

Cricket Communications

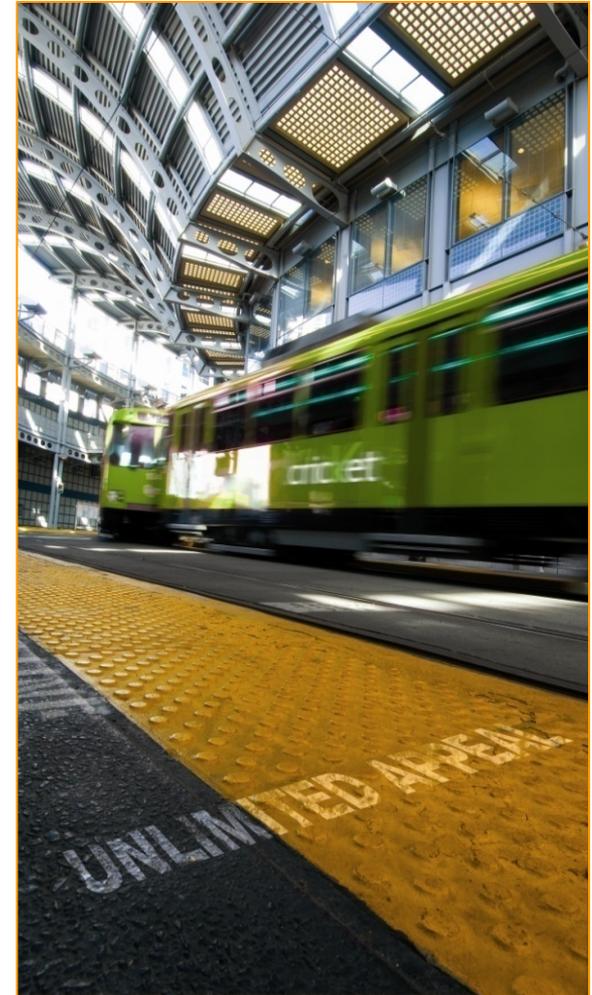
How Cricket Does Lifeline Right

August 2011

Cricket Background



- Parent Company - Leap Wireless International, Inc. (NASDAQ: LEAP)
- Founded in 1998
- Headquartered in San Diego, CA
- Markets in 35 states; 95.3 million CPOPs; Nationwide Coverage
- Over 5.8 million customers
- 7th Largest Wireless Provider in US

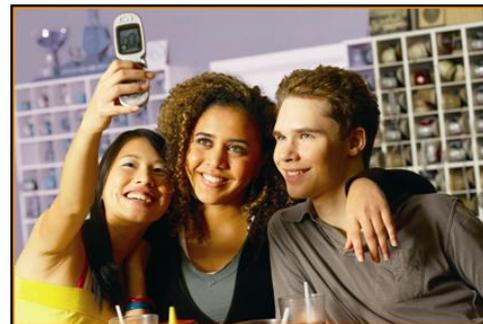
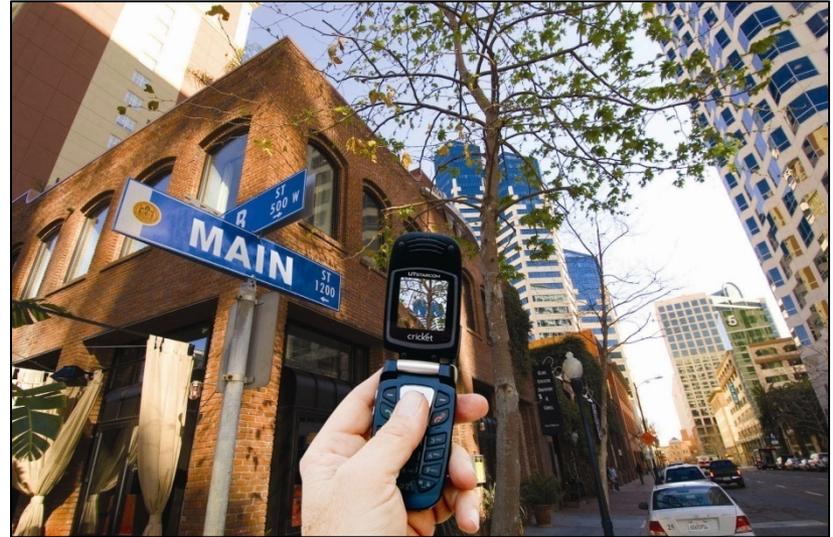


Consumer Focused Business Model



cricket[®]

- **Unlimited, Flat-Rate Mobile Voice and Data Services**
- **No Long-Term Service Contracts**
- **No Early Termination Fees**
- **No Credit Checks**
- **Underserved Customer Demographics**
- **Simple, Easy-to-Understand Pricing & Predictable Bills**





Who is Cricket?

~60% From Ethnic Groups*

~50% Younger Than 35*

~80% Earn Less Than \$50,000/yr*

>90% Use Cricket as Primary Phone

>70% Use Cricket as Only Phone**

~1,500 minutes/month average**

~40 text messages per day**



Communication Services for an Underserved Customer

*Industry Average: 25% from Ethnic Groups, 45% younger than 35, 40% of US households have an income under \$50K

**Industry Average: 25% mobile as only phone, 600 minutes/month and 15 text messages each day

Source: Cricket CSAT Survey March 2010, Cricket customer database, Yankee Group, Nielson

confidential/proprietary

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Cricket Lifeline Product



- Cricket Offering

- Qualified customers will receive a monthly discount of \$13.50 / \$10.00* off of any Cricket rate plan depending on the state in which they reside
- Cricket Lifeline offering clearly indicates that it is supported by Lifeline. Our product name is "Cricket Lifeline Credit"
- Cricket Lifeline offering is only available on our pay-in-advance product

- Unlimited Cricket Rate Plans

- All rate plans include unlimited local and long distance calling with nationwide coverage
- Lowest rate plan - \$35 includes: Unlimited Local, Long Distance, Text Messaging, Voice Mail, Caller ID and Caller ID Blocking.
- Most popular plan - \$45 includes the above plus: Call Waiting, 3-Way Calling, Unlimited Picture & Video Text Messaging, Unlimited International Text Messaging, Unlimited Directory Assistance and Mobile Web coverage (allows subscriber access to the internet)
- Cricket also offers consumers affordable phone options

KEEPS YOU **CONNECTED**
KEEPS YOU **ON BUDGET**

cricket
lifeline credit

See if you're eligible for a
\$13.50
monthly credit toward
your wireless bill.

Millions of Americans already
benefit from this program.
You could too.

SEE STORE FOR A
REQUEST FORM
TODAY

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* \$12.30 discount in Missouri due to lower subscriber line charge

What Cricket Does Right



FCC Concern	Cricket	Traditional Pre-Pay
Product Name Reference Lifeline (Cricket Lifeline Credit)	Y	N
Customer Pays for Service	Y	N
Unlimited Number of Minutes	Y	N
Requests Reimbursement Only for Days Customer Was Active	Y	N

Cricket Lifeline Credit

- Lifeline credit is a discount of up to \$13.50 off of customer's regular bill
- Unlimited local, long distance with texting and other features
- Many safeguards against fraud, waste and abuse built into our procedures for certifying and verifying lifeline customers

Cricket Lifeline – Internal Procedures



- Cricket has established tight internal procedures to prevent against fraud, waste and abuse of government resources
- Cricket customers must self-certify in their Lifeline application* and annually follow the federal verification procedures.
- Customers receive detailed warnings and must expressly acknowledge and certify under penalty of perjury that they:
 - Will be required to verify continued eligibility
 - Will notify Cricket immediately if they cease to participate in the eligible programs
 - Understand Lifeline is available only for one residential phone line per household (either wireline or wireless but not both).
- Additionally, Cricket performs monthly reconciliation between our Lifeline database and our billing system. One of the steps performed is to check for duplicate addresses.
- As soon as a customer disconnects from Cricket service we remove him/her from Lifeline and discontinue requesting low income reimbursement.

*Some states have their own customer Lifeline certification processes which Cricket follows, eliminating the need for Cricket's own self-certification process.

Cricket Lifeline Presence



- Applications Approved:

- Oregon – Launched March 2010
- Missouri – Launched June 2010
- Maryland – Launched June 2010
- South Carolina – Launched expanded area August 2010
- Illinois (Chicago area only) – Launched December 2010
- California – Launched March 25, 2011

- Applications Pending:

- FCC – District of Columbia, New York, North Carolina, Virginia and Tennessee
- Pennsylvania
- Arizona
- Colorado
- Illinois (southern IL)
- Ohio

Conclusion



- The Commission should promptly grant Cricket's pending forbearance petition to enable Cricket to serve Lifeline subscribers in additional states, while avoiding unnecessary boundary-modification proceedings.
- The Commission also should grant Cricket's request for designation as a Lifeline-only ETC in NY, NC, VA, TN, and DC to help address the needs of underserved low-income consumers in those states.
- The Commission should pursue reforms of Lifeline as proposed in the NPRM, as set forth in Cricket's comments.