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For Immediate Release

STATEMENT OF FCC COMMISSIONER AJIT PAI
On the Decision to Allow Continued Abuse of the Lifeline Program

WASHINGTON, DC, February 2, 2016.—Liberal journalist Michael Kinsley once famously said that in Washington, “[t]he scandal isn’t the illegal behavior—the scandal is what’s legal.” That aphorism captures one of the most galling aspects of today’s FCC’s Lifeline program: the bloated taxpayer subsidy in Oklahoma. Thanks to an FCC decision today, the scandal will continue.

Here’s the background. The typical Lifeline subsidy is \$9.25 per month. But those who live on tribal lands receive \$34.25 per month, whether or not they are members of a Tribe. This matters because the FCC has treated virtually all of Oklahoma as tribal land. So 99.89% of Oklahomans who are eligible for the Lifeline program have been receiving the enhanced tribal subsidy. And the Lifeline program has been giving carriers in Oklahoma six times the national average of support, and about ten times the amount that carriers in neighboring Kansas receive.

Last June, the Commission recognized the absurdity of this situation and declared that those living in much of Oklahoma—including Oklahoma City—would no longer be eligible for tribal subsidies starting February 9. There’s no good reason to subsidize all Oklahoma City residents as if they were tribal members living on tribal lands. As I pointed out then, if Oklahoma’s Lifeline spending per person were only twice the national average, American taxpayers would save over \$89 million a year.

But this outrageous abuse of the program will continue. Despite the FCC’s earlier decision, the Wireline Competition Bureau decides today that the taxpayer spigot can stay open for at least another four months. This comes after the Bureau previously denied a request to keep the subsidies flowing,¹ and after the courts rejected a similar request.² What’s the supposed reason? A disagreement over the maps covering a *different* part of Oklahoma. In other words, for four additional months the Lifeline program will keep distributing enormous subsidies at taxpayer expense to serve many areas, including Oklahoma City, that everyone agrees aren’t eligible for tribal support. What a waste.

With decisions like this, it is no wonder that the American people lack confidence in our ability to manage the Lifeline program properly. And it is no wonder why many are skeptical that any future expansion of the program will be fiscally responsible. The scandal is what’s legal.

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¹ *Lifeline And Link Up Reform and Modernization et al.*, WC Docket Nos. 11-42, 09-197, 10-90, 30 FCC Rcd 12379 (Wireline Comp. Bur. 2015).

² *Assist Wireless, LLC v. FCC*, Case No. 15-1324, Order (D.C. Cir. Dec. 23, 2015).

This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action. See MCI v. FCC, 515 F.2d 385 (D.C. Cir. 1974).