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July 23, 2013

**VIA ECFS**

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

Re: Notice of Written Ex Parte Presentation - WC Docket Nos. 11-42, 03-109, CC Docket No. 96-45

Dear Ms. Dortch:

Global Connection Inc. of America d/b/a Stand Up Wireless (“Global Connection”) hereby clarifies the record in response to a statement made by TracFone Wireless, Inc. (“TracFone”) regarding Global Connection in its reply comments filed regarding its petition for rulemaking. In short, TracFone referenced a Daily Mail article about sting operations conducted by James O’Keefe’s Project Veritas and incorrectly stated that, “a consumer acquired a handset from a Stand Up Wireless location in Philadelphia even when the consumer stated to the sales representative that his intent was to sell the phone to obtain money to buy drugs.”<sup>1</sup> This statement is not true – in fact none of Mr. O’Keefe’s actors obtained a handset from Stand Up Wireless in Philadelphia or anywhere else. Further, none of the actors was enrolled in Lifeline service with Stand Up Wireless. Therefore, nothing in the Project Veritas stunt with respect to Stand Up Wireless had any financial impact whatsoever on the Low-Income Fund.

In its petition for rulemaking TracFone asks the Commission to prohibit in-person distribution of wireless handsets in connection with enrolling consumers in the Lifeline program largely because, it argues, such business models drive negative news stories that “besmirch” the Lifeline program. Global Connection, along with a large number of other parties, have opposed that petition for several reasons, including the fact that rigorous compliance controls will curb actual and perceived waste, fraud and abuse, not an ETC’s preferred method of handset

<sup>1</sup> Reply Comments of TracFone Wireless, Inc., WC Docket Nos. 11-42, 03-109 and CC Docket No. 96-45, n.13 (filed July 2, 2013).

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distribution.<sup>2</sup> Further, negative news stories can also result, and have resulted, from TracFone's preferred business model of mailing phones to customers.<sup>3</sup>

Further, the Commission's recently issued *June 2013 Lifeline Reform Order* effectively moots TracFone's core concern that in-person handset distribution promotes fraud based on the purported inability of ETCs to verify subscriber eligibility before distributing the handsets.<sup>4</sup> In the *June 2013 Lifeline Reform Order*, the Commission made it clear that "ETCs must make the required determination of eligibility 'prior to enrolling a new subscriber in Lifeline.'"<sup>5</sup> Furthermore, "[b]ecause the determination of eligibility must be made before the enrollment process is completed, it also must occur before the ETC may activate any phone that the ETC indicates will be used for Lifeline service."<sup>6</sup> As such, the Commission has now addressed and resolved the foundational asserted concern underlying TracFone's petition.

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<sup>2</sup> See Comments of Joint Commenters, WC Docket Nos. 11-42, 03-109 and CC Docket No. 96-45 (filed June 17, 2013) ("Joint Comments") and Reply Comments (filed July 2, 2013).

<sup>3</sup> See Joint Comments at 11 ("Indeed, some of the most salacious and memorable press coverage of the program involved reported instances of a solicitation sent to a U.S. Senator highlighting that there was 'no proof required' to enroll in that ETC's Lifeline service, and stories about handsets mailed to deceased persons" citing Barnini Chakraborty, *Lawmaker looks to rein in program after free cellphones sent to dead people*, FoxNews.com (Mar. 11, 2013); Ben Terris, *2 Dead People Got Free Phones, 1 GOP Lawmaker Eyes an Opening*, National Journal (Feb. 26, 2013)).

<sup>4</sup> See *Petition for Rulemaking to Prohibit In-Person Distribution of Handsets to Prospective Lifeline Customers; Lifeline and Link Up Reform and Modernization et al.*, WC Docket Nos. 11-42 et al., CC Docket No. 96-45, *Petition for Rulemaking*, at 6 (May 13, 2013).

<sup>5</sup> *Lifeline and Link Up Modernization and Reform*, WC Docket No. 11-42, Order, DA-13-1441, ¶ 5 (rel. June 25, 2013) ("*June 2013 Lifeline Reform Order*").

<sup>6</sup> *Id.*

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In accordance with the Commission's rules, this letter is being filed electronically for inclusion in the public record of the above-referenced proceedings. Please feel free to contact the undersigned with any questions.

Respectfully submitted,



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Joshua T. Guyan

cc: Kimberly Scardino  
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