



COMMITTEE ON
ENERGY & COMMERCE
DEMOCRATS
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Pallone Slams Misleading GOP Attacks on Lifeline At FCC Oversight Hearing

Energy and Commerce Ranking Member Frank Pallone, Jr. (D-NJ) delivered the following remarks at the Subcommittee on Communications and Technology Hearing on “Oversight of the Federal Communications Commission.”

Today’s hearing comes weeks after the FCC’s sweeping net neutrality victory before the D.C. Circuit. The court’s decision was a major victory for internet consumers and small businesses.

The ruling was a momentous step toward legal certainty that the internet remains an open platform for everyone. It was also a strong recognition of pro-consumer and pro-innovation policies that Democrats have championed for years. The court’s decision helps create a stronger foundation for future policies that put consumers in the driver’s seat.

And now, as we look ahead, we still have a number of issues before us, including how to deal with internet privacy. A recent study by the National Telecommunications and Information Administration found 84 percent of Americans are worried about their privacy and security online.

We must take these concerns seriously. And I appreciate the Federal Trade Commission—who oversees privacy on websites—providing thoughtful input into the FCC’s proceeding. We should give consumers more protection online—not less.

During this oversight hearing today, we are likely to hear more from my Republican colleagues about the Lifeline program, a program that keeps our nation’s low-income families connected. For months Republicans have used charges of waste, fraud, and abuse to justify wrong-headed bills designed to rip phones away from those who need them the most.

This morning I’m releasing a Democratic committee staff report that investigated the ongoing Republican charges. The report found that Republican allegations of more than \$500 million in fraud are baseless, relying on unfounded assumptions and bad data.

In order to get to their \$500 million claim, Republicans first assumed that nearly every Lifeline recipient in a homeless shelter, in a veterans group home, in a nursing home, or just living with roommates to get by—nearly every one of these people got their phone as a result of fraud. There is simply no way to justify these assumptions, and it is incredibly counterproductive to any serious discussions on how to improve and strengthen this program.

Our report finds that most of the waste, fraud, and abuse that had plagued the program resulted from policies the FCC adopted during the Bush Administration. And while some waste, fraud, and abuse likely still does take place, the FCC has worked hard over the past few years to track it down and wipe it out. Nearly \$1 billion of unnecessary spending has been eliminated from the program as a result of the FCC's actions over the last 6 years.

So, I will repeat what I've been saying for months. Lifeline is a successful program that helps more than ten million Americans and we need to protect it. If my colleagues are serious about eliminating waste, fraud, and abuse in the program, stop these over-the-top accusations. Our report has a number of recommendations on productive ways to move forward. We encourage our Republican colleagues to work with us to make this critical program stronger.

Thank you to all of the commissioners for testifying here today.

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