



November 18, 2011

Via Electronic Submission

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th St., SW, Room TW-A325
Washington, DC 20554

**Re: Ex Parte Communication
WC Docket No. 11-42**

Dear Ms. Dortch:

Today, Charles McKee and I of Sprint Nextel Corp. met with Lisa Hone of Commissioner Copps' office to discuss the Lifeline and Link Up USF programs. Consistent with its filings in the above-captioned proceeding,¹ Sprint raised the following points:

First, Sprint urged that the Low Income fund not be capped, because such action would be contrary to the goal of ensuring universal service to the most economically vulnerable Americans. A cap on the Low Income fund is likely to depress participation rates at a time when there are over 46 million Americans living below the poverty line,² and there are serious implementation problems associated with enforced rationing of this benefit.

Second, Sprint expressed its opposition to proposals to require Lifeline subscribers to pay some dollar amount each month towards their Lifeline service, since such a requirement could constitute a substantial burden on this market segment (a large percentage of which does not have a checking account, debit card, credit card, or other payment vehicle, and for whom a payment of even a few dollars a month could be a genuine hardship). This proposal also would impose an administrative and financial burden on prepaid wireless Lifeline service providers which do not send out monthly invoices.

Third, if the Commission were to adopt a rule requiring proof of eligibility from potential Lifeline subscribers, Sprint recommended collection of such documentation during the application process, with self-certification of on-going eligibility during the annual verification process. Sprint noted that this documentation could include highly personal and confidential information and that it would be inappropriate to require the ETC to retain such information.

Fourth, Sprint recommended re-purposing Link Up benefits to fund a broadband pilot program for Lifeline subscribers. We noted that Assurance Wireless does not assess a service activation

¹ See, e.g., Sprint's comments filed April 21, 2011 and reply comments filed May 10, 2011 in WC Docket No. 11-42.

² U.S. Census Bureau, "Income, Poverty and Health Insurance Coverage in the United States: 2010," released Sept. 13, 2011.

fee, and that the Link Up benefit (unchanged since it was established in 1987) may not reflect the reasonable costs of service activation.

Finally, Sprint disputed the notion that the Lifeline program is plagued by rampant, widespread "fraud." To the contrary, for a typical Assurance Wireless customer, Lifeline service is a desperately needed safety net, not a luxury, a convenience, or a scam. For example, a recent survey of Assurance Wireless subscribers generated the following the customer profile:

- Average household income of \$15,000 per year (83% had household income below \$15,000);
- Average age = 51 years old;
- 53% female;
- 47% Caucasian, 40% African American, and 7% Hispanic;
- 64% are wireless-only (no landline service);
- 52% are new to wireless service (Assurance Wireless Lifeline service is their first wireless service);
- 80% had only the basic Lifeline service in the month surveyed.

Pursuant to Section 1.1206 of the Commission's Rules, a copy of this letter is being filed electronically in the above-referenced docket. 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

c: Lisa Hone