

March 23, 2016

Ex Parte

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

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

Dear Ms. Dortch,

On March 23, 2016, I met telephonically with Nicholas Degani, Legal Advisor to Commissioner Ajit Pai. The points I presented were fully summarized in my ex parte letter of March 18, 2016, which is incorporated by reference herein.¹ I stated that the point of our presentation was to make sure that the Commission clearly understood that the Fact Sheet proposal would result in co-pays for mobile wireless Lifeline service, just as if the Commission had mandated such co-pays. This is clear from the cost data provided in my March 18, 2016 letter. It is also clear that the substantial majority of Lifeline subscribers will likely find such co-pays to be unaffordable, leading to a loss of service, including the ability to access 911 from wherever the Lifeline subscriber experiences an emergency.

In addition, the FCC Blog published by the Wireline and Wireless Bureau Chiefs asserted that the cost per Megabit (MB) of data was a low a one cent (\$0.01) per MB, based on the TracFone offering 1 GB of additional data for \$10.² Q-Link has a similar offering. Simply dividing 1,000 MB of data by \$10 does not actually reveal the underlying cost of data. Not every purchaser of an extra 1 GB of data will use the entire GB. That “breakage” allows Q-Link to allow some users to use 1 GB because their usage is averaged with customers who use less. While the same phenomenon exists with lower tiers of included data, the lower the cap, the more

¹ Letter from John T. Nakahata, Counsel to Q LINK WIRELESS LLC, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 11-42 (filed Mar. 18, 2016).

² Jon Wilkins and Matt DelNero, *Lifeline: Striking the Right Balance*, FCC BLOG (Mar. 21, 2016, 1:45 PM), <https://www.fcc.gov/news-events/blog/2016/03/21/lifeline-striking-right-balance>.

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likely it is that customers will hit the cap – which reduces the averaging. The bottom line is Q-Link's data costs are as provided in our March 18, 2016 letter, and are not contradicted by offering a retail add-on of 1 GB for \$10.

Please do not hesitate to contact me if you have any questions regarding this matter.

Sincerely,



John T. Nakahata
Counsel to Q LINK WIRELESS LLC

cc: Nicholas Degani
Amy Bender
Rebekah Goodheart
Travis Litman
Gigi Sohn
Stephanie Weiner
Jon Wilkins
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Ryan Palmer
Jay Schwarz
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