<sup>7</sup>

### IV. COVID-19 LIFELINE WAIVERS

The FCC released a series of waivers beginning in March 2020 in response to the ongoing COVID-19 pandemic to help ensure that low-income consumers are connected to broadband and phone service during this unprecedented time.<sup>8</sup> The waivers temporarily paused the annual recertification

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<sup>5</sup> See 47 U.S.C. § 1752.

<sup>6</sup> Press Release, FCC, FCC Adopts Rules to Implement Affordable Connectivity Program (Jan. 14, 2022), <https://www.fcc.gov/document/fcc-adopts-rules-implement-affordable-connectivity-program>; *Affordable Connectivity Program*, WC Docket No. 21-450, Report and Order and Further Notice of Proposed Rulemaking, FCC 22-2 (2022).

<sup>7</sup> 47 U.S.C. § 1752(b)(10)(B).

<sup>8</sup> See *Lifeline and Link Up Reform and Modernization*, Order, 35 FCC Rcd 2729 (WCB Mar. 17, 2020) (waiving reverification and recertification requirements for 60 days beginning March 17, 2020); *Lifeline and Link Up Reform and Modernization*, Order, 35 FCC Rcd 2950 (WCB Mar. 30, 2020) (waiving usage and general de-enrollment requirements and extending prior waiver until May 29, 2020); *Lifeline and Link Up Reform and Modernization*, Order, 35 FCC Rcd 4482 (WCB Apr. 29, 2020) (relaxing income documentation requirements and extending prior waivers until June 30, 2020); *Lifeline and Link Up Reform and Modernization*, Order, 35 FCC Rcd 5510 (WCB June 1, 2020) (waiving certain requirements to make it easier for subscribers in rural areas on Tribal lands to begin receiving Lifeline service and extending prior waivers until August 31, 2020); *Lifeline and Link Up Reform and Modernization*, Order, 35 FCC Rcd 8791 (WCB Aug. 17, 2020) (extending prior waivers until November 30, 2020); *Lifeline and Link Up Reform and Modernization*, Order, 35 FCC Rcd 12954 (WCB Nov. 16, 2020) (extending prior waivers until February 28, 2021); *Lifeline and Link Up Reform and Modernization*, Order, 36 FCC Rcd 4448 (WCB

process, reverification requirements, usage requirements, and other rules to ensure subscribers are not involuntarily removed from the program during the pandemic.<sup>9</sup> Additionally, the FCC and USAC adjusted income documentation requirements for recently unemployed consumers to make it easier to apply.<sup>10</sup> The FCC and USAC also relaxed documentation requirements for subscribers residing in rural areas on federally recognized Tribal lands to ensure they can get access to service as soon as possible during the waiver period.<sup>11</sup> The waiver related to usage requirements expired on May 1, 2021.<sup>12</sup> The remaining waivers are in effect through March 31, 2022.<sup>13</sup>

## V. SUCCESS OF THE NATIONAL VERIFIER

USAC has successfully prioritized automation in the National Verifier so that eligibility decisions are made automatically, using connections to state and federal databases and without human review of eligibility documentation for both the Lifeline program and EBB Program.<sup>14</sup> Automated eligibility decisions can be made swiftly, at a lower administrative cost, and with a high level of accuracy by using source data and limited human review wherever possible. USAC has partnered with state officials and Puerto Rico to leverage 23 state and Puerto Rico database connections,<sup>15</sup> providing an automated check for participation in SNAP in each of those states, as well as a check of Medicaid, Supplemental Security Income, and income eligibility, where available. USAC was able to execute computer matching agreements (CMAs) with 18 states and Puerto Rico to utilize existing database connections for the EBB Program and continues to work with states to achieve additional database connections for use in Lifeline and the ACP.<sup>16</sup> See the Appendix for additional information regarding state database connections.

The National Verifier also has database connections with two federal agencies for both the Lifeline and EBB Programs. In 2018, USAC built a connection to the U.S. Department of Housing and Urban Development (HUD), providing real-time Federal Public Housing Authority (FPHA)

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Feb. 24, 2021) (extending prior waivers through June 30, 2021 with the exception of the waiver of the Lifeline non-usage requirement); *Lifeline and Link Up Reform and Modernization Order*, Order, DA 21-760, 2021 WL 2668477 (WCB June 28, 2021) (extending prior waivers through September 30, 2021); *Lifeline and Link Up Reform and Modernization Order*, Order, DA 21-1191, 2021 WL 4354767 (WCB Sept. 22, 2021) (extending prior waivers through December 31, 2021); *Lifeline and Link Up Reform and Modernization Order*, Order, DA 21-1650, 2021 WL 6197252 (WCB Dec. 30, 2021) (extending prior waivers through March 31, 2022).

<sup>9</sup> See *Lifeline and Link Up Reform and Modernization*, Order, 35 FCC Rcd 2950 (WCB Mar. 30, 2020). Though the FCC temporarily waived involuntary de-enrollment, subscribers may still choose to de-enroll from the program.

<sup>10</sup> See *Lifeline and Link Up Reform and Modernization*, Order, 35 FCC Rcd 4482 (WCB Apr. 29, 2020).

<sup>11</sup> See *Lifeline and Link Up Reform and Modernization*, Order, 35 FCC Rcd 5510 (WCB June 1, 2020).

<sup>12</sup> See *Lifeline and Link Up Reform and Modernization*, Order, 36 FCC Rcd 4448 (WCB February 24, 2021).

<sup>13</sup> See *Lifeline and Link Up Reform and Modernization*, Order, 2021 WL 6197252 (WCB Dec. 30, 2021).

<sup>14</sup> As of mid-January 2022, the automated pass rate for the Lifeline program is approximately 67%.

<sup>15</sup> State database connections include Colorado, Florida, Georgia, Indiana, Iowa, Kentucky, Michigan, Minnesota, Mississippi, Missouri, Nevada, New Mexico, North Carolina, Oregon, Pennsylvania, Puerto Rico, South Carolina, Tennessee, Texas, Utah, Virginia, Washington, and Wisconsin. Note: ETCs and consumers in Oregon and Texas do not use the National Verifier for eligibility verification, as these states are NLAD opt-out states. However, both states have connections to state databases.

<sup>16</sup> Available state database connections included Colorado, Florida, Georgia, Indiana, Iowa, Kentucky, Michigan, Minnesota, Mississippi, Nevada, New Mexico, North Carolina, Pennsylvania, Puerto Rico, Tennessee, Utah, Virginia, and Wisconsin.

participation results in all 50 states, the District of Columbia, and the U.S. territories. In 2019, USAC implemented a similar real-time connection to the Centers for Medicare & Medicaid Services (CMS), providing a check of Medicaid participation in all 50 states, the District of Columbia, and in the territories of Puerto Rico and the U.S. Virgin Islands. The CMS connection alone increased the average automated pass rate in states and territories without connections to state databases from 6% to nearly 61%.<sup>17</sup> Where possible, USAC continues to work towards identifying and achieving additional federal database connections for use in Lifeline and the ACP.

In addition to significantly improving the program integrity posture of the Lifeline program, the National Verifier is also a success story for both program consumers and service providers. Throughout the development and continuous improvement of the National Verifier system, USAC has been communicating with stakeholders and incorporating feedback to provide a better user experience. See Section VII for an overview of the enhancements USAC has made to the National Verifier in 2021 in response to consumer and stakeholder feedback.

## **VI. DESCRIPTION OF NATIONAL VERIFIER PROCESSES**

The key processes that the system supports - application, recertification, and reverification - are summarized below. Also described below are the disbursement process, which occurs in the claims system within NLAD, and the eligibility verification process for NLAD opt-out states.

### **APPLICATION**

The purpose of the application process is to determine whether an individual is eligible for the Lifeline and/or EBB or ACP Program benefit. Applicants can enroll via the National Verifier through the National Verifier consumer portal, receive help from a service provider using the National Verifier service provider portal, or mail the application to the specific program support center. Applicants can also apply through service provider websites that have access to the National Verifier through the eligibility check Application Programming Interface (API).<sup>18</sup> Applications are validated through available automated eligibility data sources and also undergo checks to confirm identity, verify that the consumer is not already enrolled in the program, and ensure compliance with other program rules. If an individual's eligibility cannot be validated through these checks, they can upload supporting documentation to the National Verifier portal or mail it to the program support center. Upon completion of the application process, the individual is either deemed qualified for the program benefit or is required to submit more information. Qualified individuals can contact a service provider in their area to enroll in the program.

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<sup>17</sup> From the initial launch of the National Verifier in June 2018 through August 2019, the average automated pass rate in states and territories without connections to state databases was 6%. Since the connection to CMS was enabled in September 2019, there has been an automated pass rate of about 61% in states without a connection to state databases.

<sup>18</sup> Access to the eligibility check API is optional for service providers. If a service provider would like access, they must sign required security documentation and work with USAC on account management activities.

## RECERTIFICATION

Subscribers must recertify annually that they are still eligible for the Lifeline program in order to continue to receive a discount. (Due to its emergency, temporary nature, the EBB Program did not have a recertification process.) During recertification, subscribers are checked against available automated eligibility data sources. If a subscriber's eligibility cannot be validated, they are prompted to recertify in the National Verifier consumer portal, on the phone via an interactive voice response (IVR), or via mail. If the subscriber does not recertify within the required 60-day recertification window, they will be de-enrolled, meaning they lose their Lifeline program benefit. The FCC strengthened controls within the recertification process to combat waste, fraud, and abuse in the *2019 Lifeline Order*.<sup>19</sup> As of October 13, 2020, subscribers whose eligibility was previously validated through an eligibility database, but cannot be validated through a database check at recertification, will need to provide documentation to prove their eligibility. The new recertification requirement will be implemented after the COVID-19 waiver period ends on March 31, 2022. Subscribers who are not subject to this new requirement are allowed to self-certify their continued eligibility for the program.

## REVERIFICATION

Reverification is a one-time validation of existing Lifeline subscribers' eligibility, unique to the roll out of the National Verifier. The purpose is to ensure that all existing Lifeline subscribers who were previously deemed eligible by an ETC or state administrator have been deemed eligible by the National Verifier. It occurs after a state or territory is rolled into the National Verifier at a soft launch and is similar to recertification, except subscribers cannot self-certify and must always provide documentation to prove eligibility if their eligibility cannot be validated through automated data sources. If documentation is required and the ETC has that documentation on hand, they can submit it. If they do not have it on hand, the subscriber is given an opportunity to submit the appropriate documents. Reverification is on hold until after the COVID-19 waivers lift on March 31, 2022.

The ACP removed two eligibility program criteria that existed in the EBB Program—substantial loss of income since February 29, 2020, and participation in a service provider's COVID-19 program. USAC will perform reverification on the EBB subscribers who enrolled through the National Verifier based on substantial loss of income since February 29, 2020.<sup>20</sup> USAC began consumer and provider outreach for reverification in January 2022. If subscribers can verify their ACP eligibility through the ACP eligibility criteria,

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<sup>19</sup> *Lifeline and Link Up Reform and Modernization et al.*, WC Docket No. 17-287, Fifth Report and Order, Memorandum Opinion and Order and Order on Reconsideration, and Further Notice of Proposed Rulemaking, 34 FCC Rcd 10886 (2019) (*2019 Lifeline Order*).

<sup>20</sup> Substantial Loss of Income means a substantial loss of income since February 29, 2020 that is documented by layoff or furlough notice, application for unemployment insurance benefits, or similar documentation. Existing COVID-19 programs refers to a provider's COVID-19 program that was available as of April 1, 2020. Eligibility through this criterion was verified by participating EBB providers through their FCC-approved alternative verification processes. Service providers are responsible for reverifying the eligibility of subscribers who enrolled on either basis through a permitted non-National Verifier eligibility verification process. If a provider elects to stop using its approved alternative verification process, USAC will conduct the reverification for subscribers impacted by the change in eligibility criteria for the ACP.

the subscribers will remain in the program. If not, USAC will de-enroll the subscribers on March 1, 2022.

#### DISBURSEMENTS

The Lifeline Claims System (LCS) within NLAD, which is the system of record for enrolled subscribers, handles disbursement activity. NLAD existed prior to launch of the National Verifier but is now integrated with the National Verifier to, among other things, streamline the ability to tie disbursements to eligibility data. An ETC must enroll an individual in NLAD, which is only possible if the National Verifier has deemed the individual eligible, in order for the individual to obtain the Lifeline benefit. All ETCs in all states, territories, and the District of Columbia use the LCS to submit claims for reimbursement for federal Lifeline support.

USAC built the EBB Claims System in 2021 to administer EBB disbursements. Similar to the Lifeline claims process, EBB providers must first enroll subscribers in NLAD and can then submit claims for reimbursement for these enrolled subscribers on a monthly basis.

#### NATIONAL VERIFIER OPERATIONS IN NLAD OPT-OUT STATES

California, Oregon, and Texas have managed eligibility verification and duplicate checking for the federal Lifeline program for many years. Pursuant to waivers granted under the *2012 Lifeline Order*, ETCs in these states do not enroll their subscribers in NLAD. Due to the unique circumstances in these states, the National Verifier launched in these states using a modified approach. The FCC determined that it is appropriate to continue relying on the existing state functions, forging a partnership with the states to streamline the application process for consumers and further strengthen program integrity.

In these three states, the state public utility commissions, or their designated administrators, verify eligibility for the Lifeline program, rather than the National Verifier. The commissions then submit Lifeline subscriber files to USAC. USAC uses these files to populate NLAD and generates the monthly snapshot based on the files. ETCs then use the same process as other states to submit and certify claims for reimbursement in LCS. In partnership with the three states, USAC also performs reviews of state eligibility information and documentation to ensure that state eligibility determinations are made in accordance with the FCC's rules.

The National Verifier fully launched in Oregon and Texas on November 18, 2020 and in California on December 18, 2020.<sup>21</sup> Though the National Verifier continues to rely on existing state eligibility processes for the majority of consumers in California, the National Verifier conducts eligibility verification for broadband-only consumers in the state, and will also conduct reverification for these subscribers once the COVID-19 waivers expire.

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<sup>21</sup> See *Wireline Competition Bureau Announces the Launch of the National Lifeline Eligibility Verifier in Oregon and Texas*, Public Notice, DA 20-1237 (2020) and *Wireline Competition Bureau Announces the Launch of the National Lifeline Eligibility Verifier in California*, Public Notice, DA 20-1372 (2020).

The EBB Program did not allow any states to opt out of using NLAD or take a modified approach to use of the National Verifier. Therefore, consumers and providers in California, Oregon, and Texas were required to utilize all of the normal EBB processes. However, since participation in the Lifeline program is a qualifying criteria for EBB, USAC did implement specific processes to validate EBB consumers against Lifeline enrollment data that is submitted to USAC by California, Oregon, and Texas. USAC developed processes to receive this data on a frequent basis to ensure USAC systems remained as up-to-date as possible on the status of Lifeline enrollments in the NLAD opt-out states.

## VII. NATIONAL VERIFIER MEETS 2016 LIFELINE ORDER OBJECTIVES

The three objectives for the National Verifier in the *2016 Lifeline Order* are to: (1) protect against waste, fraud, and abuse; (2) lower costs to the Fund and ETCs through administrative efficiencies; and (3) better serve eligible beneficiaries by facilitating choice and improving the enrollment experience.<sup>22</sup> These goals are being met through the design of the National Verifier system and the administration of related processes.

One of the key features of the National Verifier that furthers all three objectives is automated access to eligibility data sources. USAC has built direct, automated connections to eligibility data sources that are managed by the state and federal agencies that administer the relevant qualifying programs. Automation reduces the need for manual reviews, which are more expensive administratively, increase the burden to service providers and consumers, and can be subject to human error or manipulation. In 2021, the National Verifier automatically verified the eligibility of 70% of Lifeline consumers in states where it has access to both state and federal database connections and has achieved an average automated database pass rate of about 67% nationwide.

Specifically, the National Verifier leverages automated connections with 23 state and Puerto Rico agencies and two federal agencies in connection with eligibility verification for the federal Lifeline program.<sup>23</sup> The National Verifier also leverages automated connections with 18 state agencies and two federal agencies in connection with eligibility verification for the EBB Program. Though some service providers had access to eligibility data sources prior to the National Verifier, the automation provided by the National Verifier is an improvement in many states. The National Verifier has automated connections to SNAP databases that were not previously available to carriers in at least seven states. The National Verifier also has established connections to two federal, nationwide databases (HUD and CMS) not previously available to service providers. The CMS connection has made the biggest impact in maximizing automation in the National Verifier, and is particularly valuable in states where the National Verifier does not have access to a state database.<sup>24</sup> Before CMS launched, the National Verifier was experiencing a 6% automated

<sup>22</sup> See *2016 Lifeline Order*, 31 FCC Rcd at 4007, para. 128.

<sup>23</sup> ETCs and consumers in Oregon and Texas do not use the National Verifier for eligibility verification, as these states are NLAD opt-out states. However, both states have connections to state databases.

<sup>24</sup> A nationwide automated connection to CMS does not diminish the value provided by connections to state databases. Though many of the state connections include Medicaid data, USAC primarily relies on SNAP data from the states. As reflected in the Appendix, all state connections have either SNAP data only or SNAP and Medicaid



eligibility pass rate in states and territories without connections to state databases, on average. With CMS, that rate increased to nearly 61%.<sup>25</sup> In states with connections to state databases, average automated pass rates pre-CMS were already high at 70%. With CMS, some states, such as Colorado, New Mexico and Wisconsin now have average pass rates of 80% or higher.

Even though the National Verifier has fully launched in all states and territories, USAC is continuously working to increase access to state and federal data sources. There are a number of states where USAC is planning to launch state connections in 2022, including Connecticut, which is expected in the first quarter of 2022.

In addition to automated access to eligibility data sources, the objectives of the *2016 Lifeline Order* are further met through the design of the National Verifier systems and processes, as described below.

*i. Protect Against Waste, Fraud, and Abuse*

The National Verifier was designed to close one of the key program integrity concerns in the Lifeline program: trusting ETCs to determine subscriber eligibility. Ensuring compliance with Lifeline subscriber eligibility rules and obtaining/maintaining customers are goals that could be, or could be perceived to be, at odds with one another. Hence, creating an independent administrator with a centralized system to conduct eligibility determinations mitigates this conflict of interest. Since its initial launch in June 2018, the National Verifier has continuously improved USAC's capabilities to prevent fraud, waste, and abuse as identified in audits and investigations performed by the Government Accountability Office and FCC Inspector General. USAC, as a neutral administrator, now has visibility into each Lifeline application submitted to the National Verifier, including those where automated checks are not able to verify eligibility, and has visibility into all supporting documents submitted to the National Verifier that are relied upon to qualify for the program. These benefits also extend to the EBB Program where the National Verifier can be used to confirm eligibility of program participants.

Though the Lifeline NLAD opt-out states do not follow the typical National Verifier processes, eligibility determinations are made by an independent third party, as the state reviews eligibility and performs all required validations, including duplicate checks. As described in Section VI, the FCC and USAC have also implemented enhanced program integrity measures in partnership with the states to prevent waste, fraud, and abuse.

In addition to validating eligibility for new Lifeline subscribers, the National Verifier performs reverification to ensure that existing subscribers whose eligibility was initially validated by a service provider are still eligible for the Lifeline program. To date, USAC has completed reverification of 98% of subscribers in the first five launch groups with an 84% average success

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data. USAC is not pursuing automated state connections to Medicaid-only databases since the National Verifier now has a connection to nationwide CMS data.

<sup>25</sup> From the initial launch of the National Verifier in June 2018 through August 2019, the average automated pass rate in states and territories without connections to state databases was 6%. Since the connection to CMS was enabled in September 2019, there has been an automated pass rate of about 61% in states without a connection to state databases.

rate. Reverification is an ongoing process, and we expect to see numbers remain strong and increase as more subscribers are confirmed eligible. Any subscribers who fail to demonstrate eligibility after ample opportunity within the reverification process will be de-enrolled in accordance with USAC's ongoing efforts to combat waste, fraud, and abuse. Reverification is on hold until after the COVID-19 waivers lift on March 31, 2022.

In 2017, the FCC directed USAC to create the Representative Accountability Database (RAD) as an additional mechanism to guard against waste, fraud, and abuse.<sup>26</sup> RAD is a registration system that validates the identities of enrollment representatives performing transactions in USAC systems, including the National Verifier and NLAD. As of May 25, 2020, all enrollment representatives are required to obtain a representative ID to perform Lifeline transactions. RAD registration was similarly required for enrollment representatives performing EBB Program transactions. USAC regularly monitors activity and has authority to lock representative accounts in instances of suspicious activity and/or misuse of the National Verifier and other USAC systems.

*ii. Lower costs to the Fund and ETCs through administrative efficiencies*

Centralizing the application process under an independent, third party greatly reduces the overall cost to administer the Lifeline and EBB Programs. For Lifeline, using a single, streamlined process rather than the previous framework where each ETC developed and followed its own unique approach generates significant savings to the Fund. In addition to efficiencies gained through a unified platform, the National Verifier has achieved greater automation than the ETCs had, which reduces costly manual reviews and decreases the likelihood of improper payments. Before the National Verifier, ETCs in approximately 20 states benefited from automated connections or processes made available by states for eligibility verification. The National Verifier fills that gap for all ETCs in all states, as it has automated connections to nationwide data sources, as well as additional states where ETCs did not previously benefit from automated connections. The cost efficiencies of the National Verifier also extend to the EBB Program, where service providers are permitted by the Consolidated Appropriations Act to use the National Verifier to confirm a household's eligibility for the program.<sup>27</sup>

*iii. Facilitate choice and improve the enrollment experience*

The National Verifier has a dedicated consumer portal where consumers can apply for the program(s) without needing to apply through a service provider. The consumer portal is simple and user-friendly and available in both English and Spanish. It provides a standardized application process for all subscribers, no matter where they live or what ETC they ultimately choose. Upon qualification in the National Verifier consumer portal, the consumer is directed to a list of service providers located in their area, ensuring that they know their options and can pursue service from the provider they prefer. USAC created an EBB application flow in the same consumer portal to further optimize the consumer experience. Consumers interested in Lifeline, EBB, or both

<sup>26</sup> See Letter from Ajit V. Pai, Chairman, FCC, to Vickie Robinson, Acting Chief Executive Officer and General Counsel, USAC (July 11, 2017).

<sup>27</sup> Consolidated Appropriations Act, div. N., tit. IX, § 904(b)(2); *EBB Program Order*, 36 FCC Rcd at 4635, para. 49.

programs were able to apply for either or both programs without the need to maneuver between multiple landing pages.

For consumers who wish to apply with assistance from their service provider, there are two options: the National Verifier service provider portal and the eligibility check API, which is integrated within a provider's own website or online enrollment platform. Not all service providers have chosen to use the eligibility check API, but all providers have access to the service provider portal. Using the service provider portal, a provider can help a consumer apply with an interview-style approach to gather the necessary information (The service provider's agent must be present with a consumer to obtain real-time certifications and eligibility information.). The eligibility check API allows a consumer to apply through a service provider's website, if the provider is participating in this option, and will route the consumer directly to the National Verifier to complete the required certifications. USAC deployed the eligibility check API in December 2019 in response to requests from service providers for more automated tools with which to interact with the National Verifier. Thirty-four Lifeline service providers have been authorized access to the API and over 9 million Lifeline applications were submitted through the eligibility check API in 2021. Currently, 73% of Lifeline application transactions occur through the API.

Consumers may also submit applications through the mail, in recognition of limited internet access among the eligible population. Additionally, Lifeline consumers now have the option to apply with assistance from state agencies and Tribal partners.

For the Lifeline program, consumers in the NLAD opt-out states benefit from the state administrator continuing to manage the eligibility and duplicate check processes, with oversight by the National Verifier. Consumers in these states follow a single, streamlined process to apply for both the federal Lifeline benefit and the state low-income subsidy.

USAC has continued to implement enhancements to the National Verifier in 2021 to improve both the consumer and service provider experience. The launch of the EBB Program required USAC to make numerous enhancements in order to incorporate EBB Program workflows into the National Verifier. These enhancements have also benefited the Lifeline program and will continue to benefit the ACP. One example is that the EBB and ACP program information and instructions are available in multiple languages.

USAC made several improvements to the National Verifier portal to make it easier for consumers to manage their contact information, customize outreach, and apply for either Lifeline or the EBB Program (now ACP). Consumers are now able to update their contact information directly in the National Verifier portal by updating their email address (or secondary email address) and preferred outreach language on the Consumer Profile Page. By adding the ability to indicate a secondary email address, consumers that have legal guardians or caseworkers can now include those individuals in the same email notifications they receive from the National Verifier. The National Verifier supports the application process for both Lifeline and the EBB Program (now ACP) through individual application workflows. The split workflows help create a single, unique experience targeted to the specific program the applicant is applying to and minimizes confusion in the application process.

In response to feedback from service providers, USAC also made enhancements to improve the service provider experience. In June of 2021, USAC deployed the Check Application Status Tool which allows service providers to enter a consumer's National Verifier application ID, full name, and date of birth to obtain a customer's application status as well as information to help the service provider successfully enroll the consumer in NLAD. Another improvement to the enrollment process is the Application ID enrollment ability. Application ID Enrollment limits the amount of Personal Identifiable Information (PII) the provider needs to input, which leads to a reduction in enrollment errors received by the service provider. USAC also released the National Verifier API for the EBB Program which further streamlines the EBB Program (now ACP) enrollment process by allowing service providers to submit consumer EBB program (now ACP) applications and check consumers' eligibility without using the service provider portal.

## **VIII. NATIONAL VERIFIER GAO ENGAGEMENT**

The Government Accountability Office (GAO) performed an audit of the National Verifier in 2020. The audit examined the status of the National Verifier, the FCC's coordination with stakeholders, and the extent to which the National Verifier is meeting the FCC's goals.<sup>28</sup> GAO released the final report in January of 2021, which includes several recommendations on how the FCC and USAC can build on the successful implementation of the National Verifier by expanding consumer awareness and further improving the consumer experience. In response to these recommendations, USAC is finalizing a comprehensive consumer outreach plan that aligns with the key practices GAO identified in the report to better educate stakeholders about the Lifeline program and the National Verifier. The GAO also suggested USAC provide Tribal organizations with resources to better equip them to assist residents of Tribal lands with their National Verifier applications. In response, USAC implemented a quarterly Tribal webinar to share targeted program updates and granted Tribal partners National Verifier access. USAC will continue to work closely with the FCC on implementing additional enhancements suggested by the GAO.

## **IX. LOOKING AHEAD**

USAC is committed to continuous improvement of the National Verifier and welcomes feedback from all stakeholders. Through newsletters, webinars, surveys, and other communication tools, we have created open channels to explain functionality and processes, answer questions from service providers, consumers, and other stakeholder groups, and to obtain feedback on the user experience. We use this feedback to enhance system efficiency and ease of use.

In 2022, USAC will continue to work with state and federal agencies to add more automated data sources to the National Verifier. USAC will also continue to track the performance of the National Verifier system and the related operational processes, including those performed by the Lifeline Support Center and the Affordable Connectivity Program Support Center, on a daily basis in order to identify inefficiencies and areas for improvement. We are focused on ensuring the application process in the National Verifier system moves along in a timely manner. To track this goal, we

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<sup>28</sup> See *FCC Has Implemented the National Verifier but Should Improve Consumer Awareness and Experience*, GAO-21-235 (January 28, 2021). <https://www.gao.gov/assets/720/712068.pdf>.

look at database response time as well as the length of time to complete an application. The average automated database response time in 2021 for Lifeline was one second and 69% of applications that did not require a manual review were completed in six minutes or less. Additionally, we use a number of performance metrics to ensure we are responsive to Lifeline stakeholders. For example, the average speed to answer a phone call at the Lifeline Support Center in December 2021 was 3.4 minutes and the average time to perform a manual review was 5.1 minutes.<sup>29</sup> As mentioned above, USAC will also be working with the FCC to address the recommendations in the January 2021 GAO Report as part of ongoing efforts to optimize the National Verifier application experience for Lifeline consumers.

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<sup>29</sup> This is the average manual review time during Lifeline Support Center business hours from 9 a.m. to 9 p.m. ET.

**Appendix: States/Territories Currently Participating in the National Verifier**

<b>State</b>	<b>Connection to State Data Source?</b>	<b>Automated Data Connections Established</b>	<b>Lifeline Applications Received in 2021</b>
Alabama	No	FPHA <sup>30</sup> , CMS <sup>31</sup>	293,256
Alaska	No	FPHA, CMS	15,205
America Samoa	No	FPHA	1,576
Arizona	No	FPHA, CMS	311,006
Arkansas	No	FPHA, CMS	188,921
California	No	N/A	23,787
Colorado	Yes	SNAP <sup>32</sup> , Medicaid <sup>33</sup> , FPHA, CMS	163,166
Connecticut	No <sup>34</sup>	FPHA, CMS	144,014
Delaware	No	FPHA, CMS	31,091
District of Columbia	No	FPHA, CMS	55,700
Florida	Yes	FPHA, SNAP, Medicaid, CMS	979,982
Georgia	Yes	SNAP, Medicaid, CMS	665,021
Guam	No	FPHA	809
Hawaii	No	FPHA, CMS	34,670
Idaho	No	FPHA, CMS	30,336
Illinois	No	FPHA, CMS	506,486
Indiana	Yes	FPHA, SNAP, Medicaid, CMS	325,895
Iowa	Yes	FPHA, SNAP, CMS	99,842
Kansas	No	FPHA, CMS	82,933
Kentucky	Yes	FPHA, SNAP, Medicaid, CMS	380,108
Louisiana	No	FPHA, CMS	415,117
Maine	No	FPHA, CMS	29,230
Maryland	No	FPHA, CMS	236,862
Massachusetts	No	FPHA, CMS	206,545

<sup>30</sup> FPHA is Federal Public Housing Assistance.

<sup>31</sup> CMS is Centers for Medicare & Medicaid Services and refers to the Federal Database.

<sup>32</sup> SNAP is the Supplemental Nutrition Assistance Program.

<sup>33</sup> Medicaid refers to the State Database.

<sup>34</sup> USAC has completed a Computer Matching Agreement with Connecticut to allow for data sharing. The connection is planned to deploy in the first quarter of 2022.

Michigan	Yes	FPHA, SNAP, Medicaid, SSI <sup>35</sup> , CMS	493,460
Minnesota	Yes	FPHA, SNAP, Medicaid, CMS	131,168
Mississippi	Yes	SNAP, FPHA, CMS	250,653
Missouri	Yes	SNAP, Medicaid, FPHA, CMS	267,730
Montana	No	FPHA, CMS	17,653
Nebraska	No	FPHA, CMS	31,179
Nevada	Yes	FPHA, SNAP, Medicaid, CMS	201,861
New Hampshire	No	FPHA, CMS	22,465
New Jersey	No	FPHA, CMS	211,956
New Mexico	Yes	SNAP, Medicaid, FPHA, CMS	121,946
New York	No	FPHA, CMS	1,066,483
North Carolina	Yes	SNAP, FPHA, CMS	476,108
North Dakota	No	FPHA, CMS	9,057
Northern Mariana Islands	No	FPHA	2,910
Ohio	No	FPHA, CMS	668,464
Oklahoma	No	FPHA, CMS	247,452
Oregon	Yes	SNAP, Medicaid, SSI*	26,612
Pennsylvania	Yes	SNAP, Medicaid, FPHA, CMS	579,988
Puerto Rico	Yes	SNAP, FPHA, CMS	717,396
Rhode Island	No	FPHA, CMS	41,402
South Carolina	Yes	FPHA, SNAP CMS	281,810
South Dakota	No	FPHA, CMS	8,316
Tennessee	Yes	SNAP, FPHA, CMS	351,471
Texas	Yes	SNAP, Medicaid*	0
Utah	Yes	SNAP, Medicaid, FPHA, CMS	58,249
Vermont	No	FPHA, CMS	13,965
Virgin Islands	No	FPHA, CMS	1,271
Virginia	Yes	SNAP, Medicaid, CMS	268,121
Washington	Yes	FHPA, SNAP, Medicaid, CMS	248,202
West Virginia	No	FPHA, CMS	122,403

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<sup>35</sup> SSI is Supplemental Security Income.

Wisconsin	Yes	FPHA, SNAP, Medicaid, SSI, CMS	203,859
Wyoming	No	FPHA, CMS	3,910
<b>TOTAL</b>			<b>12,369,078</b>

\* In Texas and Oregon, the states have access to these automated data sources and utilize them as part of their eligibility verification process. The National Verifier does not have direct access to these data sources.