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Press Release

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PHOENIX CENTER FINDS OBAMA ADMINISTRATION’S 2012 REFORMS CONTINUE TO REDUCE LIFELINE SUBSCRIPTIONS

Contrary to partisan blame shifting, analysis of the data confirms that the reductions in Lifeline subscriptions since 2016 follow the same trend established between 2012 and 2016

WASHINGTON, D.C. – With the COVID epidemic unfortunately still with us, Congress is now contemplating spending as much as \$100 billion on programs to bridge the “Digital Divide,” adding to several existing billion-dollar-plus federal programs addressing broadband adoption and network expansion—including the Federal Communications Commission’s Lifeline and Rural Digital Opportunity Fund Programs (and its predecessors).

Citing waste, fraud, and abuse, in 2012 the Obama Administration’s FCC implemented several reforms of the Lifeline Program. As a result, subscriber lists are being purged of improper accounts, reducing Lifeline subscriptions. Seizing the opportunity, partisans now blame the Trump Administration—and current Federal Communications Commission Chairman Ajit Pai in particular—of sabotaging the Lifeline Program and accelerating this decline in participation. In a new POLICY PERSPECTIVE released today entitled *Trends in Lifeline Reform: A Look at the Evidence, Not the Politics*, Phoenix Center Chief Economist Dr. George S. Ford examines this claim and finds it wanting.

As Dr. Ford demonstrates, the data clearly reveal what is already known and has been reported: carriers were required to shed a significant number of Lifeline subscribers after stricter policies were implemented by the Obama Administration’s FCC in 2012. Dr. Ford’s statistical analysis of the data confirms that the reductions in Lifeline subscriptions since 2016 follow the same trend established between 2012 and 2016, which is unsurprising since those policies remain largely unaltered and problems with the program persist. If blame is to be assigned for reduced enrollment in the Lifeline Program, argues Dr. Ford, then blame falls in the lap of the Obama Administration, though taking blame for curbing waste, fraud and abuse is no disgrace.

“The Digital Divide is a serious problem that deserves serious attention,” says study author and Phoenix Center Chief Economist Dr. George Ford. “Playing fast-and-loose with the facts just to score political points is not helpful.”

A full copy of PHOENIX CENTER POLICY PERSPECTIVE NO. 20-04, *Trends in Lifeline Reform: A Look at the Evidence, Not the Politics*, may be downloaded free from the Phoenix Center’s web page at: <https://www.phoenix-center.org/perspectives/Perspective20-04Final.pdf>.

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The Phoenix Center is a non-profit 501(c)(3) organization that studies broad public-policy issues related to governance, social and economic conditions, with a particular emphasis on the law and economics of the digital age.