

STATEMENT OF COMMISSIONER GEOFFREY STARKS

Re: *TracFone Wireless, Inc.*, File No. EB-IHD-18-00027738

As the effects of COVID-19 ripple through our economy, Lifeline will be more important than ever. Lifeline has the power to help millions of Americans stay connected while staying home—something we’re asking more and more Americans to do.

Safeguarding the program is more important than ever. Last week, roughly 3.3 million people filed for unemployment benefits—and we have yet to hit the peak of this pandemic. The FCC should be preparing for a significant increase in need for Lifeline support. We are also seeing reports of rising numbers of applications for benefits through the Supplemental Nutrition Assistance Program. More people qualifying for SNAP—and many other programs that help low-income people—means more households eligible for Lifeline.

In this time of crisis, the FCC should be expanding Lifeline’s reach and scope, including better promoting the program to ensure more qualifying families actually receive these benefits. According to the most recent publicly available USAC data (from 2018), there are about 9 million Lifeline subscribers. But USAC estimates that there are roughly 38 million households that are eligible for the program—and, for the reasons above we should expect that number to rise. The FCC must coordinate with states and ETCs to ensure they have the resources and expertise necessary to assist social service agencies, schools, homeless shelters, and other places that are trusted in communities across this country to get folks signed up. Given the requirements of social distancing, the FCC also needs to re-imagine how to make struggling Americans aware of the program while many physical spaces are closed or experiencing limitations.

To ensure that Lifeline can meet all of these needs, it is critical that we vigorously investigate violations of the program’s rules and apply penalties that both make the fund whole and deter future violations. I believe the proposed penalty here is appropriate, and particularly that the upward adjustment with regard to TracFone’s Florida conduct is warranted in light of the apparent deception the Commission’s investigation uncovered. Though that apparent fraud was egregious, it occurred before the new National Verifier and its tools for detecting these types of fraud were in place in Florida. I will continue to monitor the effectiveness of those tools at protecting this vital program.

I thank the staff of the Enforcement Bureau for their hard work on these important investigations.