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December 6, 2011

VIA ELECTRONIC FILING

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W., Room TW-B204
Washington, DC 20554

Re: Smith Bagley, Inc.
WC Docket No. 11-42 and 03-109

Madam Secretary:

In accordance with Section 1.1206 of the Commission's rules, 47 C.F.R. § 1.1206, we hereby provide you with notice of an oral ex parte presentation in connection with the above-captioned proceeding. On December 1, 2011, undersigned counsel, on behalf of Smith Bagley, Inc. ("SBI"), met with Zac Katz, Sharon Gillett, Carol Matthey and Jamie Susskind to discuss universal service support on tribal lands.

SBI discussed the extraordinary economic conditions present on the five Native American lands that it serves, highlighting economic data from the Navajo Nation. We discussed the need for Lifeline reform to focus support to areas most in need. On Navajo, for example, many homes continue to lack access to basic services, including power, plumbing and telecommunications. Many substandard housing units are located away from roads, in areas that present substantial challenges for traditional utilities to string power and telephone wires.

Many of these households are poverty-stricken. They often include the elderly, adults and children within the same unit, or community of units. When adults leave for any reason, they must have a mobile telephone to remain in communication with the home, and to make other calls. That creates a significant health and safety benefit at the home, which is left without telephone service.

To remedy this situation, SBI has advocated supported Lifeline service for “one per adult” in situations where the household income is below the federal poverty rate. Funding one per adult would further the Congressional goal of providing these citizens with access to modern telecommunications services that are reasonably comparable to others across the country.

SBI also presented demographic data on Navajo to provide the Commission with suggested means of limiting a “one per adult” rule to areas that have extraordinary needs. The poverty rates, per capita income levels, telephone penetration, and other statistics are all useful measuring sticks for the Commission to consider when attempting to target Lifeline support to areas most in need. SBI also suggested that the performance metrics set forth in the FCC’s NPRM in this proceeding (FCC 11-32 at paras. 34-37) can be used to determine when the statutory goals are being met.

SBI also discussed the lack of U.S. Postal Service addressing on Navajo. As of March, 2011, the Navajo Nation had established uniform addressing throughout only ten of 110 chapters. Not surprisingly, areas without addresses are often the most in need, as hogans and trailers are often located off of established roads. Areas that lack appropriate addresses present significant challenges in obtaining annual verification of program eligibility. Many of SBI’s Lifeline customers do not have regular mail service at home and return rates on surveys and re-certification efforts are much lower than average. SBI asked the Commission to take these extraordinary circumstances into account when establishing certification and verification procedures going forward, and committed to study how it can effectively communicate with consumers in remote areas who are less likely to be responsive and provide further suggestions to the Commission.

SBI also noted that its tribal customers depend on Linkup benefits. SBI waives that portion of the activation fee not covered by the federal program for its tribal Lifeline customers, many of whom find even half of an ordinary activation fee unaffordable.

In sum, targeting Lifeline funding to communities most in need best furthers program goals. Improving health and safety of Americans living in poverty, in remote areas, with limited access to telecommunications, must be a top priority.

If you have any questions or require any additional information, please contact undersigned counsel directly.

Marlene H. Dortch, Secretary

December 6, 2011

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A copy of materials distributed at the meetings is enclosed for the record.

Sincerely,

A handwritten signature in black ink, appearing to read "David A. LaFuria".

David A. LaFuria
Counsel for Smith Bagley, Inc.

cc: Zac Katz, Esq.
Sharon Gillett, Esq.
Carol Matthey, Esq.
Jamie Susskind, Esq.

Enclosures