

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

In the Matter of	)	
	)	
Lifeline and Link Up Reform and Modernization	)	WC Docket No. 11-42
	)	
Federal-State Joint Board on Universal Service	)	CC Docket No. 96-45
	)	
Lifeline and Link Up	)	WC Docket No. 03-109

**REPLY COMMENTS OF LEAP WIRELESS INTERNATIONAL, INC.  
AND CRICKET COMMUNICATIONS, INC.**

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## SUMMARY

Leap Wireless International, Inc. and Cricket Communications, Inc. (collectively, “Cricket”) join a diverse array of other commenters in supporting the Commission’s plan to “comprehensively reform and modernize the Lifeline and Link Up program” and undertake reforms to improve program efficiency and prevent waste, fraud, and abuse—*without* imposing a cap on Low-Income funding. There is broad consensus that such a cap would be contrary to the universal service objectives of the Communications Act, harmful to low-income consumers, and unnecessary in light of other proposed reforms. At the same time, there is widespread recognition that the Commission must target *inappropriate* outlays in order to ensure the integrity and cost-effectiveness of the Low-Income programs.

The record confirms that service plans offering a very limited allotment of wireless minutes on a prepaid basis are responsible for many of the problems ailing the Low-Income programs, and that providers offering these plans simply have not done enough to prevent duplicative support. Instead, these providers have sought and obtained support for periods after a customer stopped using the service in question, and have failed to curb (or even were complicit in) other forms of waste, fraud, and abuse. To address these issues and eliminate incentives for consumers to sign up for multiple Lifeline offerings, while ensuring that support is provided only to the extent that carriers are actually advancing legitimate program goals, the Commission should: (i) require ETCs to charge a minimum monthly fee for Lifeline service to ensure that providers and consumers have appropriate incentives to avoid wasteful spending; (ii) require ETCs to provide Lifeline plans with unlimited calling, or at least a sufficient number of minutes to constitute a genuine “lifeline” offering; (iii) provide Lifeline support only for those periods in which a carrier is actually providing service to an eligible subscriber; and (iv) adopt a “one-per-postal-address” rule to prevent duplicative support, provided that rule allows for appropriate exceptions.

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Leap Wireless International, Inc. and its subsidiary Cricket Communications, Inc. (collectively, “Cricket”) respectfully submit this reply to the opening comments filed in response to the *Notice of Proposed Rulemaking* in the above-captioned proceeding (“*NPRM*”).

Cricket’s opening comments expressed strong support for the Commission’s proposals to “comprehensively reform and modernize the Lifeline and Link Up program,”<sup>1</sup> and a diverse array of parties share those goals. Critically, most commenters agree that the Commission should undertake reforms to improve program efficiency and prevent waste, fraud, and abuse *without* imposing a cap on Low-Income funding. Indeed, the comments reflect a broad consensus that a cap on Low-Income support would be contrary to the objectives of Section 254 of the Communications Act, as amended (the “Act”), harmful to low-income consumers, and unnecessary in light of other proposed reforms.

Rather than resorting to the blunt instrument of a cap on all Lifeline funding, the Commission should wield a scalpel and target *inappropriate* outlays. The record confirms that service plans offering a very limited allotment of wireless minutes on a prepaid basis are responsible for many of the problems ailing the Low-Income programs. Providers offering

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<sup>1</sup> *NPRM* ¶ 1.

these limited prepaid plans have driven the significant growth in Lifeline funding in recent years—as these providers have not done enough to prevent duplicative support; they have sought and obtained support for periods after a customer stopped using the service in question; and they have failed to curb (or even were complicit in) other forms of waste, fraud, and abuse. Targeted reform of the Lifeline program—most significantly, requiring Lifeline providers to impose a minimum monthly charge for service and to offer calling plans that supply a true “lifeline”—would address these issues and eliminate incentives for consumers to sign up for multiple Lifeline offerings, while ensuring that support is provided only to the extent that carriers are actually advancing legitimate program goals.

## DISCUSSION

### I. THE RECORD REFLECTS BROAD OPPOSITION TO THE IMPOSITION OF A CAP ON LOW-INCOME SUPPORT

In response to the *NPRM*'s request for comment on a possible cap on Lifeline and Link Up funding,<sup>2</sup> Cricket explained that a cap would directly undercut the objectives underlying these critical programs.<sup>3</sup> The record confirms that a funding cap would fly in the face of Section 254 of the Act and would harm low-income consumers.<sup>4</sup> In particular, Section 254(b)(3) directs the Commission to ensure that low-income consumers have affordable access to telecommunications and information services comparable to those enjoyed by consumers with higher incomes.<sup>5</sup> A cap necessarily would deny low-income consumers the benefit of those services<sup>6</sup>—including the benefits of mobile service<sup>7</sup>—and thus

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<sup>2</sup> *Id.* ¶ 145.

<sup>3</sup> Cricket Comments at 13.

<sup>4</sup> *See, e.g.*, Sprint Nextel Corporation Comments at 13; The Leadership Conference Comments at 9; Rainbow PUSH Coalition Comments at 1; AT&T Services, Inc. Comments at 32; CTIA—The Wireless Association Comments at 24-25; Consumer Groups Comments at 8-11; General Communications Inc. Comments at 44.

<sup>5</sup> 47 U.S.C. § 254(b)(3).

<sup>6</sup> *See, e.g.*, National Association of State Utility Consumer Advocates (“NASUCA”) Comments at 20 (there is “no rational process that the FCC can adopt to place a cap

cannot be squared with congressional intent. Indeed, the *NPRM* recognizes that the Low-Income programs remain significantly underutilized,<sup>8</sup> such that additional funding necessarily will be required to achieve statutory objectives.

For similar reasons, the Commission should not freeze pending petitions for Lifeline-only ETC designation, as suggested by USTelecom.<sup>9</sup> While the Commission and the states can and should use the designation process to examine whether a given carrier’s proposed Lifeline offerings would serve the public interest—and, as explained further below, should refuse to approve plans that do not serve as a genuine “lifeline”—a blanket freeze would serve only to restrict consumer choice while shielding incumbents from competition.

Instead of imposing an artificial cap on Low-Income support levels, the Commission should aim to improve the *efficiency* with which funds are used through the measures proposed in the *NPRM*. The record broadly supports this approach. For example, the Benton Foundation recognizes that the “programmatic changes” proposed in the *NPRM* “will target some of the recent sources of growth in the program” and that it would be appropriate “to

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on Lifeline funding without harming low income consumers); Media Action Grassroots Network Comments at 22; Open Access Connections et al. Comments at 3; Nebraska Public Service Commission Comments at 9-10.

<sup>7</sup> As Cricket noted in its comments, the benefits of mobile service have been recognized by both the Commission and the President. While Low-Income programs generally reach only a fraction of eligible households that could benefit from these programs, the mobile adoption rate is even lower. Proper analysis of the mobility adoption gap, using data from industry reports, Form 477 submissions, and other sources, would underscore further the damage that a cap could do.

<sup>8</sup> *NPRM* ¶ 25 (estimating that in 2009, 8.6 million eligible households participated in Lifeline nationwide, representing only about 33 percent of the 25.7 million low-income households at the time); *see also id.* ¶¶ 30, 43 (noting that voice and broadband adoption rates for low-income consumers are far behind those for more affluent populations, as well as the national average).

<sup>9</sup> *See* United States Telecom Association Comments at 11.

determine whether those changes have the desired impact before adopting a cap.”<sup>10</sup> It would not only be imprudent, but likely arbitrary and capricious, to consider a cap without carefully assessing the efficacy of reforms that would *not* adversely impact consumers.

## **II. THE RECORD PROVIDES STRONG SUPPORT FOR THE *NPRM*'S PROPOSALS FOR ELIMINATING WASTE, FRAUD, AND ABUSE**

### **A. The Opening Comments Confirm That Prepaid, Limited-Minute Wireless Plans Are Undermining the Objectives of the Lifeline Program.**

The opening comments reflect widespread recognition that the rapid rise in Low-Income support levels in recent years—including inappropriate funding in many instances—stems from the proliferation of Lifeline offerings consisting of a limited number of prepaid wireless minutes that are designed more to generate federal subsidy payments than to meet consumers’ needs.<sup>11</sup> For example, NASUCA explains that “the recent substantial growth in Lifeline subscription has been almost entirely the result of the availability of prepaid wireless service that is provided at no up-front cost to the Lifeline customer.”<sup>12</sup> Similarly, the New York Public Service Commission observes that “[t]he FCC’s expansion of [Lifeline] to non-facilities-based prepaid wireless providers . . . contributed to the significant increase in disbursements for low income subscribers . . . .”<sup>13</sup>

In hindsight, such limited-minute prepaid offerings never should have been eligible for Lifeline funding in the first place, because they do not achieve the core objective of ensuring continuous access to the PSTN. Simply put, a telecommunications connection is not a “lifeline” for low-income consumers if allotted minutes quickly expire, leaving consumers

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<sup>10</sup> Benton Foundation et al. Comments at 3. *See also* New Jersey Division of Rate Counsel Comments at 19; Nebraska Public Service Commission Comments at 9-10; COMPTEL Comments at 18.

<sup>11</sup> *See, e.g.*, Indiana Utility Regulatory Commission Comments at 5 (noting that “prepaid wireless providers may be especially vulnerable to misapplication of the program due to the appeal of free phones and free minutes.”).

<sup>12</sup> NASUCA Comments at 15.

<sup>13</sup> New York State Public Service Commission Comments at 2.

with a Hobson's choice of losing network access or paying inflated per-minute overage charges. Limited-minute prepaid offerings do not offer connectivity to consumers comparable to more traditional local service offerings; while some variability among Lifeline plans is to be expected, this Commission and state commissions should insist that eligible plans meet the fundamental goal of keeping low-income consumers connected to the PSTN.<sup>14</sup>

The decisions of some states, such as California, in response to Lifeline-only ETC designation applications confirm that appropriate screening of such applications can ensure that consumers (rather than service providers) are the primary beneficiaries of the Low-Income programs. Notably, the California Public Utilities Commission ("CPUC") has consistently refused to certify would-be ETCs that offer limited allotments of prepaid wireless minutes at no charge and then impose significant fees for additional minutes. For example, in recently issuing a resolution recommending approval of a Virgin Mobile plan that provides 1,000 minutes of voice usage or text messages for a \$20 monthly fee, the CPUC staff recognized that several of the carrier's proposed Lifeline plans were not in the public interest because a Lifeline consumer with average calling activity would have out-of-pocket overage expenses resulting in a total cost of service exceeding that of "off-the-shelf" wireless plans.<sup>15</sup> The CPUC further recognized that Virgin Mobile's proposed Lifeline plans consisting of "free" limited allotments of prepaid wireless minutes would have contravened the critical policy interest in requiring that consumers are invested in the purchase of phone service.<sup>16</sup>

Limited-minute prepaid offerings also create an environment that encourages waste, fraud, and abuse in the Lifeline program. Because such offerings are advertised as "free" and

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<sup>14</sup> See *Federal-State Joint Board on Universal Service*, Report and Order, 20 FCC Rcd 6371, at ¶ 33 (2005) (recognizing the need for "case-by-case consideration" of each Lifeline plan to ensure comparability and satisfaction of public interest objectives).

<sup>15</sup> See CPUC Resolution T-17284, at 10 (May 5, 2011).

<sup>16</sup> *Id.* at 14.

require no up-front financial commitment from consumers, they create incentives for consumers to seek duplicative service—a problem compounded by the fact that most such prepaid providers fail to adhere to adequate procedures to verify eligibility, such as by confirming in person under penalty of perjury that the consumer is not already receiving Lifeline service from another provider. At the same time, such offerings allow many prepaid carriers to cease providing service mid-month while still seeking reimbursement for portions of a month in which a customer no longer is able to place calls, and to seek reimbursement for months in which the customer failed to use the service for any days at all. As Cricket explained in its opening comments, providers should be reimbursed only for those periods in which a consumer had ready access to the PSTN (*i.e.*, based on a customary monthly service charge, without having to pay inflated rates for additional minutes).

**B. Cricket’s Approach Demonstrates that Wireless Providers Can Participate Responsibly in the Lifeline Program.**

While some commenters (*e.g.*, Sprint Nextel) conflate facilities-based “pay-in-advance” providers like Cricket with non-facilities-based “pre-paid” providers like TracFone and Virgin Mobile, there is a world of difference between the two classes of providers.<sup>17</sup>

Cricket’s “pay-in-advance” service plans demonstrate that wireless providers can responsibly participate in the Lifeline program. More specifically:

- Cricket’s Lifeline subscribers receive *unlimited* local and long-distance calling, which guarantees connectivity for a full month, consistent with the objectives of Section 254 of the Act;
- Cricket does not offer “free” service or Lifeline-only plans—its lowest-cost plan is \$35/month—such that Lifeline subscribers are incented to purchase a service only to the extent they actually need and will use it;
- The overwhelming majority of Cricket’s Lifeline subscribers have no other phone, and they disconnect service at a lower rate than Cricket’s customers

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<sup>17</sup> See Sprint Nextel Corporation Comments at 16 n.32 (“In recent months, numerous non-facilities based carriers (including TracFone, i-wireless, Cricket Communications, [and others]) also have received or have sought Lifeline-only ETC designations from the FCC.”).

generally, demonstrating that Lifeline discounts have been instrumental in ensuring that low-income consumers obtain and retain access to the PSTN;

- Because Cricket’s Lifeline subscribers can purchase any bundled rate plan, including those with broadband Internet access (starting at \$45 per month), Cricket’s approach allows the Lifeline program to advance the Commission’s broadband penetration and utilization goals under existing rules;
- Cricket signs up all Lifeline subscribers in person at Cricket-owned stores or other exclusive dealers, and subscribers must provide photo identification and documentation of participation in a qualifying low-income program where required to do so by applicable state rules.<sup>18</sup> These and other safeguards help achieve the Commission’s objective of preventing duplicative payments (which would be advanced further by the creation of a national eligibility database).

In short, whereas limited-minute prepaid offerings have led to many forms of waste, fraud, and abuse, Cricket’s Lifeline offerings are consistent with program objectives and adhere to stringent safeguards. Any new rules should reflect the critical distinctions between “pay-in-advance” carriers such as Cricket and providers of limited-minute prepaid offerings.

**C. The Opening Comments Support New Safeguards To Prevent the Wasteful Support of Limited-Minute Prepaid Offerings.**

Cricket’s opening comments supported many of the *NPRM*’s proposals to curb waste, fraud, and abuse in the Lifeline program, particularly with respect to limited-minute prepaid offerings.<sup>19</sup> The record reflects broad support for these proposals. The Commission should promptly implement such reforms as set forth below.

*First*, the Commission should require ETCs to charge a minimum monthly fee for Lifeline service to ensure that providers and consumers have appropriate incentives to avoid wasteful spending. As the Indiana Utility Regulatory Commission explained, “as the price of a commodity approaches zero, demand approaches infinity.”<sup>20</sup> For this reason, Lifeline

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<sup>18</sup> As discussed Section II.D, *infra*, Cricket believes that the Commission should adopt a minimum documentation requirement that would apply in every state pending development of a national database to determine eligibility.

<sup>19</sup> Cricket Comments at 5-6.

<sup>20</sup> Indiana Utility Regulatory Commission Comments at 6. Notably, TracFone Wireless, Inc. (“TracFone”) asserts that demand for its service would drop precipitously (by

service offerings that are offered for free, or at negligible cost to the subscriber, invite waste, fraud, and abuse.<sup>21</sup> In contrast, subscribers that pay even a modest monthly charge demonstrate that they value the service received and are likely to use it, while dissuading them from obtaining or retaining unnecessary or duplicative service.<sup>22</sup>

*Second*, the Commission should require ETCs to provide Lifeline plans with unlimited calling, or at least a sufficient number of minutes to constitute a genuine “lifeline” offering. As discussed above, limited-minute prepaid Lifeline offerings do not achieve the core purpose of ensuring continuous connectivity to the PSTN, and as such fail to provide low-income consumers with a true telecommunications “lifeline.”<sup>23</sup> Under a typical 250-minute offering, a Lifeline subscriber could use up his or her allotted minutes in a single day or two, making it impossible thereafter to place vital calls (*e.g.*, to respond to an urgent situation involving a child, to seek out employment, or to obtain medical assistance) without paying inflated per-minute charges that drive the total cost of service well above standard monthly rates available to more affluent consumers. Thus, these plans tend to chill the use of service by low-income consumers, contrary to the objectives of the Act, and they threaten to put continuous connectivity financially out of reach. To address these concerns, the Commission should limit Lifeline support to service plans that offer unlimited calling, or at least should require that such plans provide a minimum allotment of minutes sufficient to

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64.3 percent) if it were to charge for service, TracFone Comments at 21, while at the same time claiming that there is no basis for the “novel” proposition that free service has led to dramatic increases in enrollment and an increased potential for waste, fraud, and abuse. *Id.* at 19.

<sup>21</sup> See CenturyLink Comments at 9

<sup>22</sup> See Cincinnati Bell Inc. Comments at 5; Indiana Utility Regulatory Commission Comments at 6. Critically, the minimum fee need not render service unaffordable.

<sup>23</sup> For example, TracFone notes that its Lifeline subscribers typically select plans with only a 250 minute allowance per month. TracFone Comments at 4. In contrast, Cricket’s customers, which enjoy unlimited calling regardless of their participation in the Lifeline program, use more than 1,500 minutes per month, on average.

ensure that most consumers have effective access to the PSTN throughout the month (*e.g.*, at least 1,200 minutes).<sup>24</sup>

*Third*, the Commission should provide Lifeline support only for those periods in which a carrier is actually providing service to an eligible subscriber. As the Public Utilities Commission of Ohio succinctly put it, “[f]ailure to use the service demonstrates a lack of need for the service.”<sup>25</sup> Accordingly, the record reflects broad support for new rules that would prevent carriers from obtaining Lifeline support for inactive subscribers<sup>26</sup>—*e.g.*, prohibiting ETCs from seeking reimbursement for any Lifeline subscriber who has failed to use his or her service for 30-60 consecutive days.<sup>27</sup> The record also reflects support for allowing limited-minute prepaid ETCs to claim only *pro rata* support for a given month based on the date on which allotted minutes “run out,” to ensure that support is provided only for actual connectivity.<sup>28</sup> Cricket agrees that most of these measures would not be necessary

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<sup>24</sup> Contrary to TracFone’s claims, *see* TracFone Comments at 23, such an approach would be competitively neutral. Notably, the fact that wireline and wireless carriers alike can satisfy such a requirement (as Cricket’s participation in the Lifeline program demonstrates) disposes of any claims of discrimination or unfairness. To the contrary, requiring unlimited calling would provide superior service to low-income consumers and better serve the objectives of Section 254 of the Act.

<sup>25</sup> Public Utilities Commission of Ohio Comments at 9.

<sup>26</sup> *See, e.g.*, Florida Public Service Commission Comments at 12-13; Missouri Public Service Commission Comments at 8.

<sup>27</sup> Cricket Comments at 5. The Commission should not allow Lifeline subscribers to retain service after 60 days of non-use as long as they indicate that they wish to do so, as suggested by TracFone. *See* TracFone Comments at 17-18. This approach would not prevent waste, fraud, and abuse, as subscribers would have every incentive to keep unnecessary service for which they are not paying any charge.

<sup>28</sup> TracFone argues that support for monthly-billed services, many of which provide unlimited calling, should be prorated for any partial month of service because full support “would result in a windfall to the ETC and would represent a waste of USF resources.” TracFone Comments at 36. Cricket already prorates its requests for Lifeline payments when a customer disconnects service mid-month. Yet, TracFone opposes such proration with respect to its own limited-minute service, which does not provide continuous connectivity, and as such does not provide a “full month’s Lifeline benefit.” *Id.* Proration is just as important in the context of prepaid services as with pay-in-advance services.

with respect to carriers like Cricket that bill on a monthly basis, since requiring the customer to pay a monthly fee properly incents the customer to use his or her service.<sup>29</sup>

*Fourth*, the Commission should adopt a “one-per-postal-address” rule to prevent duplicative support, provided that rule allows for appropriate exceptions. Cricket supports a “one-to-a-household” approach that reflects the simple fact that multiple “households” or “residences” could be located at a single postal address.<sup>30</sup> While Cricket recognizes the need for a one-per-household limitation to keep total funding under control, Cricket agrees with many commenters that a strictly construed “one-per-postal-address” rule would “unintentionally deny benefits to those individuals who have a substantial need . . . for Lifeline support”<sup>31</sup>—including those in non-conventional living situations (*e.g.*, shelters, hospitals, treatment centers, and nursing homes).<sup>32</sup> The comments present a number of alternatives that could account for the special circumstances of low-income consumers in such residences,<sup>33</sup> several of which would leverage the knowledge of facility administrators.<sup>34</sup>

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<sup>29</sup> See Florida Public Service Commission Comments at 12-13 (“This process would not be necessary for ETCs that bill their customers on a monthly basis since the ETC would receive payment each month indicating the customer’s desire to maintain the telephone service.”); Nebraska Public Service Commission Comments at 7-8; Verizon Comments at 12.

<sup>30</sup> See Cricket Comments at 8.

<sup>31</sup> Massachusetts Department of Telecommunications and Cable Comments at 5. See also Consumer Groups Comments at 18 (requiring unique postal addresses would “erect barriers to Lifeline service for the sake of administrative efficiency.”).

<sup>32</sup> *Id.*; Connecticut Department of Public Utility Control Comments at 6; Consumer Cellular, Inc. Comments at 17-18; Smith Bagley, Inc. Comments at 10-14; New York State Public Service Commission Comments at 8; The Leadership Conference Comments at 8.

<sup>33</sup> See, *e.g.*, Florida Public Service Commission Comments at 16-17 (suggesting the collection of additional verifying information for low-income consumers without a unique postal address); NASUCA Comments at 18 (proposing to allow states to adopt their own procedures and controls to extend Lifeline coverage to the homeless and others in non-traditional living arrangements); Sprint Nextel Corporation Comments at 12 (suggesting that the Commission take advantage of eligibility screening performed by social service agencies for other public assistance programs).

Cricket looks forward to working with the Commission and other stakeholders to examine these options more closely.

**D. Claims that Additional Safeguards Would Be Untenable Are Unavailing.**

Some commenters argue that additional safeguards, such as those proposed above, would create unwarranted difficulties and prevent carriers from providing valuable service to the public. This simply is not true: Cricket’s own experience as an ETC—and Cricket’s approach to serving value-oriented, low-income consumers with unlimited service on a “pay-in-advance” billing model—demonstrates that it is possible for wireless ETCs to provide high-quality mobile service to low-income consumers in a responsible and cost-efficient manner, while remaining economically viable from the carrier’s standpoint.

Notably, in many cases, asserted difficulties merely reflect the fact that certain prepaid business models are fundamentally incompatible with the objectives of the Lifeline program. For example, COMPTTEL argues that “reporting partial or pro rata dollars when claiming reimbursement would not be possible” for limited-minute prepaid ETCs because a customer could “use all of the prepaid minutes on the first day of service” leaving the ETC without full compensation.<sup>35</sup> However, as the policy objective of the Lifeline program is continuous connectivity, a customer who lacks access to a service for all but one day of the month—or for anything less than a month, for that matter—should not generate a support payment to the carrier premised on a full month of service. In other words, the asserted difficulty results not from a mechanical billing problem to be addressed and overcome, but rather from a misuse of the program that should not be permitted.

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<sup>34</sup> See, e.g., Massachusetts Department of Telecommunications and Cable Comments at 7 (supporting the “involvement of administrators of group living facilities with verifying the applicant’s address and assisting residents in obtaining Lifeline service.”); YourTel America, Inc. Comments at 2-3 (suggesting that stakeholders work with the national database administrator to develop effective eligibility profiles for group living facilities).

<sup>35</sup> COMPTTEL Comments at 10-11.

Similarly, while stringent enrollment and verification safeguards impose costs—such as by requiring company personnel to confirm eligibility by reviewing documentation of participation in a qualifying low-income program—such measures are both feasible and necessary to prevent waste, fraud, and abuse. Thus, while TracFone condemns such safeguards as inappropriate,<sup>36</sup> it fails to recognize that it was not obligated to seek designation as an ETC, and participation in universal service programs was never intended to confer costless benefits on participating providers.

That being said, the Commission can and should examine other measures that might streamline Lifeline administration for all providers. While stringent safeguards are warranted to prevent waste, fraud, and abuse, there is no public policy interest in maintaining unnecessary burdens that fail to advance program objectives. Thus, the Commission should proceed with its proposal to implement a national database to enable real-time eligibility checks, for which there is broad support in the record.<sup>37</sup> As COMPTTEL explains, such a database “would give USAC [and ETCs] the data necessary to determine whether a consumer has applied for support for more than one service at the same address.”<sup>38</sup>

In addition, the Commission should adopt standardized eligibility and verification requirements to streamline program administration across different states, consistent with the *NPRM*. As Cricket explained in its comments, minimum requirements would create greater consistency in eligibility and verification requirements nationally, and would help to eliminate ambiguities in certain state regulatory frameworks and streamline the

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<sup>36</sup> TracFone Comments at 27-29 (contending without support that requiring documentation of program-based eligibility would not curb waste, fraud, and abuse and that low-income consumers would be unable to comply).

<sup>37</sup> See, e.g., CTIA—The Wireless Association Comments at 23, Michigan Public Service Commission Comments at 5; Public Utilities Commission of Ohio Comments at 4, Connecticut Department of Public Utility Control Comments at 7; Minority Media and Telecommunications Council at 6; CenturyLink Comments at 20-21; AT&T Services, Inc. Comments at 11-12.

<sup>38</sup> COMPTTEL Comments at 3.

administration of Low-Income support programs by ETCs.<sup>39</sup> For example, Cricket supports a provision requiring all Lifeline applicants to produce documentation of their program-based eligibility, at least until the national database discussed above has been implemented fully. Cricket believes that this requirement would help to limit the potential for waste, fraud, and abuse and thus is worth implementing, even though doing so would increase compliance costs for carriers that currently do not require such documentation.

Finally, the Commission should adopt a uniform Lifeline discount in lieu of the complicated four-tier scheme that exists now, which makes the Lifeline discount unnecessarily difficult for wireless ETCs to administer given variation in Subscriber Line Charges (SLCs).<sup>40</sup> Apart from such variation, the use of SLCs in calculating Lifeline discounts inappropriately ties those discounts to legacy wireline fee structures, even though SLCs simply are not relevant in the wireless context. Accordingly, Cricket reiterates its suggestion that the Commission award monthly Lifeline support per line in an amount equal to one-half of total charges for “voice telephony service,” up to a maximum of \$13.50.

### **CONCLUSION**

Cricket urges the Commission to adopt additional safeguards for the Lifeline program in a manner consistent with these reply comments and Cricket’s opening comments. Cricket is willing and eager to participate in any workshops or on a task force to explore the issues addressed herein in greater detail, and otherwise looks forward to working with the Commission and interested stakeholders to develop and implement constructive solutions to the problems faced by low-income consumers.

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<sup>39</sup> Cricket Comments at 11.

<sup>40</sup> See COMPTTEL at 25.

Respectfully submitted,

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