



March 23, 2016

VIA ECFS

Marlene H. Dortch, Secretary
Federal Communications Commission
445 Twelfth Street, SW
Washington, DC 20554

Re: *Notice of Ex Parte Presentations
Lifeline and Link Up Reform and Modernization (WC Docket
No. 11-42); Lifeline and Link Up, (WC Docket No. 03-109)*

Dear Ms. Dortch:

On March 21, 2016, CTIA and its member companies Sprint, TracFone Wireless, Inc. (TracFone), and Telrite Corporation (Telrite) met with Gigi Sohn and Stephanie Weiner of the Office of Chairman Wheeler; Eric Feigenbaum of the Office of Media Relations; and Matthew DelNero, Trent Harkrader, Ryan Palmer, and Jay Schwarz of the Wireline Competition Bureau. CTIA's party included Scott Bergmann and Matthew Gerst of CTIA, L. Charles Keller of Wilkinson Barker Knauer LLP representing CTIA, Charles McKee and Norina Moy of Sprint, Mark Rubin of TracFone, and Joshua Guyan of Kelley Drye & Warren LLP representing Telrite.

CTIA expressed support for the Commission's goal to evolve the Lifeline program to support broadband services, including mobile wireless broadband, and agreed that the proposed reforms to program administration will help to further improve program administration. In the meeting, however, CTIA, Sprint, TracFone, and Telrite expressed grave concern that the Lifeline minimum standards for mobile wireless services described in the Commission's recent Lifeline Fact Sheet would result in a precipitous drop in Lifeline subscribership as soon as the new rules force a flash cut to unlimited voice minute plans later this year, or if Lifeline subscribers are somehow forced to upgrade to new mobile devices. CTIA pointed to information that the companies attending the meeting and others have placed in the record regarding the costs of providing Lifeline



service¹ and the impact on affordability of the Commission's proposed changes.²

In contrast to the Commission's Fact Sheet, CTIA also noted the growing record of concern from a broad array of Lifeline stakeholders including consumer representatives, state and federal policymakers, and providers. These parties call on the Commission to ensure that Lifeline enables providers to offer mobile wireless voice services that meet the affordability, equitability and public safety needs of low-income consumers.³

In order to address the growing concern with the Commission's flash-cut approach, CTIA, Sprint, TracFone, and Telrite discussed various and innovative ways to reach their and the Commission's common goals to transition the Lifeline

¹ See, e.g., Letter from John Nakahata, counsel to Q Link Wireless LLC, to Marlene Dortch, FCC, WC Docket No. 11-42 (filed March 18, 2016) ("Q Link Ex Parte"); Letter from Mitchell Brecher, counsel to TracFone, to Marlene Dortch, FCC, WC Docket No. 11-42 (filed Nov. 4, 2015), attachment at 9 (noting that 90% of SafeLink customers have said 350 minutes meets their monthly voice service needs and a minimum charge of even \$5.00 would force them to de-enroll in Lifeline).

² See, e.g., Letter from Norina Moy, Sprint, to Marlene Dortch, FCC, WC Docket No. 11-42 (filed March 16, 2016) at 1-2 ("Sprint March 16 Ex Parte").

³ See, e.g., Ex Parte Comments of the National Telecommunications and Information Administration, WC Docket No. 11-42 (filed March 9, 2016) at 2, 11-12; Letter from Dallas Harris, Public Knowledge, to Marlene Dortch, FCC, WC Docket No. 11-42 (filed March 8, 2016) at 3; Letter from Paul Meyer and Justin Sims, Voxiva, to Marlene Dortch, FCC, WC Docket No. 11-42 (filed March 11, 2016) at 2; Letter from James Bradford Ramsey, General Counsel to the National Association of State Regulatory Utility Commissioners (filed March 16, 2016), at 6; Letter from James Bradford Ramsey, General Counsel to the National Association of State Regulatory Utility Commissioners (filed March 16, 2016), at 2 (summarizing comments of Nebraska Commissioner Chrystal Rhoades that the Commission's proposal seems to be "a mismatch between the shift to a more data-centric network, the phasing out of support for standalone voice wireless services, and the anticipated timeline for deployment of NG911 services that the FCC should carefully examine before proceeding"); Letter from Constance Burns, President & CEO, National Association of American Veterans (filed March 17, 2016); Letter from Ken McEldowney, Executive Director of Consumer Action (filed March 18, 2016); Letter from Jeff Meyers, President and CEO of the Medicaid Health Plans of America (filed March 18, 2016); Letter from Nicol Turner-Lee, Vice President and Chief Policy & Research Officer for the Minority Media & Telecommunications Council (filed March 21, 2016); Letter from Betty Huber, President of The National Grange (filed March 21, 2016); Letter from Helena Berger, President & CEO of the American Association of People with Disabilities, et al. (filed March 22, 2016).



program to support mobile wireless broadband based on today's market realities. The parties discussed a more reasonable glide path towards offering increased mobile wireless voice minutes, a more reasonable transition to offering increasingly higher allowances of mobile wireless broadband, and ideas for addressing the challenging task of transitioning the millions of existing Lifeline subscribers to wireless broadband-capable devices.

Consistent with proposals in the record, CTIA believes an appropriate and more workable approach to minimum service standards for mobile wireless Lifeline offerings should include:

- **Increasing mobile wireless voice.** A minimum standard of 500 minutes by December 2016, with the potential to increase minutes to reflect cost savings associated with the implementation of a national third party eligibility verification system.⁴
- **Ramping up mobile wireless broadband.** A minimum standard for broadband-only plans in the range of 300-500 MB by December 2016, with a metrics-based glide path to higher amounts of data in subsequent years.⁵ Consistent with the comments of the Administration, the Commission should be careful in setting this glide path to ensure that bundled offerings of broadband and voice service remain affordable for the millions of low income consumers who rely on wireless voice services for their critical 9-1-1 communications.⁶
- **Flexibility for providers to offer innovative voice and data services that meet low-income consumer needs.** This could include, for example, allowing providers to use offload technologies such as Wi-Fi where provided by the carrier, or providing consumers with the ability to choose "units" of voice or data to meet their needs.⁷ The wireless industry's history

⁴ See, e.g., Sprint March 16 Ex Parte at 2; Letter from Mitchell Brecher, counsel to TracFone, to Marlene Dortch, FCC, WC Docket No. 11-42 (filed March 2, 2016), attachment at 10 ("TracFone Ex Parte"); Q Link Ex Parte at 4-5; Letter from John Heitmann, counsel to the Lifeline Connects Coalition, WC Docket No. 11-42 (filed March 21, 2016) at 3 ("Lifeline Connects Ex Parte").

⁵ See, e.g., TracFone Ex Parte, attachment at 10; Sprint March 16 Ex Parte at 2; Q Link Ex parte at 4.

⁶ See, e.g., Ex Parte Comments of the National Telecommunications and Information Administration, WC Docket No. 11-42 (filed March 9, 2016) at 11-12.

⁷ See, e.g., Lifeline Connects Ex Parte at 4-5.



of innovative service plans – with over 700 available today – counsels towards greater flexibility to meet the needs of low income consumers.

- **A “safety valve” in the transition path to prevent significant disruption to participating low-income consumers.** Given the target community that Lifeline is intended to support, the Commission should ensure the minimum service standards account for affordability concerns and result in minimal disruption to participation in the Lifeline program. For example, if Lifeline subscribership dropped by 10 percent or more compared to current levels, it would be reasonable to conclude that the reform path is having a major negative impact on affordability. If the trigger is reached, the safety valve would result automatically (without further Commission action) in a pause in the transition of the minimum service standard. This pause would give the Commission the opportunity to review the data to determine whether to revisit the existing minimum service standard and/or what further changes to the reform path are needed to reverse the subscriber decline and prevent further such impacts in the future.

CTIA and its member companies remain committed to working with the Commission to improve the proposed approach and ensure that Lifeline continues to enable providers to offer affordable mobile wireless services to meet the diverse needs of low-income consumers. This letter is filed consistent with the Commission’s ex parte rules. Please direct any questions regarding this filing to the undersigned.

Sincerely,

/s/ Scott Bergmann

Scott Bergmann
Vice President
Regulatory Affairs

cc: Gigi Sohn
Stephanie Weiner
Eric Feigenbaum
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