

**STATEMENT OF
COMMISSIONER BRENDAN CARR
APPROVING IN PART AND DISSENTING IN PART**

Re: *Affordable Connectivity Program, Emergency Broadband Benefit Program*; WC Docket No. 21-450, 20-44, Report and Order and Further Notice of Proposed Rulemaking (January 14, 2022).

The FCC has taken an unprecedented series of steps to address the affordability side the digital divide with new funding from Congress. Last year, the FCC stood up a \$3.2 billion Emergency Broadband Benefit (EBB) program for low-income Americans. The agency then created a \$7.1 billion Emergency Connectivity Fund for students that lacked Internet service. Now, with today's vote, we are adopting a \$14.2 Affordable Connectivity Program for those unable to afford broadband service. This has been a busy period for the FCC and its talented staff.

We have a unique opportunity to use this program, and the billions of additional dollars that Congress has made available across a range of federal agencies, to close the digital divide. That is why I have been focused on ensuring that every dollar the FCC allocates through its programs goes to the families that Congress intended to benefit. And that is why I have been raising serious concerns since the beginning of last year about the risk of massive levels of waste, fraud, and abuse.

Those concerns now appear more than justified in light of the FCC Office of the Inspector General's (OIG) November 2021 report. Just six months into the EBB program, the OIG uncovered what appears to be an egregious and near nationwide scheme in which broadband providers or sales agents were falsely claiming that a household has a student that attends a qualifying low-income school. In just one example, the report identifies a low-income school in Florida that was designated by providers as the school supporting the enrollment of 1,884 households, even though there are no more than 200 students that attend the school. I am worried that the OIG's report is only the tip of the iceberg when it comes to waste, fraud, and abuse in these programs.

I have approached my review of the order with these concerns in mind. At the outset, I want to thank Chairwoman Rosenworcel for agreeing to release a public version of the order ahead of our vote. Doing so provided a range of stakeholders with an opportunity to express their views, and that public participation helped improve the agency's work and the Affordable Connectivity Program.

I also want to thank my colleagues for agreeing to my request that we add additional protections against waste, fraud, and abuse. For one, we added new safeguards to help prevent the fraud described in the OIG's November report by requiring more specific documentation from sales agents and applicants in order to prove a household's eligibility. For another, we increased accountability and oversight of entities that are authorized to sign households up for ACP benefits. For yet another, we strengthened oversight by requiring more frequent program integrity reviews to help detect any waste, fraud, or abuse within the program, especially for households coming into the program from outside of the National Verifier process. Lastly, we are now taking a series of steps to better target these dollars to households that currently lack broadband service or aren't already enrolled in a commercial provider's low-income program.

In the end, though, protecting this program from waste, fraud, and abuse will require ongoing and diligent oversight. And I remain concerned that the dollars Congress intended to reach eligible households will be siphoned off by bad actors.

That is why my office met with the OIG staff in the lead up to today's vote. As the experts in this area, we asked them for their ideas on how we can strengthen the FCC's oversight. One of the top ideas the OIG recommended is for the FCC to require applicants for ACP benefits to include the last four digits of their social security number (SSN). The OIG noted that this one data point would allow them to identify fraud more quickly, and it would provide them with a more effective means of preventing common forms of abuse—from the same identity being used to sign up for multiple benefits, to dead

people's identities being used to obtain benefit. Indeed, I understand that we are already seeing a duplicates problem in the EBB program, and the last four SSN digits could have helped prevent or more quickly identify this fraudulent activity. I worry that by not requiring this information, we are turning a blind eye to fraud already happening while leaving the door open for even more benefits going to ineligible households.

Unfortunately, the votes were not there to include this important safeguard in today's decision. For my part, I wish we had listened to the FCC's Inspector General on this. And I am worried that future reports on the ACP program will identify the absence of this requirement as a key, contributing factor to waste, fraud, and abuse. That is why I am dissenting from the FCC's decision not to include this safeguard.

In closing, I want to express my sincere thanks and appreciation to the many staff members involved in preparing today's item in time to meet our statutory deadline. Getting here required countless hours working throughout the holiday break.

In particular, from the Wireline Competition Bureau: Pamela Arluk, Allison Baker, Micah Caldwell, Cheryl Callahan, Jessica Campbell, Rashann Duvall, Travis Hahn, Trent Harkrader, Christian Hoefly, Jesse Jachman, Jamile Kadre, Jodie May, Kris Monteith, Ryan Palmer, Zachary Ross, Sherry Ross, Negheen Sanjar, David Sieradzki, Hayley Steffen, Kesha Woodward, Eric Wu, and Suzanne Yelen.

From the Office of Managing Director: Thomas Buckley, Dan Daly, Tim Dates, Sunny Diemert, Sandeep Khanna, Hua Lu, Jim Lyons, Jasson Soemo, Jae Song, Mark Stephens, and Sanford Williams. From the Consumer and Governmental Affairs Bureau: Robert Aldrich, Ed Bartholme, James Brown, Zac Champ, Matthew Duchesne, Barbara Esbin, Keyla Hernandez-Ulloa, Lyle Ishida, Sayuri Rajapakse, Suzy Rosen Singleton, Michael Scott, Patrick Webre, and Kimberly Wild. From OEA: Mark Azic, Joanna Fister, Eugene Kiselev, Ken Lynch, Eric Ralph, Michelle Schaefer, Deena Shetler, and Maciej Wachala.

From the Office of General Counsel: Larry Atlas, Malena Barzilai, Jim Bird, William Dever, Andrea Kelly, Elizabeth Lyle, Rick Mallen, Brendan McTaggart, Bahareh Moradi, Linda Oliver, Karen Onyeije, Joel Rabinovitz, Bill Richardson, Paula Silberthau, Jeffrey Steinberg, Elliot Tarloff, and Chin Yoo. From the Enforcement Bureau: Rizwan Chowdhry, Pamela Galant, Jeffrey Gee, Kalun Lee, and Keith Morgan. From the Office of Communications Business Opportunities: Joy Ragsdale and Chana Wilkerson. And from the Office of Inspector General: Hillary Burchuk, Sharon Diskin, and Eric Phelps.

I approve in part and dissent in part.