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June 9, 2006

VIA ELECTRONIC FILING

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

Re: CC Docket No. 96-45
Notice of Ex Parte Presentations

Dear Ms. Dortch:

On May 24, 2006, F.J. Pollak, President and CEO of TracFone Wireless, Inc., Cesar Conda of Navigators, LLC, and I met with Chairman Kevin J. Martin, and with Messrs. Ian Dillner and Fred Campbell, both members of Chairman Martin's staff. Following that meeting, on June 5, 2006, Mr. Pollak sent a letter to Chairman Martin thanking him for meeting with us. The letter also reiterated TracFone's concerns regarding proposals to change the manner in which contributions to the Universal Service Fund are assessed and inquired about the status of TracFone's pending applications for designation as an Eligible Telecommunications Carrier (ETC) in eight states. TracFone is anxious to be designated as an ETC so that it can introduce its Lifeline program to qualified low income consumers.

In accordance with the requirements of Section 1.1206 of the Commission's rules, a copy of Mr. Pollak's letter to Chairman Martin is enclosed herewith so that it may be filed in the record of this proceeding. Pursuant to Section 1.1206(b) of the Commission's rules, this letter is being filed

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electronically in the above-captioned docket. If you have questions regarding this submission, please communicate directly with undersigned counsel for TracFone.

Sincerely,

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

Mitchell F. Brecher

Enclosure

cc: The Honorable Kevin J. Martin
Mr. Ian Dillner
Mr. Fred Campbell
Mr. F.J. Pollak
Mr. Cesar Conda



wireless, inc. 8390 NW 25th Street | Miami, FL 33122

June 5, 2006

Hon. Kevin J. Martin
Chairman
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: CC Docket No. 96-45
Universal Service

Dear Chairman Martin:

Thank you for taking the time to meet with me on May 24. I and my colleagues at TracFone Wireless, Inc. appreciate your willingness to consider our points of view on Universal Service Fund (USF) contributions and other important policy matters affecting the telecommunications industry.

As we discussed, TracFone remains concerned that a shift from the current revenues-based contribution methodology to a methodology based on working telephone numbers would result in potentially devastating changes to TracFone's cost model and would impede its ability to continue to provide affordable wireless service to low volume, low income consumers. Indeed, imposition of a \$1.00 monthly per number charge would increase TracFone's USF contributions from 10.9 percent of its interstate revenues (the Commission's current contribution factor) to approximately 170 percent of its interstate revenues. That increase would either have to be added to TracFone's retail charges or absorbed internally since TracFone, as a prepaid provider, has no opportunity to recover USF contributions through billed charges. Since our service is not a "by month" service, it is really not possible to have this type of charge on prepaid services, which is something that Verizon Communications has indicated in recent USF filings.

TracFone is encouraged by recent news reports that the Commission will shortly be considering adoption of an interim adjustment order which would impose universal service contribution obligations on Voice over the Internet Protocol service providers and would raise the wireless safe harbor to a more realistic level. As we have discussed previously, TracFone has available to it the information needed to identify which of its traffic is interstate and which of its revenues are derived from interstate service. For that reason, TracFone has consistently reported its actual interstate revenues and knows of no reason why other wireless providers cannot do the same. TracFone believes that all carriers should report their interstate revenues rather than rely on a safe harbor. Although it questions the need for a wireless safe harbor, it applauds the proposed increase as a step in the right direction.

More importantly, the interim steps being contemplated by the Commission will afford the Commission and the industry some additional time to address the continued growth of the USF and to undertake responsible steps to control the size of the fund while ensuring sufficient funding to achieve the goals of universal service in an efficient manner. We at TracFone believe the USF funding should be available to those providers who can deliver service to consumers in the most efficient manner and that USF funding should be targeted to those persons and areas which truly need support from the federal fund.

On a separate, but related matter, TracFone continues to have pending before the Commission eight applications for designation as an Eligible Telecommunications Carrier to offer Lifeline service in eight states (New York, Florida, Virginia, Connecticut, Massachusetts, North Carolina, Tennessee, and Alabama). These applications have been pending since 2004. Although the Commission granted TracFone's petition for forbearance in September 2005 and although TracFone submitted to the Commission in October 2005 a compliance plan explaining how it would meet the various conditions attached to the grant of the forbearance petition, it still has not been awarded ETC status and is unable to offer its Lifeline service to low income consumers.

TracFone is anxious to provide Lifeline service as an ETC. As you may be aware, TracFone was among the industry leaders in providing Lifeline service to Hurricane Katrina victims under the Commission's Katrina Lifeline Assistance program enrolling nearly 30,000 Katrina victims. Although TracFone is disappointed that the Commission chose not to grant its request to extend the program, it believes that its participation in that program demonstrates its commitment to Lifeline and to making Lifeline work for those consumers who can benefit from it.

Again, thank you for your time and consideration. We look forward to continuing to work with you and your colleagues at the Commission on these important matters.

Sincerely,

A handwritten signature in black ink, appearing to read 'F.J. Pollak', with a long horizontal flourish extending to the right.

F.J. Pollak
President and Chief Executive Officer

cc: Mr. Cesar Conda
Mr. Ian Dillner
Mr. Fred Campbell