

PUBLIC NOTICE

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WIRELINE COMPETITION BUREAU ANNOUNCES ADDITIONAL MEASURES TO STRENGTHEN PROGRAM INTEGRITY FOR ACP

WC Docket No. 21-450

In this Public Notice, the Wireline Competition Bureau (Bureau) announces additional measures to ensure that providers are receiving reimbursement from the Affordable Connectivity Program (ACP) for fully subsidized service only for households using their service, as required by the Commission's rules. The Commission takes seriously its obligation to protect the success and integrity of the ACP, and continues to revise and refine its rules, processes, and procedures to safeguard limited ACP funds. Consistent with the ACP rules for fully subsidized service, these measures strengthen program integrity and remind providers of their obligations to submit claims for fully subsidized ACP service only for households that are actually using their service.

The measures we are taking use the full range of the Commission's authority and available tools to address potential provider non-compliance with the ACP usage rules. In particular, the Bureau: (1) has referred the matter to the Enforcement Bureau for further investigation; (2) has directed the Universal Service Administrative Company (USAC) to revise its methodology for proactively monitoring provider claims and de-enrollment data; and (3) has directed USAC to expand its program reviews to help ensure compliance with the non-usage rules.

The Commission's non-usage rules are designed to ensure that ACP funding is targeted to households that are actually using their ACP service. Where a provider does not assess or collect a monthly fee from the enrolled household for the supported service, the household must use that service at least once every 30 days.¹ If the household does not use its service during a 30-day period, the provider is required to notify the household that they will be de-enrolled if the household does not use the service within the next 15 days.² Households that do not contribute to the cost of their supported service and that fail to use the service within 45 days must be de-enrolled by the provider.³ Commission rules make clear that providers cannot claim support for a household that has not used their service in the last 30 consecutive days unless the subscriber cures their non-usage within the 15-day cure period.⁴

On September 28, 2023, the FCC's Office of Inspector General (OIG) issued an advisory about potential provider non-compliance with the ACP usage and de-enrollment rules among certain providers.⁵

¹ 47 CFR § 54.1809(c).

² *Id.*

³ *Id.*

⁴ 47 CFR §54.1808(c)(1) and (2).

⁵ See generally *FCC-OIG Advisory Regarding ACP Provider Noncompliance with Program Usage & De-enrollment Rules*, (FCC OIG Sept. 28, 2023), <https://docs.fcc.gov/public/attachments/DOC-397337A1.pdf>.

The OIG's advisory states that OIG has ongoing investigations concerning this issue and acknowledges repayment of ACP funds by one provider.

The Bureau is committed to protecting the success and integrity of the ACP and uses the full range of the Commission's authority and available tools to address non-compliance, including audit and investigatory procedures, and in cooperation with the FCC OIG and law enforcement agencies. Accordingly, the Bureau is taking immediate steps to address the issues in the OIG advisory, including strengthening ongoing proactive monitoring, audits, and reviews of processes surrounding fully subsidized ACP service.

First, the Bureau has referred to the Enforcement Bureau for further investigation the provider described in the advisory that voluntarily repaid funds to the program. Staff will review all relevant evidence and will pursue appropriate enforcement actions.

Second, the Bureau has directed the USAC to take additional measures to strengthen the proactive monitoring of claims and de-enrollment rates of ACP providers. At the Commission's direction, USAC currently reviews provider compliance with non-usage rules and uses claims data to identify potential non-compliance issues. The Bureau directed USAC to expeditiously revisit and revise its ongoing analysis of provider claims and de-enrollment activity, using OIG's methodology as a framework, to strengthen USAC's proactive monitoring to swiftly identify and address potential non-compliance with the usage rules.

Third, the Bureau has directed USAC to increase the frequency and scope of its ongoing non-usage reviews to help ensure that providers are only receiving payment for fully supported service actually used by subscribers. USAC, at the Bureau's direction, has conducted non-usage reviews since the beginning of the ACP, and these reviews are an effective tool for identifying and addressing provider non-compliance. Non-compliance discovered as a result of these reviews will be subject to recovery of support and enforcement referrals as appropriate.

The Commission is committed to ensuring the integrity of the program and addressing potential non-compliance using the full range of the Commission's authority and available tools, including audit and investigatory procedures and in cooperation with the FCC OIG and law enforcement agencies. We remind participating service providers offering fully subsidized service of their obligation to implement robust policies and procedures for ensuring that they are monitoring usage as required by the Commission's rules and de-enrolling subscribers for non-usage as appropriate. As noted above, the Commission will use the full range of its authority and available tools to address non-compliance with the ACP non-usage rules.

For further information, please contact Ashley Tyson of the Wireline Competition Bureau's Telecommunication Access Policy Division at 202-418-1137 or Ashley.Tyson@fcc.gov.

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