



March 14, 2016

Via Electronic Submission

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th St., SW, Room TW-A325
Washington, DC 20554

**Re: Telecommunications Carriers Eligible for Universal Service Support, WC Docket No. 09-197
Lifeline and Link Up Reform and Modernization, WC Docket No. 11-42
Connect America Fund, WC Docket No. 10-90**

Dear Ms. Dortch:

On March 10, 2016, Charles McKee, Elaine Divelbliss and I of Sprint Corporation (“Sprint”) met with Travis Litman of Commissioner Rosenworcel’s office to discuss reforms to the federal Lifeline program. Sprint emphasized its continued support for expanding the Lifeline program to include broadband services, noting that such support was fully consistent with Sprint’s active engagement in the ConnectEd, ConnectHome, and My Brother’s Keeper initiatives to bridge the digital divide. Sprint also expressed its deep concern that certain elements of the draft Order (as summarized in the Fact Sheet released on March 8¹) are contrary to established Commission policy and statutory imperatives, and would undermine the provision of the voice services that are the core of the current program upon which 14 million end users currently rely.

Sprint explained that the draft Order is flawed in the following aspects:

- The proposed requirement to offer unlimited voice for mobile Lifeline beginning December 1, 2016, and the phase-out of the Lifeline support, will eliminate a free (no end user charge) mobile voice-only Lifeline plan. This will be hugely disruptive to the millions of end users who currently rely upon mobile wireless Lifeline service.
- The draft Order’s proposal to eliminate the Lifeline subsidy for mobile voice (in conjunction with the jump to unlimited minutes) but to retain this subsidy in full for wireline voice (with no change in performance standards) violates the long-held principle of competitive and technological neutrality. The Commission espoused competitive neutrality as a fundamental principle underlying universal service in 1997 (consistent with Section 254(b)(7) of the Communications Act), and such principle has been upheld by the Courts.
- Sprint stated that the lowest retail price for prepaid unlimited voice non-Lifeline service it could find is \$25 – far more than the \$9.25 Lifeline subsidy. The Fact Sheet does not acknowledge this very significant difference in price; does not cite record evidence for the supposition that unlimited voice service is necessary for Lifeline service; and apparently ignores the impact of end-user co-pays on Lifeline subscription rates.

¹ See <https://www.fcc.gov/document/fact-sheet-lifeline-modernization-proposal>.

Given the concerns summarized above, Sprint urged that the Commission consider the following alternatives as part of its Lifeline reform order:

- Grandfathering existing Lifeline subscribers under their current plan, at a \$9.25 Lifeline support level, through 2019;
- Implementing any mobile voice-only transition plan no sooner than one year from the effective date of any new rules that are adopted (rather than beginning the transition as of December 1, 2016);
- Adoption of more realistic mobile voice minute requirements, such as average usage in the first year, increasing over the next three years.

Finally, Sprint expressed its concern about the rapid increase in the amount of data contemplated in the Fact Sheet, and whether the increase in tonnage is supportable. Sprint also noted that any bundled offer which meets either the proposed data or voice performance standard should be eligible for the Lifeline subsidy.

Pursuant to Section 1.1206 of the Commission's Rules, a copy of this letter is being filed electronically in the above-referenced dockets. If you have any questions, please feel free to contact me at (703) 433-4503.

Sincerely,

/s/ Norina T. Moy

Norina T. Moy
Director, Government Affairs

c: Travis Litman