

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554**

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

**REQUEST OF TRACFONE WIRELESS, INC. TO INCLUDE
THE CHILDREN’S HEALTH INSURANCE PROGRAM IN
THE LIST OF QUALIFYING ASSISTANCE PROGRAMS**

TracFone Wireless, Inc. (“TracFone”), by its attorneys, hereby requests the Commission to include the Children’s Health Insurance Program (“CHIP”) in the list of qualifying assistance programs for Lifeline in Commission Rule 54.409(a)(2) (47 C.F.R. § 54.409(a)(2)). The Commission’s grant of this request will advance the goal of ensuring universal availability of telecommunications services to low-income consumers.¹ In addition, inclusion of CHIP as a qualifying assistance program for Lifeline will remedy the existing unfair discriminatory treatment of CHIP participants whereby CHIP participants in some states qualify for Lifeline while CHIP participants in other states do not.

¹ See 47 U.S.C. § 254 (b)(3).

BACKGROUND

The Commission recently adopted a series of reforms related to the Lifeline program funded by the Universal Service Fund.² The Commission concurrently issued a notice of proposed rulemaking in which it sought comment on various issues and proposals to continue its goal of further reforming and modernizing the Lifeline program. The Commission received initial comments and reply comments regarding its Notice, but has not issued any orders in the rulemaking proceeding.

Among the issues on which the Commission requested comment was whether the Commission should add the Special Supplemental Nutrition Assistance Program for Women, Infants, and Children (“WIC”) to the list of qualifying federal assistance programs for Lifeline.³ The Commission noted that WIC, as a program that provides “direct nutritional supplementation, nutrition education and counseling, and increased access to health care and social service providers for pregnant, breastfeeding, and postpartum women; infants; and children up to the age of five years” functions as a complement to the National School Lunch Program’s free lunch program, a qualifying program for Lifeline that provides to low-income children enrolled in school.⁴ TracFone and numerous other commenters in this proceeding overwhelmingly agreed that the Commission should expand the Lifeline eligible groups to include participants in WIC to enable additional low-income households to receive free or discounted telephone service. For reasons similar to those which warrant inclusion of WIC as a qualifying program, TracFone

² Lifeline and Link Up Reform and Modernization et al., WC Docket No. 11-42 *et al.*, (*Report and Order and Further Notice of Proposed Rulemaking*), FCC 12-11 (rel. Feb. 6, 2012) (“Lifeline Reform Order” or “Notice”).

³ See Notice, ¶ 483.

⁴ Id., ¶ 484.

requests the Commission also consider as part of this proceeding whether to further expand the list of qualifying federal assistance programs for Lifeline to include CHIP.

REQUEST

Commission Rule 54.409(a) provides that to qualify as a low-income consumer eligible to receive Lifeline benefits, (1) a consumer's household income must be at or below 135% of the Federal Poverty Guidelines for a household of that size; or (2) the consumer, one or more of the consumer's dependents, or the consumer's household must receive benefits from one of several federal assistance programs; or (3) the consumer must meet eligibility criteria established by a state for its residents. The current list of federal qualifying assistance programs includes the following: Medicaid; Supplemental Nutrition Assistance Program; Supplemental Security Income; Federal Public Housing Assistance (Section 8); Low-Income Home Energy Assistance Program; National School Lunch Program's free lunch program; and Temporary Assistance for Needy Families.⁵

Medicaid, which provides medical assistance to low-income persons, is jointly financed by the Federal and State governments and administered by States.⁶ CHIP, like Medicaid, is also jointly financed by the Federal and State governments and administered by States.⁷ CHIP provides health coverage to children in low-income families with income that exceeds the income requirement to qualify for Medicaid, but who cannot afford private health coverage. Therefore, CHIP acts a complementary program to Medicaid by focusing on children in low-income families who may not otherwise qualify for health coverage. The Commission should add CHIP as a qualifying assistance program to ensure the availability of affordable

⁵ 47 C.F.R. § 54.409(a)(2).

⁶ 42 C.F.R. § 430.0.

⁷ 42 C.F.R. § 457.1.

telecommunications service to low-income households. CHIP provides health care benefits to children in low-income households, just as the National School Lunch Program's free lunch program provides nutritional assistance to children in low-income households. The Commission has recognized the importance of providing Lifeline benefits to households that include children participating in the School Lunch program. Similarly, the Commission should allow households with children who participate in CHIP to qualify for Lifeline benefits.

The Commission should also include CHIP as a qualifying assistance program to address the current discriminatory treatment of CHIP participants that results when CHIP participants in some states qualify for Lifeline while CHIP participants in other states do not. Under CHIP, states can elect to obtain health benefits for their qualifying low-income residents either through (1) a separate child health program; (2) Medicaid expansion program; or (3) a combination program.⁸ When a state elects the third option of using a combination program, it "implements both a Medicaid expansion program and a separate child health program."⁹ As of September 2011, 17 states have separate child health programs, 7 states and the District of Columbia have an expanded Medicaid programs, and 26 states have combination programs.¹⁰

Under this structure, a child who receives CHIP benefits in a state that provides such benefits as part of an expanded Medicaid plan will enable his or her household to qualify for Lifeline benefits based on the child's participation in Medicaid. In contrast, a child who receives CHIP benefits in a state that has a separate child health program will not enable his or her household to qualify for Lifeline benefits because the child is not a Medicaid participant. In

⁸ 42 C.F.R. § 457.70(a).

⁹ 42 C.F.R. § 457.10.

¹⁰ See Children's Health Insurance Program - Plan Activity as of September 22, 2011, available at <http://medicaid.gov/CHIP/CHIP-Program-Information.html>, viewed on July 12, 2012.

states that have a combination program, a household's eligibility to receive Lifeline benefits depends on whether a child in the household receives CHIP benefits as a result of meeting the eligibility criteria for an expanded Medicaid program (in which case the household would qualify for Lifeline) or a separate child health program (in which case the household would not qualify for Lifeline). Such a structure unfairly favors those low-income households that include a CHIP participant who happens to live in a state that elected to administer CHIP by either expanding the state's Medicaid program or by creating a combination program in which the CHIP participant qualifies for benefits under the state's Medicaid program. A system under which some CHIP participants qualify for Lifeline while others do not is unjustly discriminatory and should not be countenanced by the Commission. Lifeline is a national program. One of the important purposes of the recent Lifeline Reform Order was to make the program more uniform nationally, while allowing states flexibility to make certain modifications. For example, the programs enumerated in the Commission's rules are qualifying programs in all states. States may add to that list but may not subtract from the list of national qualifying programs. CHIP, like Lifeline, is a national program notwithstanding the fact that it is administered differently in different states. TracFone believes that CHIP participants in all states should be Lifeline-eligible. Therefore, TracFone requests that the Commission expand the list of qualifying assistance programs to include CHIP so as to remove the existing disparate treatment of low-income households that have CHIP participants.

CONCLUSION

TracFone respectfully requests that the Commission grant its request to include CHIP as a qualifying assistance program for Lifeline. The Commission's grant of this request will ensure

that low-income households in all states receive the free and discounted telecommunications service to which they are entitled under the Lifeline program.

Respectfully submitted,

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