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June 20, 2014

**VIA ECFS**

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

**Re: Lifeline Reform 2.0 Coalition Notice of Oral *Ex Parte* Presentation;  
WC Docket Nos. 11-42, 09-197**

Dear Ms. Dortch:

On June 18, 2014, Brian Lisle of Telrite Corporation, Dave Skogen of Global Connection Inc. of America, Jeni Kues of i-wireless LLC, Lauren Moxley of Blue Jay Wireless, LLC, Chuck Campbell of CGM, LLC and John Heitmann and Joshua Guyan of Kelley Drye & Warren LLP met with Vicki Robinson, Jonathan Lechter (by phone), Garnet Hanly, Anita Patankar-Stoll, Michelle Schaefer and Chris Cook of the Wireline Competition Bureau (“Bureau”) to discuss our recent work supporting the Lifeline program and the Lifeline Reform 2.0 Coalition reform proposals.<sup>1</sup>

**Lifeline-Enabled Success Stories and Initiatives**

Representatives of each of the ETCs provided an update regarding their operations and described some important and innovative initiatives that the companies have undertaken to maximize the benefits of the Lifeline program for the low-income communities they serve. Lauren Moxley described one of Blue Jay’s investor’s longstanding support of the Samaritan Inn, the largest homeless shelter in Collin County, Texas. Based on this relationship, Blue Jay began providing Lifeline services to Lifeline-eligible residents at the Samaritan Inn in

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<sup>1</sup> The Lifeline Reform 2.0 Coalition is comprised of the four eligible telecommunications carriers (“ETCs”) represented at this meeting: Blue Jay Wireless, LLC; Global Connection Inc. of America; i-wireless LLC; and Telrite Corporation.

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order to help them graduate from homelessness to employment. Blue Jay developed strong relationships with many of the residents and has thus far provided jobs to 20 people from the Inn, including its current warehouse manager, which is a management position with important responsibilities over one of Blue Jay's most valuable assets – its wireless handsets. Several other employees hired from the Samaritan Inn started stacking handsets in the warehouse and have subsequently been promoted. These stories about people succeeding are Lifeline-enabled success stories, which Blue Jay hopes to replicate in other states. In addition to helping residents of the Inn to connect to job opportunities elsewhere in the Dallas area, Blue Jay has created jobs to support its service as a Lifeline provider in Texas and 14 other states as well as Puerto Rico.

Jeni Kues described i-wireless' focus on bringing the Lifeline program to communities with eligible low-income Americans through creative problem solving. The company is in the process of developing a pilot relationship with a school where almost 90 percent of the students are eligible for the National School Lunch Program's free school lunch, and thus their households are eligible for Lifeline. At this school the teachers are not only concerned with implementing engaging and educational lesson plans, but also whether the students have a clean and safe home and enough food to sustain them through the weekend.

i-wireless organizes informal events designed to educate the students' parents on the benefits of the Lifeline program and enroll those that are eligible and interested in receiving the benefit. For each qualified enrollment, i-wireless makes a contribution to the school. The result is a win-win-win: the eligible household participates in Lifeline and receives affordable mobile wireless service; i-wireless acquires new Lifeline customers needed to grow its business; and the school benefits from a fundraising opportunity to buy what it needs to improve the educational experience of these disadvantaged children.

Brian Lisle discussed Telrite's efforts to remove a barrier to program participation recently adopted in Georgia. Along with i-wireless and CTIA-The Wireless Association, Telrite appealed a recently adopted Georgia Public Service Commission ("GPSC") rule requiring Lifeline service providers to impose a \$5 minimum charge on low-income Georgians for Lifeline service or alternatively to provide a minimum number of minutes that could not be offered to eligible consumers free of charge. The appellants argued that the rule constituted impermissible state rate regulation of wireless services in violation of Section 332(c) of the Communications Act.<sup>2</sup> On December 17, 2013, the court granted a preliminary injunction, finding that "the

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<sup>2</sup> Many Lifeline customers in Georgia, like in other states, currently receive Lifeline service (250 minutes) at no cost to the customer, including from Telrite and i-wireless. The amended rule required that Lifeline providers either charge at least \$5.00 per month for Lifeline service or provide customers with a minimum of 500 minutes per month. The 500 minute minimum was designed to force a minimum charge because no Lifeline provider can provide 500 minutes for free.

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requirement to bill and collect a minimum service rate of \$5.00 per month is clearly a rate regulation” and “[t]he alternative minimum service requirement of 500 minutes per month also regulates rates.”<sup>3</sup> Notably, the court found that “the public interest tilts in favor of providing telephone services to low-income households that otherwise would be unable to afford mobile phones.”<sup>4</sup> On June 11, 2014, upon joint motion of the parties, the court stayed the proceeding pending settlement by the parties. We expect the GPSC to repeal the rule that had threatened to serve as an insurmountable barrier to participation in the Lifeline program for many low-income Georgians.

Dave Skogen described a new wireless data offering that Global Connection is developing and expects to roll-out this summer. To date, there has been a limited focus on selling bundled service offerings to wireless Lifeline customers. Global Connection d/b/a Stand Up Wireless is looking to change that by launching new suite of data-enabled prepaid products through a network of 20,000 retail locations in lower income areas. Under this initiative, customers will be able to purchase an Internet enabled smartphone for as little as \$45.00 and have voice, text and data service for as low as \$7.95 per month after the Lifeline discount.

As entrepreneurial companies, these ETCs look forward to working with the Commission, state commissions, consumers and other members of the Lifeline ecosystem to find the best ways for the Lifeline program to evolve. In today’s society, mobility and broadband are not luxuries. By enabling affordable access to mobile broadband, the Lifeline program can truly be one of the most important private/public partnerships in terms of its potential to change for the better the lives of the people it serves.

These Lifeline stories and more also were presented as part of a briefing that was held on June 17 and sponsored by the Congressional Black Caucus and Congressional Hispanic Caucus regarding the virtues of the Lifeline program. At the briefing, Professor David Super of the Georgetown Law Center discussed how Lifeline can help low-income individuals juggle shifts at multiple part-time jobs and deal with the constant interviewing process that exists for such jobs, as well as how having access to affordable communications allows other federal benefits programs to work more efficiently. Further, Marti Doneghy of AARP and Michael Scurato of the National Hispanic Media Coalition participated in a panel discussion regarding the Lifeline program, the good it does now and its promise to do more in the future. The event was supported by the Lifeline Connects Coalition, which is presently comprised of Blue Jay

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<sup>3</sup> *CTIA v. Echols*, Civil Action No. 1:13-CV-399-RWS, Order at 4 (N.D.G.A Dec. 17, 2013).

<sup>4</sup> *Id.* at 5.

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Wireless, Global Connection, i-wireless and Telrite. Each company participated in the panel discussion. The briefing materials provided are included herein as an Exhibit.

### **Further Lifeline Reforms**

We also discussed the reforms proposed by these ETCs as the Lifeline Reform 2.0. Coalition, which includes establishing minimum state eligibility database standards to ensure that eligible consumers are not denied benefits owed due to issues with state eligibility databases.<sup>5</sup> The Coalition members work with many state eligibility databases and have found that many need improvement. However, we believe that the New York and Florida databases (when available) meet the Coalition's proposed minimum standards and several other databases are close.

We are also able to accept the Maryland and Puerto Rico databases because even though they do not provide a real-time application programming interface ("API"),<sup>6</sup> they provide the subscriber database to ETCs, which can upload those lists for real-time enrollment checks. It should be noted, however, that these databases are not ideal because they are only updated once per month and many low-income individuals will become eligible by enrolling in one of the qualifying programs during the course of any given month. For example, according to the Fiscal Year 2011 SNAP State Activity Report (the latest report available), the number of people served by SNAP increased by 4.4 million between 2010 and 2011, which is a monthly average of 367,000.<sup>7</sup> That means an average of 367,000 people became newly eligible for Lifeline service each month and would not be found in a state eligibility database that is updated monthly. The Coalition considers turning away eligible consumers from receiving critical communications

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<sup>5</sup> See Lifeline Reform 2.0 *Ex Parte*, WC Docket No. 11-42 at 5-9 (Apr. 14, 2014).

<sup>6</sup> In order to be effective, eligibility databases should function to allow ETCs to build an API into the database for real-time responses. Many ETCs engage in face-to-face Lifeline enrollments either in ETC-branded stores or at mobile enrollment events, which allow the ETCs to see the applicant, check photo ID (as necessary or desired) and show approved applicants how to activate and use their wireless handset. For such enrollments, ETCs like the Coalition members have real-time Internet connectivity to their enrollment backbone, which allows the ETCs to check their own subscriber databases, state duplicates databases and NLAD for duplicates and service territory databases prior to approving the application. If a state eligibility database requires an end-of-month batch submission process, rather than a real-time API access, ETCs are not able to check the applicant's eligibility in real-time so that they can confirm eligibility and send the customer home with an activated handset that the applicant knows how to use to immediately connect to jobs, healthcare, emergency services and family.

<sup>7</sup> See United States Department of Agriculture, SNAP State Activity Report, Fiscal Year 2011 at 4, available at [http://www.fns.usda.gov/sites/default/files/2011\\_state\\_activity.pdf](http://www.fns.usda.gov/sites/default/files/2011_state_activity.pdf).

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services because the state database is not updated on a timely basis to be repugnant no matter how often it occurs.

Some databases need improvement because they are only available during limited days and hours. Many Lifeline enrollment events are conducted on the weekends, for example, in connection with a church after Sunday services, because the church leadership recognizes a need in their community and invites an ETC to set up an event and enroll eligible consumers. The ETC cannot enroll such customers in real-time if the state database is not available. It should be noted that the Commission designed and implemented the National Lifeline Accountability Database (“NLAD”) to operate 24/7, recognizing the need for flexibility in real-time Lifeline enrollments. The Commission should expect that state eligibility databases will also be available when eligible Lifeline applicants are being enrolled.<sup>8</sup> A consumer that is down on his or her luck and needs a mobile phone to juggle multiple part-time jobs with changing shifts should not be denied Lifeline service because he or she cannot get to a Lifeline provider storefront or event during “normal” business hours.

In addition, state eligibility databases should check the applicant based on last name, date-of-birth and last four digits of social security number (“SSN”). Those are the fields the NLAD uses and they either do not change or rarely change. State databases should not include an address-related field because the low-income population is more likely to change addresses more frequently than those that have access to more stable housing. Including an address-related field does not gain anything when already checking, for example, the date-of-birth and last four digits of the SSN, but it can exclude many eligible consumers from receiving their benefits.

### **A Public Notice Clarification Is Needed Now to Prevent Eligible Consumers From Being Denied Benefits Due to State Eligibility Databases Issues**

Finally, we further described our position that if a state eligibility database does not meet the minimum standards or otherwise is unable to verify an individual’s eligibility, then the Commission’s ambiguous rules should be read to allow eligible Lifeline applicants to enroll in Lifeline service by showing documentation of eligibility even if they are not found in a state eligibility database.<sup>9</sup> This interpretation of the rule is consistent with the Bureau’s interpretation

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<sup>8</sup> We propose that state eligibility databases be available at least from 8am until 9pm seven days a week.

<sup>9</sup> See Telrite Corporation, Boomerang Wireless and i-wireless Notice of *Ex Parte*, WC Docket No. 11-42 at 5-6 (Dec. 11, 2013); Lifeline Reform 2.0 Coalition *Ex Parte*, WC Docket No. 11-42 at 8-9 (Apr. 14, 2014); and Lifeline ETC *Ex Parte*, WC Docket No. 11-42 at 4 (May 21, 2014).

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of the Lifeline re-certification requirement in situations where state eligibility databases do not find the subscriber. In an October 2012 Public Notice, the Bureau stated its policy with respect to re-certification:

If there is a database in the state, but the ETC or state agency cannot re-certify the subscriber through that database (*i.e.*, the subscriber cannot be found in the database), the state agency or ETC may re-certify the continued eligibility of a subscriber by obtaining a signed certification from the subscriber that meets the requirements of 47 C.F.R. § 54.410(d).<sup>10</sup>

The Bureau should take similar action here and it should do so without further delay. The Coalition calls upon the Bureau to promptly remove this ambiguity by issuing a Public Notice making clear that ETCs can use an exceptions process to view proof of eligibility to enroll eligible Lifeline applicants when they are not found in a state database that does not meet minimum standards or otherwise appears to be deficient. The alternative of turning away eligible low-income consumers and denying them Lifeline benefits to which they are entitled puts ETCs and those consumers in an untenable position that the Bureau easily should find to be unacceptable.

The Coalition looks forward to continuing its work with the Commission, state commissions, consumers and other stakeholders to support and promote the Lifeline program and the direct and indirect positive effects it has on our low-income communities.

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<sup>10</sup> *Wireline Competition Bureau Reminds Carriers That They Must Re-Certify Eligibility of All Lifeline Subscribers By December 31, 2012*, WC Docket Nos. 11-42, 03-109, 12-23 and CC Docket No. 96-45, Public Notice, DA 12-1626 (2012).

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This letter is being filed electronically for inclusion in the public record of the above-referenced proceeding. Please feel free to contact the undersigned with any questions.

Respectfully submitted,

A handwritten signature in blue ink that reads "John J. Heitmann". The signature is written in a cursive style with a large initial "J" and "H".

John J. Heitmann  
Joshua T. Guyan

*Counsel to Lifeline Reform 2.0 Coalition*

cc: Vicki Robinson, WCB  
Jonathan Lechter, WCB  
Garnet Hanly, WCB  
Anita Patankar-Stoll, WCB  
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Chris Cook, WCB