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December 1, 2011

VIA ECFS

FILED/ACCEPTED

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

DEC 01 2011
Federal Communications Commission
Office of the Secretary

**Re: Cricket Communications, Inc., Notice of Ex Parte Communication,
WC Docket Nos. 09-197, 11-42, 03-109 & CC Docket No. 96-45**

Dear Ms. Dortch:

On November 30, 2011, Russell Merbeth, Vice President, Government Affairs of Cricket Communications, Inc. (“Cricket”) and the undersigned met with Zachary Katz, Chief Counsel and Senior Legal Advisor to Chairman Genachowski, and Sharon Gillett, Carol Matthey, Trent Harkrader, Kimberly Scardino, Robert Finley, and Garnet Hanly of the Wireline Competition Bureau regarding potential reforms to the Commission’s Lifeline program. Cricket encouraged the Commission to take a number of important steps to streamline its administration of the Lifeline program while reducing the potential for waste, fraud, and abuse. More specifically, Cricket urged the Commission to:

- Require Lifeline applicants in all states to provide written documentation of program-based or income-based eligibility *prior* to enrollment, in order to curb the potential for waste, fraud, and abuse;
- Require Lifeline carriers in all states to charge a minimum monthly service fee for Lifeline service, in order to ensure that subscribers are incented to purchase ~~only~~ that service they truly need and will use;
- Require Lifeline carriers in all states to offer Lifeline subscribers unlimited usage, or a sufficient allotment of minutes per month to reasonably ensure continuous access to the public-switched telephone network (“PSTN”) for the entire month—consistent with the objectives of the Lifeline program (in the alternative, Cricket recommended requiring carriers to disclose the total cost that an average subscriber should expect to pay in order to maintain such connectivity—including the cost of any additional minutes not included in the base plan);
- Adopt a flat reimbursement structure for the Lifeline program that does not depend on any subscriber line charge (“SLC”), as wireless carriers do not impose

such charges and incur significant costs attempting to ascertain incumbent SLC rates over large and diverse wireless service areas; and

- Eliminate Link Up support, as most carriers have foregone activation fees over time as a result of declining costs and competitive pressures, such that Link Up support provides little benefit while inviting waste, fraud, and abuse.

In addition, Cricket is providing the following information for the record, in response to questions asked by Commission staff during the meeting:¹

- Cricket's analysis indicates that, in any given month, approximately [REDACTED] percent of Cricket's Lifeline subscribers deactivate their accounts—as compared with approximately [REDACTED] percent of Cricket's subscribers generally. This disparity confirms that the Lifeline subsidy has a significant positive impact on the ability of Cricket's low-income subscriber base to maintain continuous access to the PSTN.
- Two states—Maryland and Missouri—currently require Cricket to review documentary evidence to establish an applicant's program-based eligibility to participate in the Lifeline program. In Cricket's experience, the vast majority (upwards of 80 percent) of applicants in these states provide Food Stamp or Medicaid cards for this purpose, and most of the remaining applicants establish their eligibility using a single page of documentation (*e.g.*, a Supplemental Security Income award letter).
- Cricket receives state Lifeline support only in Oregon, *i.e.*, in only one of the eight states in which it has been designated as an eligible telecommunications carrier. The relevant ETC requirements in the other states are designed for incumbent local exchange carriers and have not enabled participation by Cricket. As a result, in states other than Oregon Cricket itself contributes between [REDACTED] and [REDACTED] to each subscriber's monthly Lifeline discount (depending on the applicable state discount and the SLCs) in order to ensure that subscribers benefit from Tier 3 federal support. While Cricket's contribution (and the state contribution in Oregon) has entitled it to receive Tier 3 support in seven states, Cricket has been unable to receive any Tier 3 support in Colorado based on the contention that its lack of eligibility to receive state universal service support (irrespective of any provider contribution) prevents it from receiving federal Tier 3 support.

Please contact the undersigned if you have any questions about these issues.

¹ Portions of this information are being submitted pursuant to the Protective Order adopted by the Commission in WC Docket No. 11-42, and are redacted in the public version of this filing.

LATHAM & WATKINS^{LLP}

Sincerely,

/s/ Matthew A. Brill

Matthew A. Brill
Jarrett S. Taubman

Counsel to Cricket Communications, Inc.

cc: Zachary Katz
Sharon Gillett
Carol Matthey
Trent Harkrader
Kimberly Scardino
Robert Finley
Garnet Hanly