



Federal Communications Commission
Washington, D.C. 20554

October 21, 2021

Radha Sekar
Chief Executive Officer
Universal Service Administrative Company
700 12th Street, N.W., Suite 900
Washington, D.C. 20005

Re: Executive Order on Improving the Nation's Cybersecurity

Dear Ms. Sekar:

This letter addresses the Executive Order on *Improving the Nation's Cybersecurity* issued on May 12, 2021.¹ The Executive Order establishes specific measures to: (1) improve the nation's cybersecurity and protect federal networks, including information sharing between the U.S. government and the private sector; (2) modernize and implement stronger cybersecurity standards in the Federal government; improve software supply chain security; (3) establish a cybersecurity safety review board; (4) create a standard playbook for responding to cyber incidents; and (5) improve detection of cybersecurity incidents on Federal government networks, including investigative and remediation capabilities. As part of our ongoing oversight of the Universal Service Administrative Company (USAC), we direct USAC to take a variety of steps to ensure that it implements the requirements set forth in the Executive Order and continues to comply with federal and FCC information technology (IT) requirements.²

Specifically, we direct USAC to assess its software supply chain security through examining its security stack and critical software to ensure that current and impending security standards are integrated into the system development lifecycle (SDLC).³ USAC shall also create a process that validates the source of any software before the purchase is complete and provide a quarterly report of this activity to the FCC, effective from the date of this letter.

In order to improve the detection of cybersecurity incidents, we direct USAC to evaluate its processes for responding to a cyber incident, including the steps it takes to identify and mitigate a threat. USAC shall produce a report of its findings, including recommendations for incident reporting process improvement, to the FCC no later than 30 days from the date of this letter.

Lastly, we direct USAC by no later than the end of Q1 FY2022, unless otherwise stated, to report to the FCC on its progress to implement the following responsibilities:

¹ Improving the Nation's Cybersecurity, Exec. Order No. 14028, 86 Fed. Reg. 26633 (May 12, 2021).

² See Memorandum of Understanding Between the Federal Communications Commission and the Universal Service Administrative Company, sections III.B.1 and IV.H.1., <https://transition.fcc.gov/omd/usac-mou.pdf>.

³ Previously, we tasked USAC to examine their supply chain to determine if any hardware or software was purchased from a known malicious foreign actor, and USAC did not have any findings to report. See Letter from Mark Stephens, Managing Director, FCC, to Radha Sekar, Chief Executive Officer, Universal Service Administrative Company at 2 (Aug. 10, 2020).

- Develop an initial roadmap defining the changes necessary to implement a zero trust architecture for its internal and external information systems, and thereafter, USAC shall provide a monthly status report on its progress. By Q2 FY2022, USAC shall provide a full report on its progress to achieve full implementation of zero trust architecture.
- Develop a Multifactor Authentication (MFA) roadmap defining how USAC will incorporate MFA, or an alternative method, that meets the intent of verifying system or application usage for any of its systems not currently supporting MFA.
- By no later than 30 days from the date of this letter, USAC shall provide an inventory of any system that does or does not support encryption at rest and in-transit. Concurrently, USAC shall create a plan, due no later than the end of Q1 FY2022, that defines how and when those systems will encrypt data at rest and in-transit.

We appreciate USAC's ongoing coordination and efforts thus far in working with the FCC to implement IT security requirements applicable to federal agencies and to safeguard USAC's IT systems. Thank you for your prompt attention to these matters, and please let us know if you have any questions.

Sincerely,

Mark
Stephens

Digitally signed by
Mark Stephens
Date: 2021.10.21
17:18:03 -0400

Mark Stephens
Managing Director



Kris A. Monteith
Chief, Wireline Competition Bureau