



March 21, 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 17, 2016, Charles McKee, Elaine Divelbliss (via telephone) and I of Sprint Corporation (“Sprint”) met separately with Amy Bender of Commissioner O’Rielly’s office; and with Stephanie Weiner, Jon Wilkins, Trent Harkrader, Charles Eberle, Jay Schwarz, Jodie Griffin, Garnet Hanly, and Ryan Palmer to discuss reforms to the federal Lifeline program. Sprint 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 would undermine the provision of the services upon which 14 million Lifeline subscribers currently rely. If a reformed Lifeline program is to meet the statutory requirements to preserve and advance universal service, it should be revised as follows:

Competitive and technological neutrality

Sprint stated that 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. Since 1997, the Commission has consistently espoused competitive neutrality as a fundamental principle underlying universal service (pursuant to Section 254(b)(7) of the Communications Act), and such principle has been upheld by the Courts. The Commission must continue to foster competitive and technological neutrality by mandating a uniform \$9.25 Lifeline subsidy to all eligible wireless and wireline service providers.

Voice-only offer

Sprint explained that it is not economically feasible to provide a free (*i.e.*, no end-user charge) unlimited voice Lifeline plan for \$9.25 per month, much less for a declining subsidy. Implementing an unlimited voice requirement as of December 2016 would effectively eliminate the free wireless Lifeline option – an outcome that would be hugely disruptive to millions of Lifeline subscribers.

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

Sprint stated that a longer transition plan would be more reasonable and less disruptive, and urged that voice minutes be increased over time. Sprint recommends that the unlimited voice standard be tied to achievable and measurable declines in the cost of providing service, specifically cost savings resulting from the implementation of a system of eligibility verification by a neutral third party (a Commission priority which Sprint fully supports).² Sprint suggests that the standard be set at 500 voice minutes as of December 1, 2016 at least for new Lifeline customers,³ and increased when the third party eligibility system is fully operational nationwide. For this option to be economically feasible, the Lifeline support amount would have to remain at \$9.25.

Bundled voice and data offer

Sprint expressed its view that a bundled voice and data Lifeline offering that meets the minimum service standards for either voice or data should be eligible for full Lifeline support, and that customers should be free to choose their mobile device from whatever selection of devices is offered by their service provider for use in conjunction with their Lifeline service. Indeed, because the Commission does not have the authority to mandate specific devices or device technologies, it must leave the selection and choice of mobile devices to the customer and the service provider. Given the vigorous competition that exists in the Lifeline market, it is highly likely that consumers will be able to choose from a wide range of options.

Broadband-only offer

Sprint expressed its concern about the rapid increase in the amount of data contemplated in the Fact Sheet, and whether the proposed quadrupling of the data allotment in only 2 years is supportable. Sprint believes that a ramp up from 500 MB per month as of December 1, 2016, to 750 MB as of December 1, 2017, and to 1 GB as of December 1, 2018, with a re-evaluation of data allotments in early 2019, is more reasonable and economically sustainable.

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

² As stated in Sprint's August 31, 2015 comments in the instant proceedings (see pp. 34-35), the cost of the neutral third party eligibility system must be recovered through the general USF contribution factor, as is the case for all other federal USF administrative costs.

³ A slightly later implementation date for existing Lifeline subscribers might be necessary to migrate such subscribers to the new calling plan and to make any requisite state regulatory notifications.

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c: Amy Bender
Stephanie Weiner
Jon Wilkins
Trent Harkrader
Charles Eberle
Jay Schwarz
Jodie Griffin
Garnet Hanly
Ryan Palmer