

LATHAM & WATKINS LLP

July 26, 2013

VIA ECFS

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

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Re: Cricket Communications, Inc. Notice of *Ex Parte* Presentation
WC Docket Nos. 11-42, 03-109, 96-45

Dear Ms. Dortch:

On July 24, 2013, Julie Buechler and Sara Bogen of Cricket Communications, Inc. (“Cricket”) and the undersigned, outside counsel to Cricket, met with Radhika Karmarkar and Michelle Schaefer of the Wireline Communications Bureau to discuss potential changes to the Lifeline program.

First, Cricket noted that it is actively engaged in efforts to develop the National Lifeline Accountability Database (“NLAD”), and urged the Commission to continue its efforts to identify and overcome potential implementation issues in the near term. Among other things, Cricket highlighted the need to adopt clear procedures governing the transfer of Lifeline benefits from one eligible telecommunications carrier (“ETC”) to another following a customer’s selection of a new provider, as well as changes in “household” status at a given address.

Second, Cricket reiterated its opposition to TracFone’s proposal to ban the in-person distribution of handsets to Lifeline customers. Cricket expressed its continued support for the Commission’s efforts to curb waste, fraud, and abuse in the Lifeline program, but observed that TracFone’s proposal would threaten to undermine those efforts and other important Lifeline program objectives. More specifically, Cricket explained that:

- (i) TracFone’s proposal would needlessly impede one of the most effective channels for marketing Lifeline services to low-income consumers—namely, in-store sales;
- (ii) there is no basis for asserting that in-person handset distribution leads to waste, fraud, and abuse, particularly as TracFone itself appears to acknowledge that the real issue is the improper verification of customer eligibility—an issue arising in many distribution contexts and already addressed by the Commission’s rules;

- (iii) in-store handset distribution actually is *less* likely to lead to waste, fraud, and abuse than other distribution methods—including those employed by TracFone—because photo ID can be checked and other documentation can be viewed “live”; and
- (iv) TracFone’s proposal is starkly anticompetitive and seemingly designed to derail the business models of competitors while having no impact on TracFone itself.

Accordingly, Cricket urged the Commission to reject TracFone’s proposal.

Third, Cricket expressed its support for certain aspects of the petition submitted by the “Lifeline Reform 2.0 Coalition,” including proposals to require ETCs to: (i) check photo ID and retain eligibility documentation when enrolling Lifeline customers; (ii) provide Lifeline customers with live customer support; (iii) comply with the same audit requirements regardless of size; and (iv) de-enroll customers upon request. At the same time, Cricket raised concerns with respect to other aspects of the petition. In particular, Cricket observed that prohibiting ETCs from using trained agents to review Lifeline applications would increase administrative costs needlessly, as these agents are subject to the same requirements as employees and the ETC ultimately remains liable for their compliance with applicable program rules. Similarly, Cricket opposed the Coalition’s proposal to ban the transfer of a Lifeline customer’s *handset* to another individual (particularly where a handset has been purchased by the customer)—although Cricket supports a ban on the transfer of supported Lifeline *service* (including minutes) in this fashion. Cricket also noted that the Coalition’s proposal to increase tracking and reporting of data regarding individual enrollment locations would impose significant costs on ETCs with little offsetting benefit.

Finally, in response to a question from staff, Cricket reiterated its longstanding position that the most effective measure the Commission could take to curb waste, fraud, and abuse in the Lifeline program would be to require ETCs to offer plans with a minimum monthly charge and/or minimum allotment of monthly minutes (which, among other benefits, would facilitate continuous connectivity throughout each month, rather than only a few hours of usage per month).

Please contact the undersigned should you have any questions.

Sincerely,

/s/ Matthew A. Brill

Matthew A. Brill
Jarrett S. Taubman

Counsel to Cricket Communications, Inc.

cc: Radhika Karmarkar
Michelle Schaefer