

August 14, 2017

**VIA ELECTRONIC FILING**

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

**Re: WC Docket No. 11-42 – Lifeline and Link Up Reform and Modernization**

Dear Ms. Dortch:

On August 14, 2017, Messrs. Richard B. Salzman, Executive Vice President and General Counsel, TracFone Wireless, Inc. (“TracFone”), David Avila, Associate Vice President, Lifeline Services, TracFone, Mark Rubin, Senior Executive, Government Relations, TracFone, Michael Senkowski, DLA Piper, and undersigned counsel, on behalf of TracFone, met with Chairman Ajit Pai and with Jay Schwarz, Ph.D, Wireline Advisor to Chairman Pai.

During the meeting, we discussed TracFone and its involvement in the federal Lifeline program. In addition to describing the company and its various businesses, including its Lifeline program, we described TracFone’s longstanding role in advocating reforms to prevent waste, fraud and abuse, and to ensure that Universal Service Fund resources are used for their intended purposes. In addition to those TracFone fraud prevention reform proposals which have been adopted by the Commission, we summarized several additional TracFone recommendations for detecting and preventing program fraud which remain pending. We also discussed the implementation of the National Verifier and TracFone’s concerns regarding the minimum broadband standards for Lifeline service. We provided Chairman Pai and Dr. Schwarz with a written presentation document which summarized our key points. A copy of that document is enclosed herewith.

Pursuant to Section 1.1206(b) of the Commission’s rules, this letter is being filed electronically. If there are questions, please communicate directly with undersigned counsel for TracFone.

Sincerely,



Mitchell F. Brecher

Cc: Hon. Ajit Pai  
Jay Schwarz, Ph.D

Enclosure

**Enclosure**

# **TracFone Wireless, Inc.**

**FCC Presentation to Chairman Pai**

**August 2017**



# TracFone Wireless, Inc.

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## 5th Largest National Wireless Service Provider

- Serving **25 Million** Customers in the United States
- Largest Prepaid No-Contract provider in the U.S.
- Headquartered in Miami-Dade County
- 850 Employees
- 90,000 Retail Locations

# TracFone Wireless, Inc.

## Delivering Wireless Service under many Brands

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High Speed Data  
Low Cost Service



Unlimited Plans  
On your choice of Network



All of the Value  
None of the Commitment



Works in US + Mexico  
No Roaming Charges



Lifeline Program  
Voice | Text | Data



Pay As You Go










Multi-line Shared  
Data Plans



Plans for Businesses  
Data Only Plans



# There's a Big Difference Between Some Wireless Lifeline Providers

	Approximate Number of Lifeline Subscribers as of June 2017 *	Total Parent Company's Subscribers
	3,740,882	~25,000,000
	2,040,011	~58,000,000 (#)
	1,383,350	1,383,350
	574,984	574,984
	282,048	282,048
	224,982	224,982
	177,544	177,544

Source:

\*June 2017 USAC Lifeline Disbursements Report

# August 8, 2017 FierceWireless "How Verizon, AT&T, T-Mobile, Sprint and more stacked up in Q2 2017"

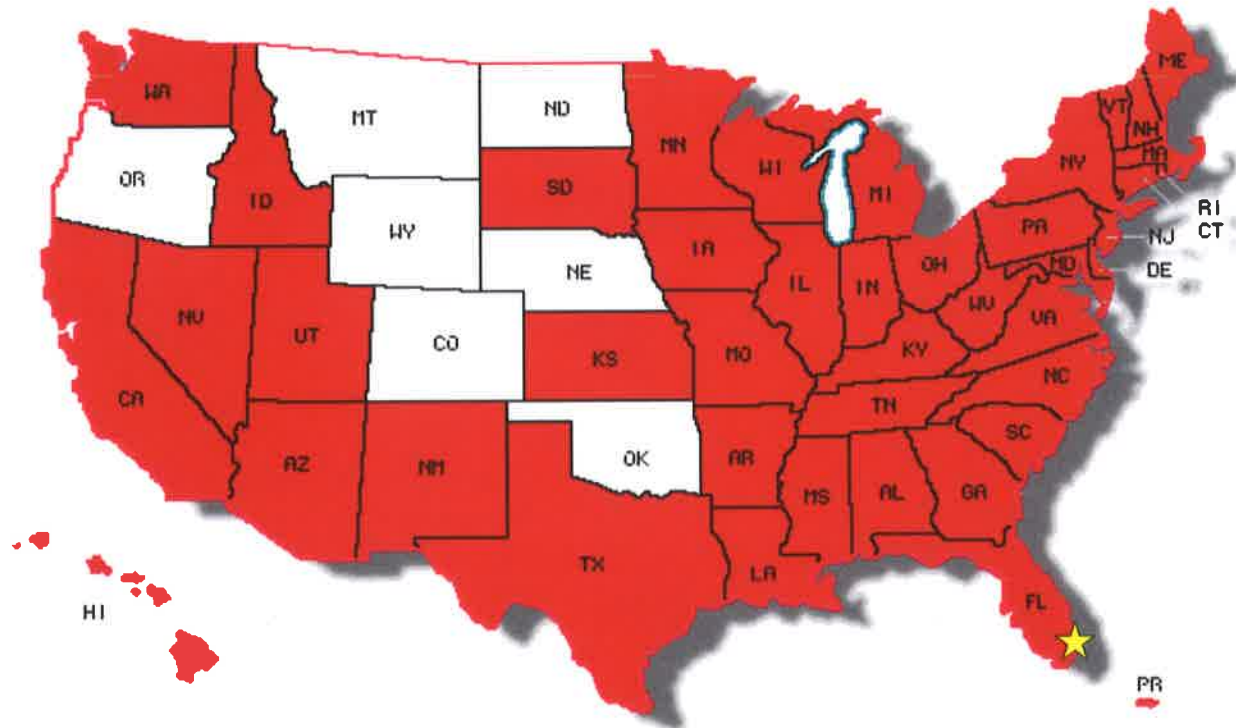
All brand names and service marks are the property of the respective companies:

# TracFone Wireless, Inc.

## Providing Lifeline Service in 42 States

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- Over 4 Million Lifeline Households in the U.S. served through the Company's SafeLink® brand.
- TracFone has been designated as an ETC in 42 states (plus Washington D.C. and Puerto Rico).



# TracFone Wireless, Inc. Is a Lifeline Service Innovator

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- First to provide no charge wireless Lifeline service to Hurricane Katrina victims (2005 – 2006).
- First to provide free wireless devices (at TracFone's expense) to Lifeline consumers.
- First to provide free all distance Lifeline service.
- First to provide:
  - Caller ID
  - Call waiting
  - 3-way calling
  - 411 Directory Assistance
  - SMS text messaging (unlimited)
- No roaming charges
  - SafeLink® service can be used almost anywhere in the U.S.



## TracFone Wireless, Inc. Modernized its Lifeline Service to Include Mobile Broadband Access

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- All SafeLink Wireless® Lifeline customers receive monthly at least:
  - 500 MB of Mobile Broadband Access, plus
  - 350 voice minutes, and
  - Unlimited Texts!
- All new customers receive **at no charge** smartphones which are Wi-Fi-enabled (as proposed by TracFone in 2015 and adopted by the FCC as a requirement in the 2016 *Lifeline Modernization Order*).
- SafeLink Wireless® Lifeline services meets or exceeds the *Lifeline Modernization Order's* minimum service standards.
- TracFone supported modernization of Lifeline to include mobile broadband.

## **TracFone Wireless, Inc.**

### **Worked with States to Prevent Waste, Fraud and Abuse**

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- TracFone has negotiated with numerous agencies and departments in many states to obtain access to state databases to verify applicants' Lifeline eligibility.
- Due to those efforts, TracFone and other ETCs now have access to eligibility databases in 21 states.
- Access to those same state databases will be an important component of the National Verifier.

## **TracFone Wireless, Inc.**

### **Pioneered Lifeline for Healthcare Purposes**

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- TracFone works with health maintenance organizations to reach Lifeline-eligible Medicaid enrollees.
- Those Medicaid enrollees receive additional healthcare-related Lifeline benefits including:
  - Unlimited access to healthcare providers.
  - Text information from healthcare providers such as appointment reminders and other information.
  - Text-based health care services such as Text-for-Baby and others.

# TracFone Wireless, Inc.

## Leadership in Preventing Waste, Fraud and Abuse

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### TracFone Proposal

### Adopted by FCC?

Elimination of wasteful and unnecessary Link Up support for wireless ETCs.



Require ETCs to collect applicants' date of birth and Social Security number (and have that information verified by reputable third parties such as LEXIS-NEXIS).



De-enrollment for 60 days' non-usage.



Require ETCs to have all customers re-certify their eligibility annually (rather than the previous FCC requirement of verifying only a limited "random sample" of customers).



Require ETCs to retain and make available for audit documentation of program-based Lifeline eligibility provided by customers (It made no sense to require providers to obtain customer eligibility documentation if there was no requirement that they prove that they obtained such documentation).



# **TracFone Wireless, Inc.**

## **Pending Proposals to Prevent Waste, Fraud and Abuse**

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- **Prohibit in-person handset distribution**
  - Handing out Lifeline phones on street corners, at churches, in front of public assistance offices and out of car trunks “like Halloween candy” invites fraud and besmirches the Lifeline program.
  - Such tactics are not necessary for a publicly-funded program and should be prohibited.
  - TracFone petitioned the FCC to prohibit in-person handset distribution in 2012.
- **Raised Loophole created by Independent Economic Household Worksheet**
  - Where a second person at the same address applies for Lifeline, the person must complete a USAC Independent Household Worksheet. Nothing prevents applicants from providing false answers and obtaining a second service.
    - TracFone raised these problems in filings in September 2014 and June 2016.
- **Prohibit Incentive-based Compensation for Third Party Agents**
  - TracFone first proposed elimination of incentive-based compensation in 2013.