

# LIFELINE PHONE PROGRAM

## QUICK STATS

- ✘ **CONFERENCE:** Spending
- ✘ **TEAM:** Federal Communications Commission
- **FUMBLE:** Failure to ensure program requirements meet population and geographic realities
- **HOW TO RECOVER THE BALL:** Implement stricter requirements and oversight for subsidy qualifications

FCC's Lifeline program began in 1985 to provide discounted telephone service to low-income families—particularly those in hard-to-reach areas with little access to emergency landline telephone services. In 2005 the service was extended to encompass pre-paid cell phone plans in addition to landline service. FCC requirements dictate qualified individuals must meet income requirements at or below 135 percent of the federal poverty guidelines or participate in specific federal assistance programs to qualify for the program.<sup>155</sup>

Lifeline is funded through a service fee (meaning a tax) called the Universal Service Fund, which is on every American's phone bill. In 2014 \$1.6 billion was allocated for the Lifeline program to serve its more than 12 million users.<sup>156</sup> The majority of beneficiaries receive a monthly \$9.25 discount subsidy toward their telephone service cost. However, due to low telephone availability on Tribal lands, qualified residences receive an additional \$25 subsidy, which brings the total monthly subsidy to \$34.25.<sup>157</sup>

Since 2005 the Lifeline program has been riddled with waste, fraud, and abuse. One of the largest areas of waste is in Oklahoma due to FCC's broad parameters for Tribal land boundaries. Historically, FCC classified most of Oklahoma as Tribal land, which means all but

451 of the state's 265,961 Lifeline recipients qualify for more than \$400 each in Tribal subsidies annually, though most of the recipients are not Tribal members.<sup>158</sup> As a result, Oklahoma receives the second-largest allocation of Lifeline funds, which total more than \$128 million.<sup>159</sup> Oklahoma accounts for more than half of the 417,000 Tribal subsidy recipients in the nation.<sup>160</sup>

The Tribal Lifeline subsidy was originally intended to provide discounted telephone service to low-income Tribal members who lived on Tribal land and need an emergency telephone. In June 2015 FCC updated the Oklahoma Tribal maps to slightly narrow the geographical scope of qualified territory.<sup>161</sup> While this is a small step in the right direction, to fully address the problem we should move towards needs-based Tribal designations.

## RECOVERY

The Commission should clearly define Tribal membership and designated underserved areas. Individuals who seek the Tribal subsidy should provide proof of Tribal citizenship/membership or residency in designated underserved areas within Tribal boundaries. The additional aid should be reserved for the truly underserved

***For more information, please visit:***

[USAC: 2014 Annual Report](#)

[USAC: 2015 FCC Filings](#)

[USAC: Lifeline Subscribers by State or Jurisdiction](#)

[National Review: What Those Rising Taxes on Your Phone Bill Pay For: A Fraud-Friendly 'Obamaphone' Program](#)