

Goal: Getting Payments Right

Program or Activity
Universal Service Funds - Lifeline

Reporting Period
Q3 2019

Change from Previous FY (\$M)

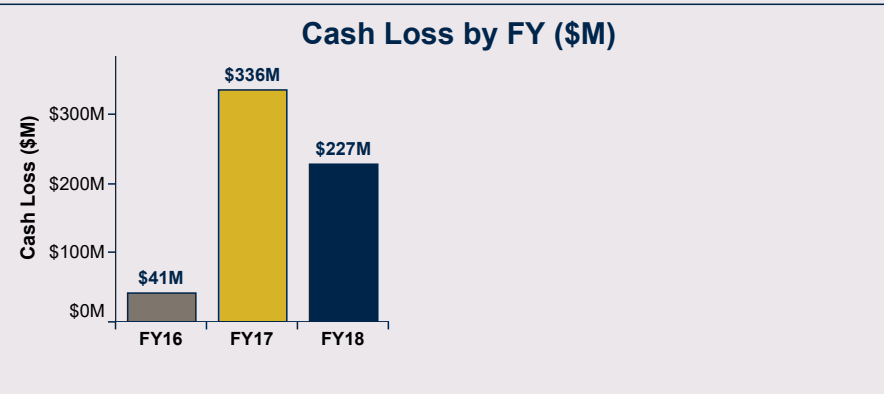
-\$109M



FCC
Universal Service Funds - Lifeline

Brief Program Description:

Lifeline is a federal program that lowers the monthly cost of phone and internet. Eligible customers will get at least \$9.25 toward their bill; residents of federally-recognized Tribal lands may receive an additional \$25 per month.



Key Milestones	Status	ECD
1 Finalize estimated cash loss estimation methodology	Completed	Oct-18
2 Identify estimated cash loss amount for FY 2018	Completed	Oct-18
3 Identify true root causes of cash loss	Completed	Oct-18
4 Develop mitigation strategies to get the payment right the first time	Completed	Oct-18
5 Evaluate the ROI of the mitigation strategy	Completed	Oct-18
6 Determine which strategies have the best ROI to prevent cash loss	Completed	Oct-18

Quarterly Progress Goals	Status	Notes	ECD
1 Q3 2019 Established data connections with 1 additional state to automate eligibility checking for the National Verifier (total of 12 automated state connections).	Completed	N/A	Jun-19
2 Q3 2019 Soft-Launch 11 additional states into the National Verifier (total of 38 states soft or hard launched into National Verifier).	Completed	N/A	Jun-19

Recent Accomplishments	Date
1 Began automated eligibility checking of current Lifeline subscribers for entry in the National Verifier for 11 states (total of 27 states that have begun automated checks of current subscribers [reverification]).	Jun-19
2 Began manual eligibility checking of current Lifeline subscribers in the National Verifier for 4 states (total of 16 states that have begun manual checks of current subscribers [reverification]).	Jun-19

FY18 Amt(\$)	Root Cause	Root Cause Description	Mitigation Strategy	Anticipated Impact of Mitigation
\$222M	Insufficient documentation to determine	Inadequate Certifications - Carrier provided an inadequate enrollment certification.	Inadequate Certifications - Universal Forms went into effect on 7/1/18. All Eligible Telecom Carriers (ETCs) are required to use the Universal Forms, regardless of whether the ETC is in a state that has transitioned to the National Verifier.	Ineligible Certifications - Resolving improper forms that the ETCs are using through the Universal Forms will resolve the vast majority of the issue. Full implementation of National Verifier by 12/2019 resolves the issue entirely.
		Missing Certifications - Carrier failed to provide enrollment certification or re-certification form.	Missing Certifications - USAC collects and retains Lifeline subscriber certification and re-certification forms for the National Verifier, taking this requirement out of the service providers' hands.	Missing Certifications - USAC's independent collection, review and retention of the certifications will nearly eliminate this issue.
\$5M	Other reason	Ineligible Subscribers - Carrier allowed ineligible subscribers into the program or did not collect or retain proper documentation.	Ineligible Subscribers - USAC independently collects, reviews, and retains necessary eligibility documentation for subscribers entering the National Verifier.	Ineligible Subscribers - USAC's independent collection, review and retention of necessary eligibility documentation will drastically reduce ineligible subscribers in the Program.

Cash Loss - Cash loss to the Government includes amounts that should not have been paid and in theory should/could be recovered.