

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, DC 20554**

In the Matter of

Federal-State Joint Board on Universal Service CC Docket No. 96-45

State of Alabama

Petition for Designation as an Eligible  
Telecommunications Carrier in the State of  
Alabama

### **Reply Comments of the USA Coalition**

The Universal Service for America Coalition (“USA Coalition”),<sup>1</sup> by its counsel, hereby submits these reply comments in the above-captioned proceeding to emphasize the importance of ensuring that all Eligible Telecommunications Carriers (“ETCs”), including prepaid wireless carriers, meet the Commission’s regulatory requirements for as long as they continue to receive support from the Universal Service Fund (“USF”).

The USA Coalition consists of five of the nation’s leading rural providers of wireless services, and is dedicated to advancing regulatory policies that will enable Americans to enjoy the full promise and potential of wireless communications, regardless of where they live and work. The USA Coalition seeks to ensure that our nation’s universal service programs are technologically and competitively neutral, which ultimately will facilitate competition that benefits consumers. A vibrant, robust, and redundant communications network is essential to the economic strength of the United States and the public safety of its citizens. In order to ensure the strength of the communications network in rural, insular, and high-cost areas, service must be

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<sup>1</sup> The members of the USA Coalition include Mobi PCS, SouthernLINC Wireless and Thumb Cellular LLC.

affordable to residents of those areas. In some rural, insular, and high-cost areas, however, service will be affordable only with support from the USF.

Technological and competitive neutrality is essential to ensuring that the Universal Service support programs achieve the goal of universal service without unnecessarily interfering with the market in ways that harm the development of sustainable competition. Thus, any differences in requirements should not be imposed in order to eliminate potential competitors or groups of competitors and should only serve to advance specifically the goals of universal service.

As explained in the Alabama Commercial Mobile Radio Service Emergency Telephone Services Board's ("Board") petition, in Alabama, CMRS providers are required to collect and remit to the Board a per month CMRS service charge for each CMRS connection to which the carrier furnishes CMRS service in Alabama. The Board contends that not only does TracFone Wireless, Inc. ("TracFone") not collect and remit the required charge for CMRS customers who purchase its prepaid service through retail outlets, but also that TracFone does not properly remit the funds with respect to its direct sales on a per CMRS connection as required by statute. Therefore, the Board claims, TracFone is not in compliance with Alabama's 911 and E-911 obligations and should consequently have its limited ETC status in Alabama revoked.

The USA Coalition lacks access to the facts necessary to confirm or refute the position of the Board, Tracfone, or the various Alabama counties that filed brief comments in this proceeding regarding whether or not TracFone is in compliance with its obligations as a CMRS provider in the state of Alabama. That said, the USA Coalition firmly believes that compliance with applicable 911 and E-911 requirements by all carriers is an essential condition

of receiving support from the USF. The USA Coalition acknowledges that prepaid wireless service providers face additional challenges in collecting fees for prepaid wireless services and agrees that other methodologies – like the “point of sale” approach advocated by CTIA – may be an easier solution.<sup>2</sup> However, CTIA correctly points out that “wireless customers who qualify for Lifeline assistance should not be held hostage while the billing and collection of E-911 fees for prepaid services is being resolved.”<sup>3</sup> It is vital that all recipients of USF support comply with their regulatory obligations so that those consumers most in need are not harmed. Even TracFone does not dispute that collection of 911 fees for prepaid wireless services “is important and is growing in importance as customers migrate from traditional post-paid billed services to prepaid services.”<sup>4</sup> Prepaid wireless carriers have just as much of an obligation to comply with the law as other competitive ETCs.

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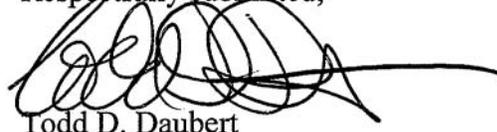
<sup>2</sup> See Comments of the CTIA – The Wireless Association at 5-6.

<sup>3</sup> *Id.* at 2.

<sup>4</sup> Comments in Opposition to Petition for Rejection of Certification and for Revocation of the Limited ETC Status of TracFone Wireless, Inc. in the State of Alabama at 6.

Therefore, to the extent the Commission finds that TracFone is not in full compliance with the applicable 911 regulations and requirements, the Commission should adopt an order pursuant to which TracFone's designation as an ETC in Alabama will be revoked unless TracFone comes into full compliance within a reasonable period of time.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Todd D. Daubert', with a long horizontal flourish extending to the right.

Todd D. Daubert

Melissa Conway  
KELLEY DRYE & WARREN LLP  
Washington Harbour, Suite 400  
3050 K Street, NW  
Washington, DC 20007-5108  
(202) 342-8400  
(202) 342-8451 (facsimile)  
tdaubert@kelleydrye.com

***Counsel for the USA Coalition***

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