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December 22, 2011

VIA ELECTRONIC FILING

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

Re: WC Docket No. 11-42 - Lifeline and Link Up Reform and Modernization
NOTICE OF EX PARTE PRESENTATION

Dear Ms. Dortch:

This letter is submitted on behalf of TracFone Wireless, Inc. ("TracFone"). Recently, two highly-respected and well-intentioned public interest advocacy groups submitted letters in the above-captioned Lifeline and Link Up Reform and Modernization proceeding endorsing a proposal of the American Public Communications Council ("APCC") that Universal Service Fund ("USF") support be utilized to subsidize owners of private pay telephones. The filings were made by the Minority Media & Telecom Council ("MMTC"),[1] and a joint submission by Consumer Action and the National Consumers League.[2]

MMTC, Consumer Action and the National Consumers League are highly-regarded public interest advocates and TracFone often is in agreement with positions taken by them. However, use of Universal Service Fund resources to subsidize the declining payphone industry is impermissible as a matter of law and would constitute very bad public policy. In January 2011, TracFone submitted comments in response to APCC's twin petitions to amend the Commission's Universal Service rules and for immediate relief. Those comments were filed in CC Docket No. 96-45 and WC Docket No. 03-109. TracFone's comments in opposition to the APCC petitions are enclosed herewith and it requests that those comments be incorporated into the record of this proceeding.

Pursuant to Section 214(e) of the Communications Act, Universal Service Fund support for the low income program is limited to entities who have been designated as Eligible Telecommunications Carriers. By definition, ETCs must be common carriers. Ownership and operation of payphones is not common carriage. Accordingly, payphone owners are not eligible to receive USF support. APCC proposed to "end run" this statutory requirement by having the USF subsidies go to the telephone companies (who are common carriers) who would, in turn, pass through the subsidies they receive to the payphone owners in discounted line charges.

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[1] Letter from David Honig, Executive Director, MMTC, dated October 14, 2011 at 9.

[2] Letter from Ken McEldowney, Executive Director, Consumer Action, and Sally Greenberg, Executive Director, National Consumers League, dated December 6, 2011.

Nothing in any portion of the Communications Act contemplates such an end run around a clear statutory requirement.

More importantly, USF low income support is to be used to provide discounted (or free) service to qualified low-income households. Nowhere in either APCC petition is there any stated commitment to use any USF funding received by payphone owners to subsidize discounted or free service to low income consumers. Those funds would flow directly into the pockets of the payphone owners in the form of increased profits. Neither MMTC nor Consumer Action/National Consumers League indicate in their letters that any portion of the USF support for payphones which they advocate be used to provide discounted or free service. It is difficult to imagine a more egregious example of waste, fraud, and abuse of USF resources than to provide subsidies to payphone owners to increase their own profitability rather than to provide discounted or free telecommunications service to qualified low-income consumers.

The legal and public interest reasons why Universal Service Fund support should not be used to bail out the declining payphone industry are described more fully in TracFone's January 18, 2011 comments which are incorporated herein.

Pursuant to Section 1.1206(b) of the Commission's rules, this letter is being filed electronically. If there are questions, please communicate directly with undersigned counsel for TracFone.

Sincerely,

Mitchell F. Brecher

Enclosure

cc: Mr. Zachary Katz
Ms. Christine D. Kurth
Ms. Angela Kronenberg
Ms. Sharon Gillett
Mr. Trent Harkrader
Ms. Kim Scardino
Mr. Johathan Lechter
Ms. Jamie Susskind

Enclosure

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of	)	
	)	
Amendment of the Commission's Rules	)	CC Docket No. 96-45
To Provide Universal Service Lifeline	)	
Support for Payphone Line Service	)	WC Docket No. 03-109

COMMENTS OF TRACFONE WIRELESS, INC.

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January 18, 2011

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SUMMARY

TracFone opposes the petitions of the American Public Communications Council which ask the Commission to approve the use of Universal Service Fund support to subsidize the failing payphone industry. Such a federal bailout of the payphone industry would not be permissible under the Communications Act. Moreover, it would disserve the public interest and should be rejected on public policy grounds.

Section 214(e) limits USF support in general and low-income support in particular to common carriers who are designated as eligible common carriers. Payphone owners are not common carriers. Therefore they may not be subsidized by the USF either directly or indirectly through creation of special subsidies for payphone lines which would be passed through in their entirety to the payphone owners. Neither does Section 276 of the Act provide a legal basis for the requested APCC bailout. That section contains several provisions which bestow benefits on the payphone industry. None of those provisions contemplate use of USF subsidies. Further, providing USF subsidies to payphone owners would be the antithesis of the Congressional purpose of Section 276 to "promote competition among payphone service providers."

Providing special USF subsidies to payphone owners would be bad public policy. First, no portion of APCC's proposals contemplate that any of the requested subsidies would be used for the intended purpose of the low-income USF program -- to provide discounted (or free) service to low-income households. APCC has not offered to pass through a single dime of the millions of dollars it is seeking to reduce charges to low income consumers. Also, APCC's proposal would not limit subsidization to payphones in low income areas. All payphones, including those located in exclusive and upscale locations, would be subsidized.

The reasons for the decline in payphones is several fold, neither of which justify a USF bailout. First, as with prior telecommunications services and technologies, payphones have been

largely replaced with more user friendly services based on new technologies. Payphone owners are no more deserving of USF bailouts than were manufacturers of rotary dial phones and fax machines, or were providers of telegram service, party line service, and circuit switched long distance service -- all of whom have seen their products and services made obsolete by advances in technology. Finally, much of the decline of payphones is attributable to payphone owners' conduct and pricing strategies. Following deregulation of payphone services, payphone rates rose sharply. Those high rates were compounded by very high toll calling rates based upon agreements between payphone owners and the carriers who provided service at their payphones. With wireless alternatives becoming available and affordable, consumers "voted with their feet" and abandoned those high priced services. Such conduct does not warrant use of scarce USF resources to subsidize the declining payphone industry.

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of	)	
	)	
Amendment of the Commission's Rules	)	CC Docket No. 96-45
To Provide Universal Service Lifeline	)	
Support for Payphone Line Service	)	WC Docket No. 03-109

COMMENTS OF TRACFONE WIRELESS, INC.

TracFone Wireless, Inc. ("TracFone") hereby submits its comments in opposition to the petitions of the American Public Communications Council ("APCC") seeking special support from the federal Universal Service Fund ("USF") to bail out the payphone industry. On December 6, 2010, APCC filed a petition for rulemaking to provide Lifeline support to payphone line service, and a companion emergency petition for interim relief to prevent the disappearance of payphones. By public notice issued December 16, 2010, the Commission invited public comment on APCC's petitions.[1] As will be explained in these comments, APCC's unprecedented requests are based on misstatements of facts, have no basis in law, and would represent bad public policy.

INTRODUCTION

TracFone is a provider of commercial mobile radio service ("CMRS"). It is the nation's largest mobile virtual network operator ("MVNO"). That is, it is a wireless reseller. It provides service to consumers, including many low-income consumers, by purchasing CMRS service at negotiated wholesale rates from other CMRS providers, and reselling that service. Unlike other CMRS providers, TracFone's services are offered on a prepaid basis only.

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[1] Public Notice - Wireline Competition Bureau Seeks Comment on American Public Communications Council Petitions Regarding Universal Service and Payphone Issues, CC Docket No. 96-45; WC Docket No. 03-109, DA 10-2360, released December 16, 2010.

More importantly, for purposes of the issues raised by APCC, TracFone is an Eligible Telecommunications Carrier ("ETC"). The Commission made it possible for TracFone to become an ETC in 2005 when the Commission granted TracFone's petition for forbearance, pursuant to Section 10 of the Communications Act,[2] from the statutory and regulatory requirement that ETCs provide Universal Service Fund-supported service either using their own facilities or though a combination of their own facilities and resale of other providers' services.[3] In 2008, the Commission designated TracFone as an ETC in 10 states and the District of Columbia for the limited purpose of offering Lifeline service to low-income households who qualify for Lifeline support from the USF.[4] Since then, TracFone has been designated as an ETC to provide Lifeline service in 35 states and currently serves more than 3 million Lifeline customers who receive from TracFone free wireless service supported by the USF.[5]

In fact, throughout its two petitions, APCC constantly and repeatedly blames TracFone and other wireless ETCs for the declines of the payphone industry.[6] As will be explained in these comments, payphone usage has declined as a result of technological developments, marketplace changes, and behavior of the payphone industry itself. Using TracFone and other wireless ETCs as the scapegoat for what has happened to payphones in incorrect. However, the suggestion that the problems of the payphone industry are in any manner TracFone's fault, or

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[2] 47 U.S.C. § 160.

[3] Federal-State Joint Board on Universal Service, Petition of TracFone Wireless, Inc. for Forbearance from 47 U.S.C. § 214(e)(1)(A) and 47 C.F.R. § 54.201(i), 20 FCC Rcd 15095 (2005).

[4] Federal-State Joint Board on Universal Service, TracFone Wireless, Inc. Petition for Designation as an Eligible Telecommunications Carrier in the State of New York, *et al*, 23 FCC Rcd 6206 (2008).

[5] TracFone's Lifeline customers also receive at no charge E911-compliant wireless handsets. However, the free handsets are paid for by TracFone and are not subsidized or supported by the USF.

[6] *See, e.g.*, APCC Petition for Rulemaking at 3-4, 27-28; Emergency Petition for Interim Relief at 3.

somehow the fault of wireless ETCs and the growth in consumer demand for their services, compels it to comment on the APCC petitions.

As both a contributor to the USF and a provider of USF-supported Lifeline services to low-income households, TracFone has a profound interest in ensuring that USF resources are used prudently and efficiently to advance the goals of universal service, and that any and all use of USF funding be in accordance with applicable laws and regulations. Providing USF Lifeline support to private payphone operators, either directly through grants to the operators, or indirectly, through subsidies to ETCs who, in turn, would pass along those subsidies in the form of discounts charged to payphone owners for their payphone access lines, would not achieve any of the goals of universal service and would violate the Communications Act. Accordingly, APCC's petitions should be denied.

I. USF Lifeline Support to Payphone Operators Is not Contemplated by the Communications Act

At the outset, providing USF Lifeline support to payphone owners would not be legally permissible. In order to receive support from the USF, including the low-income programs funded by the USF, the provider must be designated as an ETC. Section 214(e)(1) of the Communications Act states as follows:

> A common carrier designated as an eligible telecommunications carrier under paragraph (2), (3), or (6) shall be eligible to receive universal service support in accordance with section 254 and shall, throughout the service area for which the designation is received
>
> (A) offer the services that are supported by Federal universal service support mechanisms under section 254(c), using its own facilities or a combination of its own facilities and resale of another carrier's services (including the services offered by another eligible telecommunications carrier); and

> (B) advertise the availability of such services and the charges therefor using media of general distribution.[7]

Even a cursory review of Section 214(e)(1) leads to no other conclusion than that payphone owners are not within the scope of providers which may be designated to receive USF support. First, ownership of a payphone does not make the entity owning the payphone a common carrier. Most owners of payphones are not common carriers. For payphone owners which are common carriers, *e.g.*, incumbent local exchange carriers, they are not common carriers with respect to their payphone operations. Since payphone owners are not common carriers and ownership and operation of payphones is not deemed to be common carriage, those entities may be not designated as ETCs under Section 214(e)(1).

Moreover, payphone owners do nothing other than install and maintain payphones at public and semi-public locations, and collect money deposited in the phones. They do not offer the services supported by the USF under Section 254(c).[8] Pursuant to Section 254(c), the Commission has codified in its rules a list of services and functionalities to be supported by the USF. That list includes the following: i) voice grade access to the public switched network; ii) local usage; iii) dual tone multi-frequency signaling or its functional equivalent; iv) single party service or its functional equivalent; v) access to emergency services; vi) access to operator services; vii) access to interexchange services; viii) access to directory assistance; and ix) toll limitation for qualifying low-income consumers.[9] Payphone owners are not required to provide and do not provide any of these nine supported services. Those services may be provided by ETCs whose services may be accessed from payphones. However, those ETCs receive USF support. To allow the ETC providing those services and the payphone owners both to receive

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[7] 47 U.S.C. § 214(e)(1).
[8] 47 U.S.C. § 254(c).
[9] 54 C.F.R. § 54.101(a).

USF support for making available the same services would constitute the very type of waste, fraud, and abuse of the USF (sometimes referred to as "double dipping") which must be prevented in order to prevent growth of the USF and to ensure that USF resources are used for their intended purposes in an efficient manner.

Under the APCC proposal, APCC would do an end run around the statutory limitation on USF support to ETCs by having the low-income subsidies not paid directly to payphone owners. Rather, those subsidies would flow indirectly to payphone owners through support payments to ETCs (usually incumbent local exchange carriers) in the form of additional USF support for each payphone access line they provide. The ETCs, in turn, would use that additional USF support to reduce by $10 per month the charge for the access line. There is no doubt who would be the *de facto* beneficiaries of the additional USF support sought by APCC -- the payphone owners. Nothing in Section 214, Section 254, or any other provision of the Communications Act contemplates such support payments from the USF being provided for the economic benefit of payphone operators.

APCC's reliance on Section 276 of the Act is misplaced. Throughout both of its petitions, APCC makes numerous references to Section 276(b)(1)'s mention of "promot[ing] the widespread deployment of payphone services to the benefit of the general public." In none of those numerous Section 276 references does APCC provide the complete language of the sentence from which the above-quoted phrase is taken. Section 276(b)(1) states: "In order to <u>promote competition among payphone service providers</u> and promote the widespread deployment of payphones services to the benefit of the general public . . . ."[10]

[10] 47 U.S.C. § 276(b)(1) (emphasis added).

APCC's strategic omission of the first part of Section 276(b)(1) should not be ignored. Congress directed the Commission to promulgate certain regulations described at Section 276(b)(1)(A) through (E). Those regulations, promulgated by the Commission, contain a series of important economic benefits to the payphone industry. These include, *e.g.*, per-call compensation for "dial around" calls from payphones; elimination of interstate and intrastate payphone service rate elements in access charges; and structural separation requirements for Bell operating company payphone operations.[11] Significantly, none of the legislative directives regarding payphone rules requires, permits, or even suggests, use of USF funding to subsidize payphone operations.

More importantly, Section 276(b)(1) directs the Commission to promulgate payphone rules to promote competition among payphone service providers. Subsidizing payphone services with USF resources would be the antithesis of promoting competition. Rather than promoting competition among payphone providers as directed by Congress, APCC's requested subsidization would protect competitors from competition -- in blatant disregard of the deregulatory pro-competitive objectives of the Telecommunications Act of 1996 -- an act which includes the addition of Section 276 to the Communications Act.[12]

As APCC notes in its rulemaking petition, Section 276(b)(2) of the Act contemplates the deployment of public interest telephones in locations where such payphones may be needed for

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[11] A large part of the purpose for enactment of Section 276 was to create opportunities for private payphone owners to compete with Bell operating company payphones. With the Bell companies as well as other incumbent local exchange carriers either having exited the payphone business entirely or significantly reducing their payphone operations, that purpose is largely moot.

[12] Pub. L. 104-104, 110 Stat. 56 (1996). The preamble to the 1996 Act articulates the Act's purposes as follows: "AN ACT To promote competition and reduce regulation in order to secure lower prices and higher quality services for American telecommunications consumers and encourage the rapid deployment of new telecommunications technologies (emphasis added).

public health, safety and welfare reasons in areas where they would not otherwise be deployed.[13] That provision of the Act, not the universal service provisions, is the section of the Act upon which to base any special support for payphones if such support is deemed to be necessary. APCC correctly notes that the Commission determined the matter of public interest phone deployment to be primarily a state regulatory matter. If, as APCC suggests, there is a public interest need for available payphones in specific locations, that is a matter to be brought to the attention of state regulatory authorities.

Not only is support of payphones by the USF inconsistent with Sections 214, 254, and 276 of the Communications Act, such support could not be squared with the Commission's own rules governing the low-income program in general and the Lifeline program in particular. For example, the Commission limits Lifeline support to one line per household.[14] The Commission only allows one line per household to be supported by the low income program of the USF. Lifeline customers are required to certify that they are only receiving Lifeline support for one line (wireline or wireless), and ETCs are required to verify annually that their Lifeline customers remain eligible.[15] Nowhere does APCC offer any explanation as to how the one-per-household rule could possibly be applied to payphone owners' receipt of Lifeline support. Given the indisputable fact that residents of many households would be able to utilize Lifeline-supported payphones, compliance with that requirement by payphone owners would be impossible.

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[13] 47 U.S.C. § 276(b)(2). APCC Petition for Rulemaking at 17-18.

[14] In the Matter of Federal-State Joint Board on Universal Service, 12 FCC Rcd 8776 (1997 at ¶ 341, Lifeline and Link Up, 19 FCC Rcd 8302 (2004) at ¶ 4.

[15] In addition, those ETCs subject to forbearance, including TracFone, must verify annually that each of their Lifeline customers only receives Lifeline-supported service from that ETC.

Accordingly, the unprecedented relief sought by APCC may not be granted without violating important provisions of the Communications Act of 1934, as amended by the Telecommunications Act of 1996.[16]

II. No Public Interest Benefit would be Attained If USF Low-Income Support was Used to Subsidize Payphone Owners

Providing USF support to the payphone industry would benefit one -- and only one -- segment of the public -- payphone owners. No one else would benefit. Most importantly, under APCC's novel request, not a single dime of the requested support would find its way to those who are supposed to benefit from the low-income programs funded by the USF -- low-income consumers. Under the Commission's Lifeline program, ETCs receive support from the USF and use that support to provide discounted service (and in some cases, like TracFone's SafeLink Wireless® Lifeline program, free service) to qualified low income households. Conspicuously absent from either of APCC's petitions is any reference to any commitment by APCC and its payphone owner members to use any portion of the support they are asking for to provide discounted rates to low income consumers or, as TracFone and other wireless ETCs do, to provide free service to qualified consumers. Under the APCC proposal, every dime of Lifeline support provided to ETCs to subsidize payphone lines would be used to reduce the charges paid by payphone owners for those access lines. ETCs would receive $10 per payphone access line

[16] APCC misstates the goal of universal service as being "to ensure that no American is denied access to telecommunications." APCC Petition for Rulemaking at 8. That is not a stated statutory goal of universal service. The principles underlying universal service are articulated at Section 254(b) of the Communications Act (47 U.S.C. § 254(b)). Among those principles is Section 254(b)(3) which provides that "Consumers in all regions of the Nation, <u>including</u> <u>low-income</u> <u>consume rs</u>, and those in rural, insular, and high cost areas, should have access to telecommunications services . . . that are reasonably comparable to those services that are provided in urban areas and that are available at rates comparable to rates charged for similar services in urban areas." (emphasis added). Nowhere in either of APCC's petitions does it offer any explanation as to how the relief it requests that in any manner advance that stated statutory universal service goal.

per month from the USF, and the ETCs would charge their payphone owner customers $10 less per line per month. That $10 per line per month would go directly to the bottom line of the payphone operators in the form of reduced expenses and correspondingly increased net revenues. Stated simply, APCC's proposal should be seen for what it is -- a bold faced request that payphone owners be given free money complements of the federal Universal Service Fund and those telecommunications service consumers who contribute to the USF. Enhancing the revenues of payphone operators is not what universal service is about.[17]

Indeed, notwithstanding APCC's generalized assertions about the importance of available payphones to low income consumers, nothing in APCC's proposal indicates or suggests that the subsidy funds would be targeted to support payphones at locations frequented by the low income consumers about whom APCC purports to be so concerned. Rather, APCC is asking for support for each of the 475,000 payphones throughout the United States. These would include payphones at airports, at restaurants (including "high end" restaurants). It would even include payphones located at the nation's most elegant and upscale shopping malls and stores. Under the APCC proposal, payphones located at Tysons Corner Galleria in McLean, VA, White Flint Mall in Montgomery County, MD, or the Bal Harbour Mall in Miami, FL would be subsidized by the low-income portion of the USF. Payphones located in any of the Neiman-Marcus or Saks Fifth Avenue stores would be subsidized. Payphones located on the premises of the nation's most exclusive and prestigious social clubs and country clubs would receive low income support. Such payphones (or, more accurately, the owners of such payphones) would be subsidized

[17] The undisputable fact that USF support to wireless ETCs who use that support to provide discounted or free service to low-income households while the USF support sought by APCC would be used only to line the pockets of payphone owners contradicts the remarkable assertion at p. 22 of the APCC Petition for Rulemaking that provision of USF support to wireless ETCs violates a requirement that universal service support be administered in a competitively neutral manner.

despite the absence of any showing that those payphones are necessary to provide essential service to low income households which otherwise would not have access to affordable telecommunications service.

What really underlies APCC's petition is the undeniable fact that payphones have fallen into disuse and that many providers of payphones either have exited the market or reduced the number of available payphones. The fact that payphones are less available today than in the past is the result of marketplace events and technological development. It is certainly not the result of the Commission's implementation of the universal service provisions of the Communications Act in general, or the Commission's designation of wireless ETCs to provide Lifeline service in particular.

At the time of the 1996 Telecommunications Act and before, wireless service was expensive and available only to the more affluent portions of the population. That has changed. Prices for wireless service have been reduced in response to increased competition. Today, most CMRS services include bundled long distance, vertical features, and large amounts of calling -- many plans even provide for unlimited calling. Moreover, the advent and remarkable growth of prepaid wireless services, like those provided by TracFone and others, has made wireless service available to persons with poor credit histories, who are unable to make long term or large volume service commitments, and who can only afford to acquire service on an as-needed, pay-as-you-go basis. Persons whose only option for telephone service used to be payphones now have other, more user friendly, more convenient, and often less expensive options.

In light of these changes, it is no wonder that there are fewer payphones available now than in the past. Public demand for payphone services has been reduced as more satisfactory alternatives have become available and affordable. Contrary to the implication in APCC's

petitions, the demise of the payphone industry segment following introduction of new and improved alternatives is not an unprecedented development. Indeed, it has happened often in telecommunications. Yet prior victims of advancements in technology which caused their services to fall into disuse have not sought bail outs from the USF.

It makes no more public policy sense to use USF resources to bail out the payphone industry than it would have made to support manufacturers of rotary dial telephones, or providers of telegram and telex service, or, for that matter, party line service. More recently, the cutting edge document transmission technology of the 1980s -- facsimile machines -- has been made largely obsolete by the growth of broadband Internet access and e-mail, and the related ability to transmit PDF, Word, and other documents electronically. Should the USF subsidize companies which sell and lease fax machines? Under APCC's logic, the answer would be yes. In a similar manner, use of domestic long distance (interexchange) service has been reduced as wireless -- and wireline -- carriers increasingly offer bundled "all distance" services, and as a result of the emergence of Voice over the Internet Protocol ("VoIP") services. Should the USF be used to subsidize those remaining interexchange carriers who still charge by the minute and who still utilize circuit switched technology? Again, the logic of APCC's petitions would compel that such services be subsidized.

There is yet another irony in APCC's plea for subsidization from the USF. Following enactment of the 1996 Telecommunications Act, payphone services were deregulated. Once deregulated, payphone rates increased. Local calls which once cost $.10 and later $0.25, rose to $0.35, and, in some cases, $0.50 or more. Arrangements between payphone owners and certain interexchange carriers who marketed their services to aggregators, <u>including payphone owners</u>, rather than to consumers, and did so through payment of high commissions, led to very high long

distance calling prices from payphones, including owners of the very same payphones now asking for a USF bail out.[18]

With the advent of wireless technology and increasing competition in CMRS services, consumers, including low-income consumers, soon had economic alternatives to high local and long distance calling prices from deregulated payphones. It should come as no surprise to anyone, including APCC and its members, that consumers, faced with high prices and unsatisfactory service, and the availability of affordable alternatives, "voted with their feet." In short, the demise of payphones is attributable to various factors, including availability of alternative technology and high prices charged for payphone services. Contrary to the APCC pleas in its petitions, the decline in payphone usage is not a national tragedy nor is it a threat to the safety and security of any portion of the public, including the low income portion of the public. It is a natural result of technological and marketplace events.

CONCLUSION

As described in these comments, APCC's requested USF subsidization of the declining payphone industry is not permissible under the Act. More importantly, use of scarce USF resources to enhance the revenues of payphone operators would result in the nation's consumers of telecommunications services -- all of whom contribute to the USF -- through surcharges imposed by telecommunications service providers -- bailing out payphone owners as their businesses erode due to changes in technology, in the marketplace, and due to their own practices and pricing. No public interest benefit would be gained for such a bail out and the cost

[18] Such carriers were frequently referred to as "operator service providers" or "alternative operator service" providers. Their pricing behavior and dealings with payphone owners led to enactment of the Telephone Operator Consumer Services Improvement Act, of 1991, codified at Section 226 of the Communications Act (47 U.S.C. § 226), and to promulgation of implementing rules by the Commission, specifically, Section 64.703 - 64.710 of the Commission's rules (47 C.F.R. §§ 64.703 - 64.710).

to the USF and its contributors would be substantial. For all of these reasons, both APCC petitions should be denied.

Respectfully submitted,

TRACFONE WIRELESS, INC.

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Its Attorneys

January 18, 2011

CERTIFICATE OF SERVICE

I, Raymond Lee, a Legal Secretary with the law firm of Greenberg Traurig, LLP, hereby certify that on January 18, 2011, a true and correct copy of the foregoing Comments of TracFone Wireless, Inc. was sent via electronic mail, to the following address unless stated otherwise.

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