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September 16, 2008

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
WC Docket No. 05-337
NOTICE OF EX PARTE PRESENTATION

Dear Ms. Dortch:

On September 15, 2008, F.J. Pollak, President and Chief Executive Officer, TracFone Wireless, Inc., and I met with Scott Bergmann, Legal Advisor to Commissioner Jonathan S. Adelstein. During the meeting, we discussed two matters: i) TracFone's proposal to base Universal Service Fund contributions by providers of prepaid wireless services on a USF By the Minute plan in the event that the Commission establishes a universal service contribution methodology based on working telephone numbers; and ii) an update on TracFone's efforts to offer Lifeline service under the brand name SafeLink Wireless in states where TracFone has been designated as an Eligible Telecommunications Carrier either by the Commission or by a state public service commission.

We provided Mr. Bergmann with several documents which are included with this letter. The first document is a description of TracFone's USF By the Minute proposal. The second document is a report issued by CTIA-The Wireless Association® captioned "CTIA's Wireless Subscriber Usage Report." This report was released in May 2008 and contains year-end results of CTIA's semi-annual wireless industry survey. We directed Mr. Bergmann's attention to Table 17 of that report which indicates that the national average minutes of use per post-paid wireless customer was 826 minutes for the reporting period. That is the number used in the example of TracFone's USF By the Minute plan description in its presentation document. We also provided a copy of CTIA's Wireless Principles for 9-1-1 Fees and Surcharges. That document advocates use of a percentage-based fee rather than a flat monthly fee as a means for collecting 9-1-1 fees on the sale of prepaid wireless services. That approach is similar to TracFone's USF By the Minute plan.

During the discussion of TracFone's Lifeline service implementation, we provided two sets of materials. The first is a compilation of news clips associated with TracFone's August 2008

introduction of the SafeLink program in the State of Tennessee. The second includes a sample advertisement and several fact sheets regarding the SafeLink service.

Pursuant to Section 1.1206(b) of the Commission's rules, this letter and accompanying materials are being filed electronically. Please direct any questions to undersigned counsel for TracFone Wireless, Inc.

Sincerely,

Mitchell F. Brecher

cc: Mr. Scott Bergmann

Attachments

TRACFONE®
wireless, inc.

USF Presentation
September 2008

TRACFONE wireless, inc.

About TracFone

- TracFone is the largest provider of prepaid wireless service in the U.S. today serving over 10 million customers in all 50 states, Puerto Rico and the U.S. Virgin Islands.
- TracFone has three (3) brands today:
  - TracFone: Phones start under $10 and customers can pay $20 every 3 months to maintain service. Low-volume users – low cost to get and maintain service
  - NET10: Every minute is $0.10 with unlimited carryover. Texting is $0.05. Unlike most others, there are no tricks or gimmicks and no other daily or monthly charges.
  - Safe-Link: New Lifeline program. Free phones and free monthly minutes for Lifeline-qualified households in select states. Operational in TN and FL so far.
- TracFone does not own a network but uses the networks of AT&T, Verizon Wireless, T-Mobile, Alltel, US Cellular and others.
- Prepaid wireless service is ideal for people who cannot, or do not want to commit to spend $40 or more a month on wireless service.
  - Many prepaid customers are low to middle income - 50% of TracFone customers earn less than $25,000 per year
- With prepaid, there are no bills, no contracts, and no term or volume commitments. The service is not generally a "monthly" service. Imposition and recovery of fees and taxes are very problematic.

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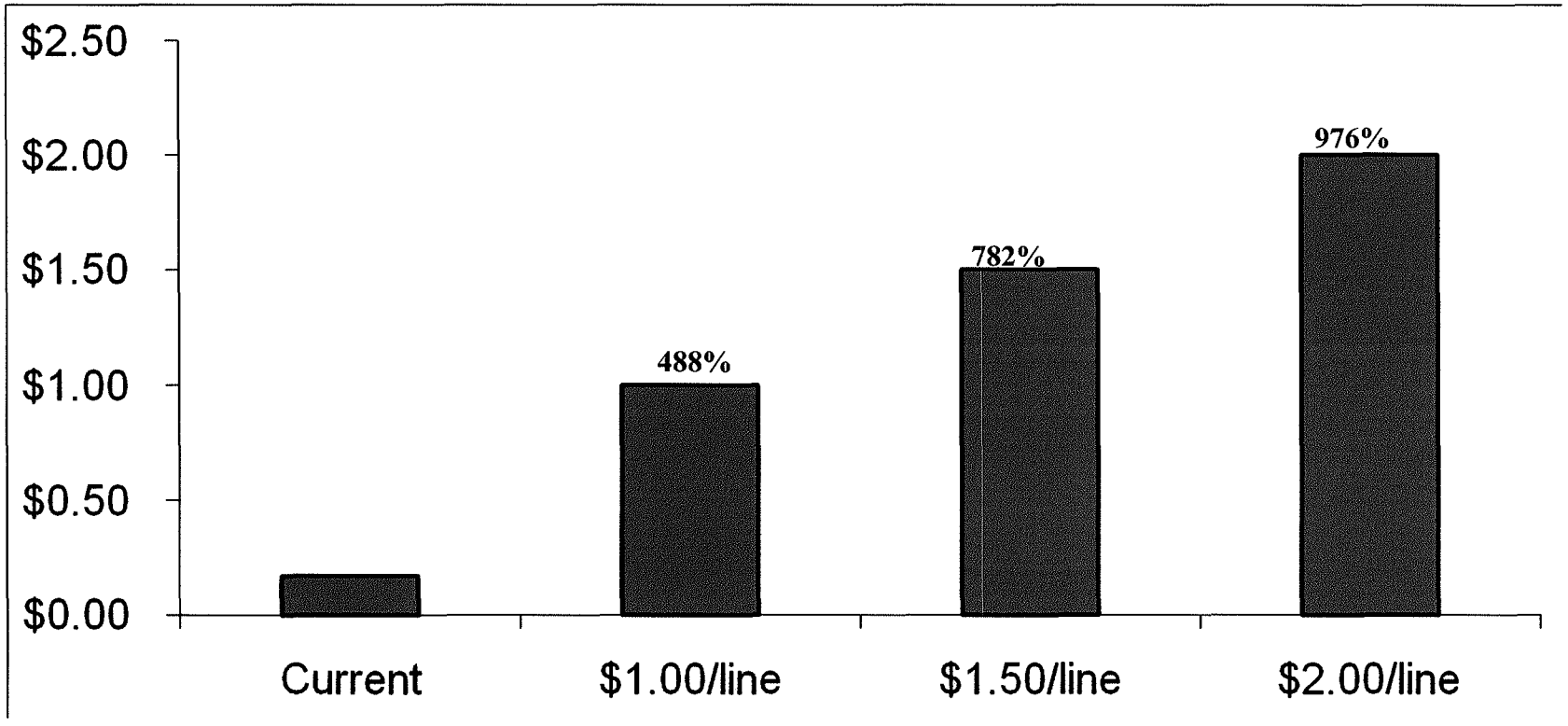
Average Monthly USF Cost per TRACFONE Subscriber



If the FCC decides to adopt a flat, numbers-based or connections-based USF tax and does not accommodate low-volume users like those served by TRACFONE, those users would be hit HARD. A $1.00 fee would increase current contributions by almost 500%!

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USF By Minute Plan

- A change to Numbers would have a devastating impact on TracFone and other prepaid providers and their customers.
- To recognize this problem and to develop a fair, equitable and competitively neutral method to impose USF contributions on prepaid wireless, TracFone has created and proposed to the FCC in June 2007 the following "USF By Minute" numbers plan for prepaid wireless.
- Carriers will be given the option to submit USF payments for their pay-as-you-go prepaid customers in the following manner:
  1. The current Numbers Fee would be divided by the average postpaid wireless customer minutes of use (as reported semi-annually by CTIA). This would create a "prepaid minute factor"
  2. The carrier would apply that factor against all of its prepaid minutes of use each month and remit USF fees according to this formula
  3. No carrier would be required to remit fees in excess of the current, numbers fee under this plan (that would be the cap)

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By Minute Plan - Example

- According the CTIA, the average postpaid customer used 826 minutes for the period ending December 2007 (the most recent report).
- Assume that the USF Numbers Fee is $1.50 per month per number or connection:

1. Divide $1.50 by 826 minutes to calculate minute factor = ($0.00181598)
2. Assume the prepaid carrier's pay-as-you-go customers generated 1 billion minutes during the month . Assume they have 10 million customers.
3. The prepaid carrier would remit 1 billion minutes x $0.00181598 or $1,815,981 in USF payments that month.
4. The average monthly contribution per customer would be around $0.18, which is similar to current contribution levels based on current interstate revenues for customers who generate this level of monthly usage.
5. Note: In no event would the contribution be over $1.50 per customer (that would be the maximum cap).

TRACFONE wireless, inc.

Summary

- Chairman Martin has said publicly that prepaid wireless service would need to be given an accommodation in the event a numbers-based USF fee were adopted. In May 2007, in remarks at a USF By the Numbers Coalition conference, Chairman Martin noted the special circumstances of prepaid wireless providers and low income consumers and said that the FCC must address contribution solutions which would enable prepaid wireless to contribute in a reasonable manner if a numbers-based methodology is adopted.

- Since prepaid wireless service is not a monthly, billed service and since minutes can be used as quickly or as slowly as customers choose, flat monthly fees are not an appropriate way to obtain USF contributions on such services. In addition, there is no available mechanism for collection of monthly fees on prepaid (non-billed) services, such as prepaid wireless services.

- TracFone's USF By Minute Plan is a fair, equitable and competitively neutral method for converting a numbers fee into a minute charge that would not cause a drastic, material increase in current contribution levels for prepaid wireless providers and their customers.

- Over 1.5 million prepaid wireless customers and many consumer groups have written letters to the FCC and Members of Congress urging fair treatment of prepaid wireless if there is a change in USF funding methodology

CTIA Public Affairs

A Department of CTIA–The Wireless Association®

CTIA's Wireless Subscriber Usage Report

A Special Report from CTIA based on CTIA's Semi-Annual Wireless Industry Survey Results

Year-End 2007 Results

RELEASED MAY 2008

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As previously noted, these figures can also be used, in conjunction with the average reported subscriber figures previously derived, to determine approximate total MOUs per subscriber per six-month period and per month. A table providing such information follows.

Table 15: Average Monthly MOUs - General

Survey Period	Total Reported Billable MOUs (Local and Roaming)	Average Reported Subscribers	MOUs per Reported Subscriber 6 Month Figures	MOUs per Reported Subscriber Monthly Figures
Jun-93	8,118,112,222	11,195,062	725	121
Dec-93	11,042,862,055	13,154,439	839	140
Jun-94	12,460,449,648	16,371,077	761	127
Dec-94	14,489,550,591	20,227,897	716	119
Jun-95	17,021,040,684	24,564,479	693	115
Dec-95	20,746,082,039	28,950,162	717	119
Jun-96	23,605,016,721	33,177,499	711	119
Dec-96	28,365,183,455	37,932,137	748	125
Jun-97	28,343,684,855	43,559,728	651	108
Dec-97	34,579,397,600	49,191,970	703	117
Jun-98	38,392,165,259	54,849,030	700	117
Dec-98	50,618,273,378	62,061,911	816	136
Jun-99	64,122,381,178	68,649,711	934	156
Dec-99	83,603,577,602	75,120,441	1,113	185
Jun-00	111,350,283,893	83,919,047	1,327	221
Dec-00	147,404,575,234	96,177,594	1,533	255
Jun-01	197,461,159,508	104,875,550	1,883	314
Dec-01	259,503,005,717	113,762,146	2,281	380
Jun-02	292,500,881,300	122,358,425	2,391	398
Dec-02	327,232,951,341	127,645,620	2,564	427
Jun-03	380,540,921,550	135,629,561	2,806	468
Dec-03	449,335,930,248	147,686,558	3,043	507
Jun-04	516,117,318,696	156,990,279	3,228	548
Dec-04	585,174,443,040	166,969,773	3,505	584
Jun-05	675,093,728,284	180,468,996	3,741	623
Dec-05	820,353,241,698	193,134,883	4,248	708
Jun-06	857,645,545,360	206,584,440	4,152	692
Dec-06	940,716,039,965	219,569,626	4,284	714
Jun-07	1,014,363,042,053	230,391,901	4,403	734
Dec-07	**1,104,283,435,898**	**239,452,020**	**4,612**	**769**

*Explicitly includes prepaid MOUs from 1999 forward

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The figures reported above demonstrate the long-suspected decline in average MOUs per month per subscriber during the early to mid-1990s had some *apparent* basis. However, they also demonstrate that the decline flattened out, and reversed itself towards the end of the decade. The precise nature of the trend was difficult to determine with respect to the earliest of past periods – once again, because of the incomplete nature of the responses to the MOU-related questions. A selective sort of the recently-submitted data, limited to those respondents who provided all of the component information (beginning and ending subscriber numbers, and total billable minutes), provides overall subscriber MOU numbers which generally parallel the overall industry figures generated by the total subscriber data, differing by only a nominal amount for most periods.

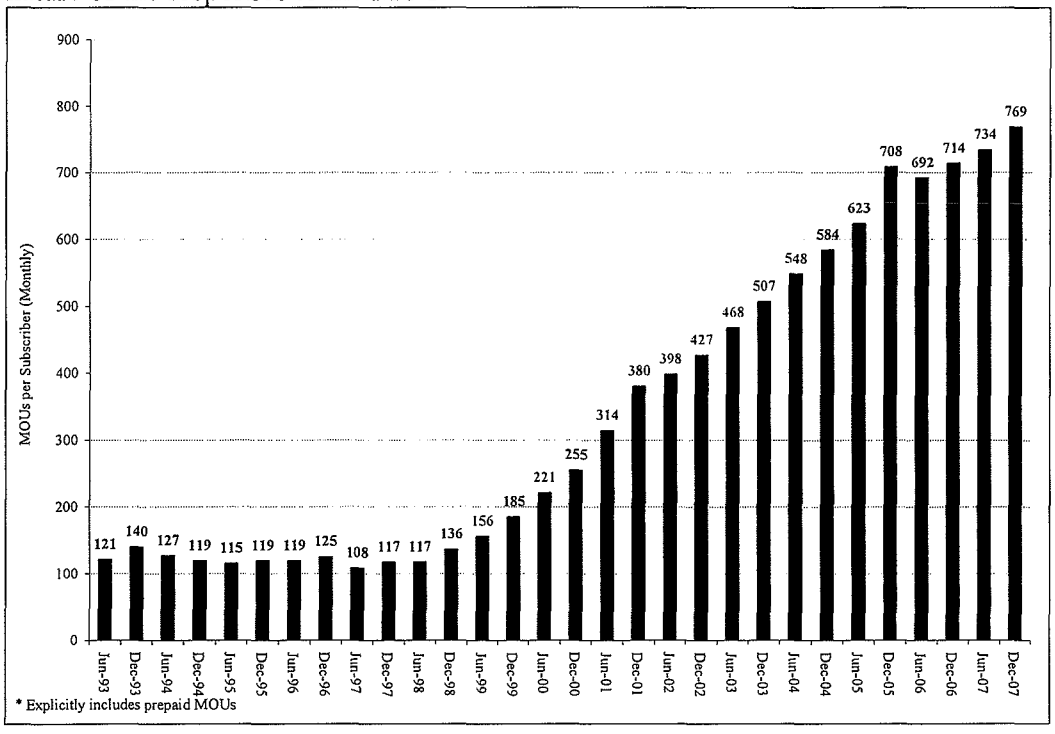

Chart 9: MOUs per Subscriber

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Table 16: Average Monthly MOUs - Selected Sort - Prepaid and Postpaid

Survey Period	Total Reported Billable MOUs (Local and Roaming)	Average Reported Subscribers	MOUs per Reported Subscriber 6 Month Figures	MOUs per Reported Subscriber Monthly Figures
Jun-97	28,190,460,219	42,654,453	661	110
Dec-97	34,577,799,038	47,737,437	724	121
Jun-98	38,210,763,111	52,211,883	732	122
Dec-98	50,612,062,892	59,164,538	855	143
Jun-99	64,122,381,178	61,383,649	1,074	174
Dec-99	83,603,577,602	70,518,470	1,186	198
Jun-00	111,350,252,857	81,529,682	1,366	228
Dec-00	147,404,575,234	92,334,605	1,596	266
Jun-01	197,461,159,508	102,720,227	1,922	320
Dec-01	259,503,005,717	112,775,139	2,301	384
Jun-02	292,500,881,300	121,018,830	2,417	403
Dec-02	327,232,951,341	127,596,238	2,565	428
Jun-03	380,540,921,550	133,797,761	2,844	474
Dec-03	449,335,930,248	142,905,540	3,144	524
Jun-04	516,117,318,696	153,794,020	3,356	559
Dec-04	585,174,443,040	163,725,635	3,574	596
Jun-05	651,304,467,856	157,447,541	4,137	689
Jun-05	651,304,467,856	157,447,541	4,137	689
Dec-05	816,327,324,349	183,989,449	4,437	740
Jun-06	855,171,936,114	197,246,733	4,336	723
Dec-06	936,731,651,841	210,000,810	4,461	743
Jun-07	1,011,111,281,192	225,845,773	4,477	746
Dec-07	**1,104,283,435,898**	**235,311,405**	**4,693**	**782**

* Explicitly includes prepaid MOUs from 1999 forward

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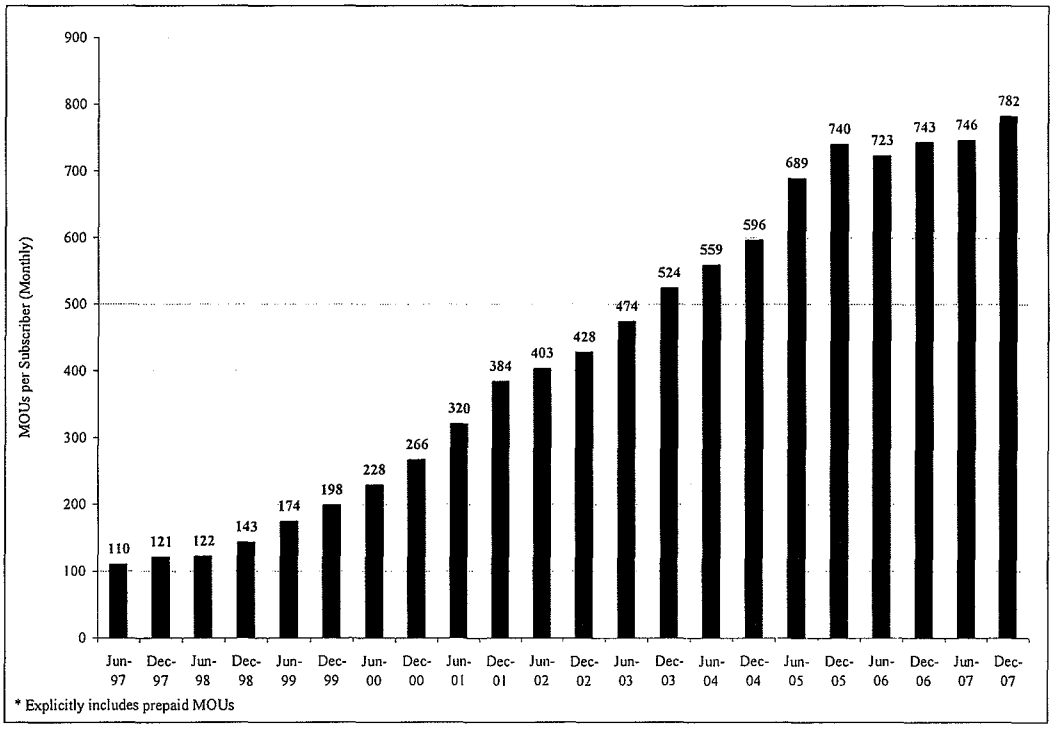

Chart 10: MOUs per Subscriber (Select Sort)

According to this select sort, from December 2000 to December 2001, monthly MOUs per subscriber increased 44.4 percent. From December 2001 to December 2002, monthly MOUs per subscriber increased 11.5 percent. From December 2002 to December 2003, monthly MOUs per subscriber increased 22.4 percent – almost double the increase in the prior year. From December 2003 to December 2004, monthly MOUs per subscriber increased 13.7 percent. From December 2004 to December 2005, monthly MOUs per subscriber increased 24.7 percent. From December 2005 to December 2006, monthly MOUs per subscriber increased by a nominal 0.4 percent, in large part as a result of incomplete responses in the December 2006 timeframe. But from December 2006 to December 2007, monthly MOUs per subscriber rose 5.3 percent. On a June-to-June basis, monthly MOUs increased 20.3 percent June 2000 to June 2001, 25.9 percent June 2001 to June 2002, 17.6 percent from June 2002 to June 2003, 17 percent from June 2003 to June 2004, 23.4 percent from June 2004 to June 2005, 4.9 percent from June 2005 to June 2006, and 3.2 percent from June 2006 to June 2007.

The volume of usage per subscriber appearing in the above table, however, includes both prepaid and postpaid subscribers and prepaid and postpaid minutes of use. The average usage appearing in the above table therefore may be dampened, since prepaid subscribers generally use fewer minutes. If we extract the prepaid subscriber base and prepaid

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MOUs from the overall total subscriber base of the traditional licensees and their associated reported MOUs, a postpaid-only measurement of subscriber usage for these companies would be possible. The following table and chart indicate the results of this calculation for the license-holding companies providing all components – total beginning and ending subscribership, beginning and ending prepaid subscribership, and local, roaming and prepaid minutes.

Table 17: Average Postpaid MOUs per Postpaid Subscriber – Select Sort

	Beginning Total Subscribers	Ending Total Subscribers	Average Total Subscribers	Derived Average Postpaid Subscribers	Average Postpaid MOUs
Dec-01	107,155,330	118,394,948	112,775,139	105,697,072	405
Jun-02	117,458,966	124,578,693	121,018,830	113,471,024	424
Dec-02	123,444,713	131,748,064	127,596,389	120,103,636	449
Jun-03	129,954,490	137,641,032	133,797,761	126,111,361	496
Dec-03	138,037,168	147,773,911	142,905,540	133,835,094	552
Jun-04	148,918,505	158,669,534	153,794,020	143,386,389	590
Dec-04	157,050,242	170,401,027	163,725,635	151,087,368	638
Jun-05	152,353,548	162,541,534	157,447,541	144,593,471	736
Dec-05	176,920,175	191,049,722	183,984,949	171,301,034	781
Jun-06	190,761,897	203,731,568	197,246,733	182,414,168	757
Dec-06	204,002,575	215,999,044	210,000,810	193,357,340	780
Jun-07	221,163,456	230,528,089	225,845,773	207,703,419	788
Dec-07	**233,120,040**	**245,783,999**	**239,452,020**	**215,118,505**	**826**

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Wireless Principles for 9-1-1 Fees and Surcharges

The goal of the wireless industry is to work with state policymakers and public safety officials to ensure that E911 service is a coordinated and collaborative operation between the private and public sector to provide quality E911 service at a reasonable cost. Wireless consumers provide significant capital to support public safety, through their payment of taxes, fees and surcharges. This funding is extremely critical to our nation's public safety systems, making it possible to obtain the necessary infrastructure to receive and act on wireless calls to emergency responders. These wireless calls help to save lives, locate missing children and prevent numerous crimes.

Wireless carriers annually collect nearly $2 billion dollars of dedicated taxes, fees and surcharges from wireless consumers for the purpose of supporting and upgrading the technical capabilities of the 6,174 Public Safety Answering Points (PSAPs) that exist across the country. In addition to the nearly $2 billion dollars annually collected from consumers and remitted to state and local governments, wireless service providers have also expended billions to modify their networks to enable them to identify and locate wireless 911 callers.

The taxes and fees collected from wireless consumers at the state and local level under the auspices of E911 deployment were collected to advance these stated public policy goals and must be solely dedicated to the advancement of E911. To that end, the wireless industry endorses the following principles concerning revenue collection and disbursement relative to E911 statutes in the states:

1. **Funds Should be Spent on E911 Systems**
2. **Need for Accountability and Audits**
3. **Justify Costs or Reduce Imposition**
4. **Funds Should Not be Raided or Diverted**
5. **Fees Should be Imposed on End-User**
6. **Collection at the State Level, Not Locality by Locality**
7. **Funding Should Ultimately be from General Revenue**

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Funds Should be Spent on E911 systems

The intent of E911 fees is to specifically support the costs to establish and maintain the emergency communications systems so that PSAPs have the ability to call back wireless 911 callers and pinpoint their location within FCC prescribed guidelines. Unfortunately, many policymakers incorrectly believe that E911 fees should be used for all sorts of basic public safety services. An emerging trend in multiple states is to ignore the intended purpose of E911 fees and instead use government imposed 911 fees to support general government services. These services that benefit all constituents are important. However, government services that are not directly related to establishing and maintaining emergency communications systems should be funded through general revenue funds that are raised by broad-based taxes and not through E911 fees imposed on users of communications services.

Need for Accountability and Audits

E911 operations and expenditures should not only be efficient, but also transparent and accountable to an oversight board and to the public through annual reports to the legislature and/or Governor. Annual reports should contain information regarding collections and expenditures and progress toward the goal of statewide deployment.

Justify Costs or Reduce Imposition

E911 services must be periodically reviewed and E911 fees shall be adjusted based on actual direct costs of achieving statewide deployment of wireless E911 service. As with any system implementation, funding requirements should decrease as soon as states become Phase I and Phase II compliant. Accordingly, E911 fees should be eliminated or substantially reduced once Phase I and Phase II compliance is achieved. The funding for the recurring costs of operating the system and providing emergency services to the general public should be provided from general revenue funds that are raised by broad-based taxes and not through E911 fees.

Funds Should not be Raided or Diverted

The capital provided in good faith by wireless consumers through 911 fees or surcharges has been and continues to be extremely critical in supporting public safety in a given state. However, the taxes and fees collected from wireless consumers at the state and local level under the auspices of E911 deployment need to be solely dedicated to the advancement of E911 deployment and not used for other revenue purposes.

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Fees Should be Imposed on End-user

Wireless E911 fees were established to be imposed on the end user (the beneficiary of being able to access the 911 system) and should not be imposed on or set up in a manner that results in the fee being imposed on the communication service provider. As in the case of all other wireless services, the E911 fee on prepaid wireless service should be collected on the purchase of the service. However, unlike other wireless service, prepaid wireless services are not billed on a monthly basis and are often sold through retail channels that are not exclusive to wireless carriers. Therefore, in order to help ensure ongoing end user support of E911 funding by wireless prepaid customers, the wireless industry maintains that it will be necessary to collect the E911 fee on all retail sales of wireless prepaid airtime whether sold by retail merchants or wireless service providers. This could be done in an efficient and transparent method by having all retailers collect the E911 fee as percentage based equivalent of the fee on each prepaid wireless transaction.

Collection at State level, not Locality by Locality

Wireless E911 fees should be established and collected on a statewide basis, with a single centralized collection agent and a single statewide E911 fee rate. Collection of a single, statewide fee reduces administrative burdens imposed upon communication service providers related to sourcing E911 fees to the proper local jurisdictions. Collecting fees at different rates which can change with little notice, and remitting multiple tax returns to local jurisdictions is onerous and time consuming. The centralized collection agent would then be properly positioned to determine a fair and equitable distribution to local jurisdictions. In those states where the wireless E911 fee is now locally administered, every effort should be made to transition toward an efficient statewide system as quickly as possible.

Funding Should Ultimately be from General Revenue

Sound tax policy supports the principle that government costs related to providing a common public service, such as E911 service, should be funded from general revenue. E911 services benefit all Americans and in the 21st Century the need for a transparent, fully functioning, fully funded, efficiently run system is critical, the cost of which should be borne by all constituents. However, the industry recognizes that migrating from the fee structure that exists today to full funding for these costs from general revenues will take time and is recognized as a long-term goal of the industry.

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NEWS CLIPS – TENESSEE PRESS CONFERENCE

AUGUST 15, 2008

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Free cell phones offered to poor Tenn. residents

By Lucas L. Johnson Ii, Associated Press Writer | August 15, 2008

NASHVILLE, Tenn. --A cell phone company is offering free wireless phones and 68 minutes of free air time to more than 800,000 low-income Tennessee residents in a program aimed at ensuring they can make a call in an emergency.

Prepaid cell phone provider TracFone Wireless Inc. announced Friday that it's launching its SafeLink Wireless program in Tennessee, which officials said would become the first state to have widespread, free emergency wireless service for poor people.

SafeLink provides eligible low-income households with a cell phone, access to 911 emergency services and 68 minutes of free air time for up to a year before customers have to reapply.

If customers run through their 68 minutes, they can still call 911 -- which is a free call -- and they can purchase additional minutes for other calls at a discounted rate, said Jose Fuentes, director of government relations for Tracfone Wireless.

The cell phone's standard features include voicemail, text capability, call waiting, international calling to over 60 destinations and caller ID.

The Federal Communications Commission recently authorized TracFone to provide SafeLink, the company's version of the federally subsidized program Lifeline. Other carriers are certified to use Lifeline, but they provide discounts on wireless service, rather than free service.

Fuentes said the program will aid more than 800,000 low-income households in Tennessee. Safelink can offer the free service because of a government subsidy of $10 per customer, to which the company adds $3.50.

Fuentes said other carriers are aware of the benefits of Lifeline but don't broadly advertise them.

John Taylor, a spokesman for Sprint Nextel Corp., one of the nation's top three carriers, disputed Fuentes' claim of sparse advertisement. He said Sprint participates in the Lifeline program by offering a discount on services and advertises on its Web site and through print, such as mailings.

According to the FCC, 21 million households across the country qualify for Lifeline.

"I'm elated that this program is providing needy families with access to basic cell phone service," said Democratic House Speaker Pro Tem Lois DeBerry of Memphis, which has the state's highest low-income population.

Fuentes said families may qualify if their household income is not above 135 percent of the federal poverty level, and if they receive assistance through government programs such as Medicaid and Supplemental Security Income.

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According to his study, 40 percent of people in blue-collar jobs say their cell phone has provided an opportunity to gain employment or make money.

However, Sullivan said what he found most interesting was the emphasis on "emergency use." The study found:

-- A cell phone is preferred to a landline phone for mobility and security, and is preferred to a landline phone for emergency use by a 3-1 ratio.

-- 48 percent have used their cell phone to call or text.

-- 20 percent have received an emergency call or text on their cell phone.

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Tennessee Safety Commissioner Dave Mitchell agrees a cell phone is a valuable safety tool, especially when someone is traveling.

"This program will allow drivers to call 911 if they encounter an emergency or get stranded while on the road," he said. "I am thrilled that Tennessee is the first state in the country to offer this program and help keep our citizens safe." ■

Nearly One Million Low-Income Tennessee Households to Benefit from Free, Government-Supported Wireless Phone Program

Department of Safety, TracFone Wireless to Announce Tennessee as First State in Nation to Benefit from SafeLink Wireless

WSJ Market Watch Last update: 10:00 a.m. EDT Aug. 12, 2008

Aug 12, 2008 (BUSINESS WIRE) -- SafeLink Wireless:

WHAT

TracFone Wireless, the Tennessee Department of Safety, local nonprofits and elected-officials will launch SafeLink Wireless(R) to aid 812,807 low-income households in Tennessee. Through this much-needed service to struggling families, the SafeLink Wireless service will provide Tennessee's eligible low-income households a free cell phone, unlimited mobile access to emergency services (911), and over an hour of air time each month for up to one year. (Participants may renew service and will be required to re-submit eligibility documentation upon their year completion. More information will be provided during media interviews.) The cell phone offers in-demand features: free voicemail account, text, call waiting, international calling to over 60 destinations and caller ID.

During an exclusive press conference held at the State's Capitol, media will learn about:

-- The importance of the SafeLink Wireless program to low-income families in TN, and how these struggling households will benefit from this public assistance initiative.

-- The SafeLink Wireless program details, including free airtime, allocated minutes, unlimited access to emergency services, etc.

-- How valuable mobile phones are during a time of need: emergency situation at home, car breaks down on road, a child's school needing to contact a parent, seeking employment, remaining in touch with employers, staying connected to family and friends, etc.

-- The SafeLink Wireless program eligibility requirements, application process, etc.

WHO

The following officials will be available for phone interviews, and video/photo opportunities:

-- Jose Fuentes, Director of Government Relations, SafeLink Wireless

-- The Honorable David Mitchell, Commissioner Tennessee Department of Safety

-- Cliff Sharp, Executive Director, Greenhouse Ministries

-- The Honorable Tommie Brown, Member, Tennessee House of Representatives, and Secretary, Tennessee Legislative Black Caucus (TLBC)

-- The Honorable Lois DeBerry, Speaker Pro Tempore, Tennessee House of Representatives, and TLBC Member (tentative)

-- Nicholas P. Sullivan, Visiting Scholar, Massachusetts Institute of Technology and author, "Cell Phones Provide Significant Economic Gains for Low-Income American Households"

WHERE/WHEN

Friday, August 15, 2008

11:00 AM - 11:30 AM

Location: South Steps of the State Capitol, Nashville, TN (Facing Charlotte Avenue)

Parking: No reserved parking, media parking should be coordinated with the Capitol Facility Office, 615-445-9974.

WHY

Daily, millions of Americans depend on mobile telecommunications for a wide range of basic activities including: calling emergency services, searching for employment, staying connected with loved ones, and much more. SafeLink Wireless is a U.S. government supported program for income eligible households provided by TracFone Wireless, Inc. that ensures telephone service is available and affordable for eligible low income households. Over 812,807 households in Tennessee qualify for the Lifeline services.

Consider the following statistics:

-- For people who cannot afford cell phones, being part of today's connected world and performing these crucial day-to-day needs is near impossible.

-- According to the FCC, about 7.1 million households across the nation do not have telephones (July, 2006), and more than 13 percent with an income under $10,000 do not have telephone service.

-- Low income families struggle paying monthly bills, experience credit issues, and cannot afford traditional home phone and wireless services.

-- Using public pay phones regularly pose problems and cell phone contracts often are difficult to maintain due to costly usage charges over long-term agreements.

-- A recent study ("Cell Phones Provide Significant Economic Gains for Low-Income American Households," April 2008) analyzed the impact of mobile phones on low-income households, and uncovered the cell phone is a critical component for personal safety, access to emergency services, and can potentially increase a low-income family's economic productivity and earning power.

TO CONFIRM EVENT PARTICIPATION, AND TO SCHEDULE INTERVIEWS:

DAISY CABRERA, 305-981-0203

ROLANDO RODRIGUEZ, 210-316-0744

SOURCE: SafeLink Wireless

for SafeLink Wireless
Daisy Cabrera, 305-981-0203
or
Rolando Rodriguez, 210-316-0744

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TracFone Wireless Launches SafeLink Wireless(R) to Aid 812,807 Low-Income Households in Tennessee

Participants Receive Over an Hour of Free Talk Time Monthly and Free Wireless Cell Phone

WSJ Market Watch Last update: 3:20 p.m. EDT Aug. 15, 2008

NASHVILLE, Tenn., Aug 15, 2008 (BUSINESS WIRE) -- Today, TracFone Wireless, Inc., America's leading prepaid cell phone provider announced its launch of SafeLink Wireless(R) in Tennessee. SafeLink Wireless will serve as the company's distribution of Lifeline - a U.S. government supported program for income eligible households that ensures telephone service is available and affordable for eligible low income households.

The SafeLink Wireless service will provide eligible low-income households a free cell phone, mobile access to emergency services and free 68 minutes of air time, monthly, for one year. The cell phone offers in-demand features: voicemail, text, call waiting, international calling to over 60 destinations and caller ID.

"Over 812,000 households in Tennessee qualify for the Lifeline services - offering these participants the opportunity to have the same access and privileges many individuals take for granted when it comes to using cell phones," said Javier Rosado, Senior Vice President of Lifeline Services for TracFone. "The SafeLink Wireless service is truly unique because we are providing a service that no other company has made available before - a free cell phone and free monthly minutes to qualifying low income families," added Rosado. SafeLink Wireless offers low income families accessibility, freedom and the security in knowing that should an emergency occur - wherever they are, they will stay safe and stay connected.

Economic opportunities for low-income households

A recent study ("Cell Phones Provide Significant Economic Gains for Low-Income American Households," April 2008) analyzed the impact of mobile phones on low-income households. "In this day and age, the cell phone should be deemed an imperative necessity for the millions of low-income families who are far less likely to own them," said Nicholas P. Sullivan, the study's author and visiting scholar at Massachusetts Institute of Technology. "Our study showed cell phones can significantly boost the earning potential of these communities, and this connectivity vastly encourages their opportunities and remains central to their everyday survival," Sullivan stressed.

The study also revealed the cell phone is a critical component for personal safety, access to emergency services, and can potentially increase a low-income family's economic productivity and earning power. Other relevant survey findings included:

-- Cell phones provide a "security blanket" and are "extremely important" for "emergency use."

-- A cell phone is preferred to a landline phone for mobility and security purposes, and is preferred to a landline phone for emergency use by 3-1 ratio.

-- 48% have used their phone to call or text during an emergency situation.

-- 20% have received an emergency call or text on their cell phone.

-- 32% have purchased a cell phone for a relative to use in emergency situations.

-- 40% in blue-collar jobs say their cell phone has provided the opportunity to gain employment or make money.

Daily, millions of Americans depend on mobile telecommunications for a wide range of basic activities including: calling emergency services, searching for employment, staying connected with loved ones, and much more. Yet, for people who cannot afford cell phones, being part of today's connected world and performing these crucial day-to-day needs is near impossible.

Typically, families living below the poverty line struggle to pay their monthly bills, experience credit issues, and cannot afford traditional home phone and wireless services. Using public pay phones regularly pose problems and cell phone contracts often are difficult to maintain due to costly usage charges over long-term agreements. As a result, regular communications is a major dilemma for these families.

SAFELINK WIRELESS(R) SERVICE ELIGIBILITY OVERVIEW BY CITY

The following are opportunities per city specific to each state's low-income population:

CITY	LOW-INCOME POPULATION
Chattanooga	56,486
Clarksville	22,049
Hendersonville	21684
Jackson	13,212
Johnson City	22,988

Kingsport	36,728
Knoxville	78,097
Memphis	133,173
Nashville-Davidson--Murfreesboro--Franklin	128,548
TOTAL	512,965

Program Eligibility

Lifeline program eligibility varies by state but generally families may qualify for SafeLink Wireless service if their household income is not above 135 percent of the federal poverty income guidelines, or if they receive any of the following government assistance programs:

-- Medicaid

-- Supplemental Security Income (SSI)

-- Low-Income Home Energy Assistance Program (LIHEAP)

-- National School Lunch Program

-- Federal Public Housing Assistance (Section 8)

-- Food Stamps

-- Temporary Assistance to Needy Families (TANF)

Families wanting to participate in the SafeLink Wireless service will need to provide proof of low-income qualification such as:

-- 2007 state or federal tax return

-- Three consecutive months of payroll statements, or paycheck stubs for 2008

-- A Social Security statement of benefits

-- A Veterans Administration statement of benefits

-- A retirement/pension statement of benefits

-- An Unemployment/Workmen's Compensation state of benefits

-- A federal notice letter of participation in General Assistance

-- A divorce decree, child support, or other official document that proves your income

The SafeLink Wireless service will be provided to low-income families for up to one year. Participants may renew service and will be required to re-submit eligibility documentation upon their year completion. If the participant no longer qualifies for this free service, they will be notified and will be able to keep the cell phone to continue enjoying the benefits as a regular TracFone customer. Unused minutes will never expire and will automatically rollover. When recipients surpass their allocated 68 airtime minutes, they will be able to purchase prepaid SafeLink Wireless airtime cards or TracFone airtime cards, including double minute cards. Existing TracFone customers qualifying for the SafeLink Wireless service may keep their current cell phone, and receive bonus minutes (one-time bonus only) for choosing to keep their current cell phone.

To learn more about the SafeLink Wireless service, including eligibility requirements, please call 1-800-977-3768, or visit www.safelinkwireless.com.

ABOUT TRACFONE WIRELESS, INC.

TracFone Wireless, Inc. is America's number one prepaid wireless service in the U.S. with more than 10 million cell phone subscribers. TracFone is a subsidiary of America Movil, S.A.B. de C.V. ("AMX") (AMX: **america movil sab de cv spon adr l shs** AMOV**51.13**, **+0.31**, **+0.6%**) , the leading provider of wireless services in Latin America with more than 153 million cell phone subscribers. For more information, please visit: www.tracfone.com.
SOURCE: SafeLink Wireless

SafeLink Wireless
Daisy Cabrera, 305-981-0203

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TRADING
CENTER

Free cell phones offered to poor Tenn. residents

Cell phone company offers free phones and limited free minutes to low-income Tenn. residents

August 15, 2008: 04:51 PM EST

NEW YORK (Associated Press) - A cell phone company is offering free wireless phones and 68 minutes of free air time to more than 800,000 low-income Tennessee residents in a program aimed at ensuring they can make a call in an emergency.

Prepaid cell phone provider TracFone Wireless Inc. announced Friday that it's launching its SafeLink Wireless program in Tennessee, which officials said would become the first state to have widespread, free emergency wireless service for poor people.

SafeLink provides eligible low-income households with a cell phone, access to 911 emergency services and 68 minutes of free air time for up to a year before customers have to reapply.

If customers run through their 68 minutes, they can still call 911 _ which is a free call _ and they can purchase additional minutes for other calls at a discounted rate, said Jose Fuentes, director of government relations for Tracfone Wireless.

The cell phone's standard features include voicemail, text capability, call waiting, international calling to over 60 destinations and caller ID.

The Federal Communications Commission recently authorized TracFone to provide SafeLink, the company's version of the federally subsidized program Lifeline. Other carriers are certified to use Lifeline, but they provide discounts on wireless service, rather than free service.

Fuentes said the program will aid more than 800,000 low-income households in Tennessee. Safelink can offer the free service because of a government subsidy of $10 per customer, to which the company adds $3.50.

Fuentes said other carriers are aware of the benefits of Lifeline but don't broadly advertise them.

John Taylor, a spokesman for Sprint Nextel Corp., one of the nation's top three carriers, disputed Fuentes' claim of sparse advertisement. He said Sprint participates in the Lifeline program by offering a discount on services and advertises on its Web site and through print, such as mailings.

According to the FCC, 21 million households across the country qualify for Lifeline.

"I'm elated that this program is providing needy families with access to basic cell phone service," said Democratic House Speaker Pro Tem Lois DeBerry of Memphis, which has the state's highest low-income population.

Fuentes said families may qualify if their household income is not above 135 percent of the federal poverty level, and if they receive assistance through government programs such as Medicaid and Supplemental Security Income.

Nicholas P. Sullivan, a visiting scholar at Massachusetts Institute of Technology, recently released a study analyzing the impact of mobile phones on low-income households. He said the troubled economy makes the phones even more of an asset.

"Our study showed cell phones can significantly boost the earning potential of these communities, and this connectivity vastly encourages their opportunities and remains central to their everyday survival," Sullivan said.

According to his study, 40 percent of people in blue-collar jobs say their cell phone has provided an opportunity to gain employment or make money.

However, Sullivan said what he found most interesting was the emphasis on "emergency use." The study found:

_ A cell phone is preferred to a landline phone for mobility and security, and is preferred to a landline phone for emergency use by a 3-1 ratio.

_ 48 percent have used their cell phone to call or text.

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Tennessee Safety Commissioner Dave Mitchell agrees a cell phone is a valuable safety tool, especially when someone is traveling.

"This program will allow drivers to call 911 if they encounter an emergency or get stranded while on the road," he said. "I am thrilled that Tennessee is the first state in the country to offer this program and help keep our citizens safe." ■

Tennesseans offered low-cost cell plans

TracFone unveils income-based program

BY RANDY MCCLAIN • *BUSINESS EDITOR TENNESSEAN* • AUGUST 15, 2008

A Miami company with a track record of providing prepaid wireless services to immigrant communities and other consumers plans to heavily market low-cost cell phone plans in Tennessee under a government-subsidized telecommunications program, officials said Thursday.

TracFone, which says it has built up more than 10 million subscribers since it was founded in 1996, will offer a limited amount of free service to nearly 813,000 low-income households in the state, and then offer extra services at discounts under the Federal Communication Commission's so-called Lifeline program.

That subsidized program provides qualified consumers with a discount on monthly charges for a primary home line, even if it's a cell phone.

Most telecommunications companies offer lifeline services, although not all companies actively promote it. In TracFone's case, it plans to provide users in Tennessee with 68 minutes of free phone service a month, 911 calls and a cell phone at no charge for up to one year. Low-income residents, who must meet federal poverty guidelines to qualify for the free services, will have to reapply and prove they're still eligible after the first year, officials said.

TracFone has branded its low-cost services as SafeLink Wireless and plans to roll the program out in several states starting this month.

Tennessee is the first, to be followed by Georgia and Florida next month, said Jose Fuentes, the company's director of government relations.

Fuentes said participants must earn no more than 135 percent of the federal poverty level, which stands at $21,200 for a family of four, and will have to show three months' worth of pay stubs or their W-2 form from the previous year to qualify. They also can apply through social service programs, such as Medicaid or low-income housing or energy assistance offices, he said.

Service marketed

"A lot of carriers don't take a lot of interest in it (the Lifeline services), but we advertise it, market it and inform the public that there is a choice out there," he said. The federal government gives TracFone a subsidy of $10 per subscriber.

TracFone expects some users to no longer qualify for free services under poverty guidelines after one year, but some will sign on as paying customers, Fuentes said.

Also, in the first year, low-income customers can buy airtime cards at retail shops for $3, $5 or $10 each from TracFone to get 15 minutes to 50 extra minutes of service.

"A lot of these individuals will have this free service at first, but usually sometime afterwards they no longer qualify (based on income) but remain TracFone users," Fuentes said.

According to the FCC, about 7.1 million households do not have telephones nationally, and more than 13 percent with an income under $10,000 do not have telephone service.

WKSR.COM: Pulaski, TN

Free Cell Phone Service For Low Income Residents

Posted on August 17, 2008

Tennessee is the first state in the nation to provide free wireless phone service to its low-income residents. Prepaid cell phone provider TracFone Wireless Inc. announced Friday that it's launching its SafeLink Wireless program in Tennessee.

SafeLink provides eligible low-income households with a cell phone, access to emergency services and 68 minutes of free air time for up to a year.

The Federal Communications Commission recently authorized TracFone to provide SafeLink, the company's version of the federal program Lifeline. Other carriers are certified to use Lifeline, but they provide discounts on wireless service, rather than free service.

Jose Fuentes, director of government relations for SafeLink Wireless, said the program will aid more than 800,000 low-income households in Tennessee.

Fuentes said families may qualify if their household income is not above 135 percent of the federal poverty level, and if they receive assistance through government programs such as Medicaid and Supplemental Security Income.

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"This program will allow drivers to call 911 if they encounter an emergency or get stranded while on the road," he said. "I am thrilled that Tennessee is the first state in the country to offer this program and help keep our citizens safe."

On the Net:

SafeLink Wireless: http://www.safelinkwireless.com

Sprint Nextel Corp.: http://www.sprint.com/lifeline

Federal Lifeline program: http://www.lifeline.gov

August 15, 2008

TracFone Announces Cheapest Way to Own Cell Phone

By Calvin Azuri
TMCnet Contributing Editor

TracFone Wireless Inc. is offering its customers "the least expensive way to own a cell phone in America" with its "low cost to get, low cost to keep" cell phone service.

TracFone Wireless offers brand name phones at under $10. Phone service is offered for as little as $20 for every three months, with additional airtime minutes starting at 10 cents per minute. TracFone Wireless is a prepaid mobile phone service provider in the U.S.

TracFone is a subsidiary of America Movil which has been named the top technology company by Business Week for the past two years.

Additional features provided by TracFone that make it "the least expensive way to own a cell phone in America" are: no contracts ever; unlimited carry-over benefit; international calling to more than 60 destinations for the same cost as a local call; nationwide long-distance calling for the same cost as a local call, no roaming charges; only phones to display remaining minutes and days on the phone, which lets the user stay in control; and text messaging at the rate three per airtime minute.

Customers will be able to purchase airtime in the following four ways: at stores nationwide, online on the web, via automatic monthly renewal with a registered checking account or credit card, and via instant purchase from the user's own phone.

Full-featured Motorola W175 and Kiocera K126 are the phones that are available through TracFone Wireless for less than $10. Color flip phones that start at $15 are also offered by TracFone Wireless. The prepaid cellular phones are available at about 70,000 retails stores nationwide. These include WalMart, Target, K-Mart, Family Dollar, Dollar General, Circuit City, Sears, CVS and Walgreens retailers.

The low-priced entry phones from TracFone Wireless are ideal for: parents who require an inexpensive but reliable phone for their child, college students on a budget, college graduates just starting in the workforce, senior citizens who want a phone for security reasons, first-time cell phone users, and anybody who wants to benefit from a cell phone without the high expense.

Calvin Azuri is a contributing editor for TMCnet. To read more of Calvin's articles, please visit his columnist page.

» See more Mobile UC Community Stories

Lower income Tennessee residents to get free cell phones

By Tim Conneally, BetaNews

August 14, 2008, 6:56 PM

The maker of a popular pre-paid cell phone today announced a program that will give low income Tennessee residents free cell phones and mobile service on a year-to-year basis.

Called SafeLink Wireless, the project is being led by the Tennessee Department of Safety, TracFone Wireless, and local nonprofit organizations. Eligible households will receive a free cellular handset with 60 or more minutes of airtime a month plus unlimited access to emergency services (911). Handsets will support standard cellular features such as voice mail, SMS, call waiting, as well as international calling.

As a mobile virtual network operator, TracFone uses AT&T, Verizon, T-Mobile, Sprint, Alltel, US Cellular and Claro's networks. Sending text messages is free with a number of TracFone handsets, and since talk time is measured in "units" instead of minutes, certain models deduct 30%-50% of a single unit per text. SafeLink Wireless has not disclosed which handset will be distributed to eligible families.

The inaugural "ribbon cutting" will take place on Friday morning on the State Capitol steps in Nashville, Tennessee.

WSMV.com

Low-Income Residents To Get Free Cell Phones

Over 800,000 Families In Tennessee Eligible For Free Phones

POSTED: 2:59 pm CDT August 14, 2008

UPDATED: 11:57 pm CDT August 15, 2008

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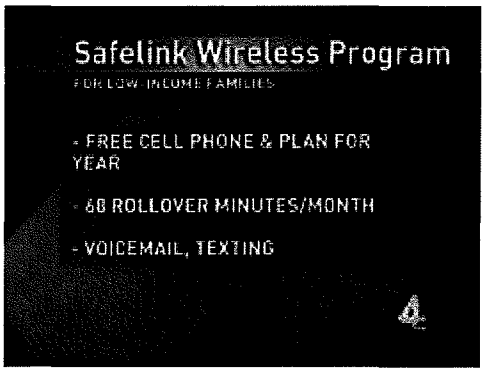

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Prepaid cell phone provider TracFone Wireless Inc. announced Friday that it's launching its SafeLink Wireless program in Tennessee, which officials said would become the first state to have widespread, free emergency wireless service for poor people.

SafeLink provides eligible low-income households with a cell phone, access to 911 emergency services and 68 minutes of free air time for up to a year before customers have to reapply.

If customers run through their 68 minutes, they can still call 911 -- which is a free call -- and they can purchase additional minutes for other calls at a discounted rate, said Jose Fuentes, director of government relations for TracFone Wireless.

The cell phone's standard features include voicemail, text capability, call waiting, international calling to over 60 destinations and caller ID.

The Federal Communications Commission recently authorized TracFone to provide SafeLink, the company's version of the federally subsidized program Lifeline. Other carriers are certified to use Lifeline, but they provide discounts on wireless service, rather than free service.

FCC spokesman Robert Kenny said TracFone is the "first carrier of its kind to qualify under the Lifeline program that resells service and doesn't own their own networks."

"We're always supportive when companies offer services to low-income consumers who qualify under our Lifeline program," he said. "It's a promising program that TracFone has put in place."

Fuentes said the program will aid more than 800,000 low-income households in Tennessee. Safelink can offer the free service because of a government subsidy of $10 per customer, to which the company adds $3.50.

Fuentes said other carriers are aware of the benefits of Lifeline but don't broadly advertise them.

John Taylor, a spokesman for Sprint Nextel Corp., one of the nation's top three carriers, disputed Fuentes' claim of sparse advertisement. He said Sprint participates in the Lifeline program by offering a discount on services and advertises on its Web site and through print, such as mailings.

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"This program will allow drivers to call 911 if they encounter an emergency or get stranded while on the road," he said. "I am thrilled that Tennessee is the first state in the country to offer this program and help keep our citizens safe."
Related Link:

- **SafeLink Wireless**

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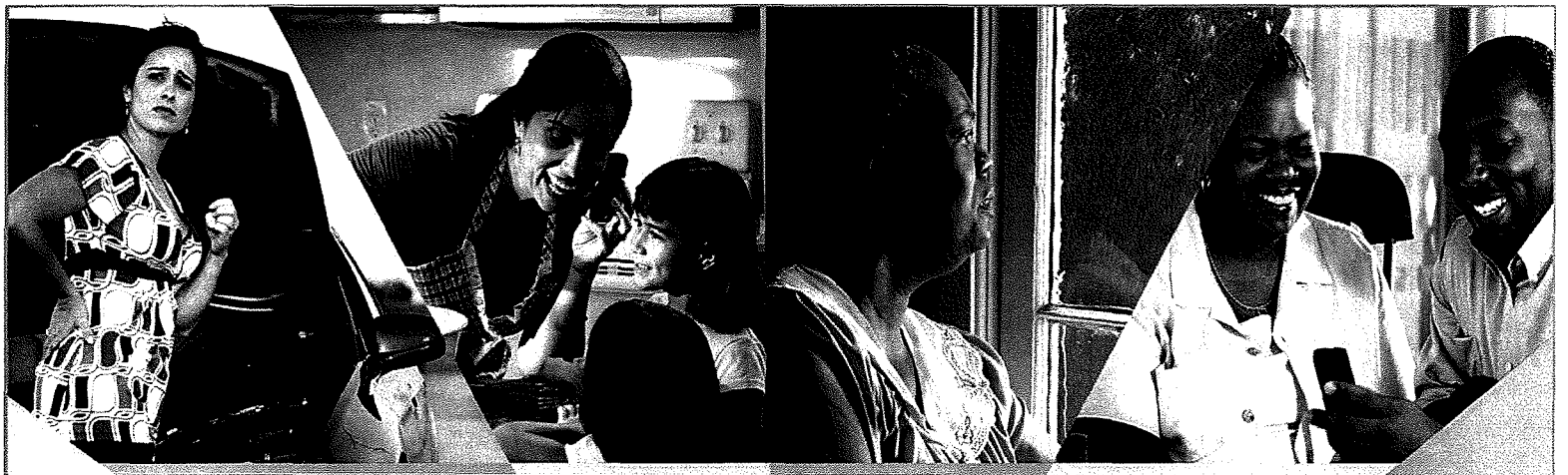
SafeLink WIRELESS®



Everyone should have a cell phone.

Apply for your FREE government-supported cell phone and FREE monthly minutes.

If you receive income-based assistance like Medicaid or Food Stamps, you are probably eligible to receive a free cellular and free monthly minutes valued at over $200/year from SafeLink Wireless. You must qualify for this government-supported program. This service is limited to one per household. Call now.

Be safe. Stay connected.

FREE VOICEMAIL ACCOUNT
FREE CALLER ID
FREE CALL WAITING
FREE DOMESTIC CALLS
FREE INTERNATIONAL CALLS

SafeLink WIRELESS®

To enroll call
1-800-977-3768
SafeLinkWireless.com

S a f e L i n k W i r e l e s s . c o m

SafeLink WIRELESS®

SafeLink Wireless and the Lifeline Program
Fact Sheet

- SafeLink Wireless was created by TracFone Wireless, Inc. when the Federal Communications Commission (FCC) recently approved the company to offer Lifeline - a public assistance program that ensures telephone service is available and affordable for low-income subscribers.
- In April 2008, the FCC approved TracFone Wireless, Inc. (TracFone) to serve 12 states initially including: Alabama, Connecticut, Delaware, Florida, Georgia, Massachusetts, New Hampshire, New York, North Carolina, Pennsylvania, Tennessee, Virginia, and Washington, D.C.
- The Low Income Program of the Universal Service Fund, which is administered by the Universal Service Administrative Company (USAC), is designed to ensure that quality telecommunications services are available to low-income customers at just, reasonable, and affordable rates. The Low Income Program includes three components Lifeline, Link Up, and Toll Limitation Service (TLS).
- Lifeline, Link Up, and Toll Limitation Service (TLS) help keep Americans connected by providing discounts that make basic, local telephone service more affordable for more than 7 million Americans. Approximately 1,700 telephone companies are eligible to provide these discounts.
- Lifeline support reduces eligible consumers' monthly charges for basic telephone service. Link Up support reduces the cost of initiating new telephone service. TLS support allows eligible consumers to subscribe to toll blocking or toll control at no cost.
- Instead of a billing discount, SafeLink Wireless participants will receive a free wireless cell phone with unlimited access to 911 emergency services and 68 minutes of free talk-time monthly for one year. The cell phone offers in-demand features: voicemail, text, web access, three way calling, call waiting, and caller ID.
- In 2004, the FCC expanded the eligibility criteria to include an income-based criterion. The FCC estimated that 1.17 million to 1.29 million additional households that do not participate in the program-based criteria would enroll in Lifeline based on the new criteria. The same order also adopted certification and validation procedures that are designed to minimize potential abuse of the Low Income Program.
- Eligibility guidelines vary by state but in general individuals qualify if they participate in a public assistance program such as Food Stamps, Medicaid, Supplemental Security Income (SSI), Temporary Assistance for Needy Families (TANF), Low Income Home Energy Assistance Program (LIHEAP), National Free School Lunch, Federal Housing/Section 8 Assistance, or if they do not receive any of these public assistance programs, they may also qualify based on total household gross monthly income
- Consumers apply for Lifeline, Link Up, and TLS support through their local telephone company or a designated agency. Consumers may apply to the SafeLink Program directly from SafeLink Wireless. The companies then seek reimbursement from the Low Income Program for the revenue they forgo by providing discounted service to eligible low-income consumers.
- USAC disburses Low Income support payments once each month. Two months prior to the start of each quarter, USAC is required to file projections with the FCC for each support program.

SafeLink WIRELESS®

Low Income Communities and Cell Phones
Fact Sheet

- A recent study ("Cell Phones Provide Significant Economic Gains for Low-Income American Households," April 2008) revealed cell phones can significantly boost the earning potential of low-income communities, and is a critical component for personal safety and access to emergency services:

  - Mobile connectivity vastly encourages opportunities for low-income families, and remains central to their everyday survival.
  - 48% have used their phone to call or text during an emergency situation.
  - 20% have received an emergency call or text on their cell phone.
  - 32% have purchased a cell phone for a relative to use in emergency situations.
  - 40% in blue-collar jobs say their cell phone has provided the opportunity to gain employment or make money.
  - By more than a 3-1 ratio, Americans say they prefer a cell phone to a landline phone for emergency use.

- The same study showed that if the 38% of the 45.2 million low-income households that do not now have cell phones were to start using them, and earn money at the same rate as those households that do own cell phones—it would add $2.9 billion to household incomes.

- Prepaid users, who are typically less educated and from lower income households, and who use far fewer minutes (209) than average, overwhelmingly cite monthly cost savings compared to contract cell phones.

- The prepaid feature, which essentially functions as a toll control feature, may be an attractive alternative to Lifeline-eligible consumers who are concerned about usage charges or long-term contracts.

- In low-income segments of the population, particularly Hispanics and households with less than $35,000 income, large numbers are turning to the prepaid phone as their only phone.

- The primary benefit of cell phones is as a security blanket in case of emergency and a major secondary benefit is economic.

- One of the drivers behind universal service is importance of communications for health and safety concerns, especially for people living in rural or remote areas.

- The study concluded that the cell phone is extremely important to Americans for personal safety, and a huge boon to an individual's economic productivity and earning power. The cell phone is particularly important to blue collar, less educated and low-income segments, even though those groups are far less likely to own cell phones.