

March 20, 2013

VIA ELECTRONIC FILING

Ms. Marlene 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
WC Docket No. 03-109 Lifeline and Link Up
NOTICE OF EX PARTE PRESENTATION

Dear Ms. Dortch:

This letter is submitted on behalf of TracFone Wireless, Inc. (“TracFone”). Recently, criticism has been directed at the Lifeline program supported by the federal Universal Service Fund (“USF”). Much of that criticism has been focused on no charge Lifeline programs provided by TracFone and other wireless carriers. Those programs are sometimes referred to as “prepaid wireless” Lifeline. While some the Eligible Telecommunications Carriers (“ETCs”) who offer such programs – including TracFone – sell prepaid service, their Lifeline programs are not prepaid, they are no charge. Qualified low income consumers enrolled in those programs receive specified quantities of wireless usage each month at no charge to the customers with the Lifeline benefit supported by the USF.

In evaluating the merits of those criticisms, it is important to recognize that no charge Lifeline service was not originated by so-called “prepaid wireless ETCs” as some critics have alleged. Rather, the no charge Lifeline concept was introduced by the Commission in 2005 to address the emergency conditions which arose following Hurricane Katrina. In October 2005, the Commission issued its Katrina Order (Federal-State Joint Board on Universal Service, et al, 20 FCC Rcd 16883). In that order, the Commission established a special temporary Lifeline program for displaced Katrina victims. The program was available to persons who had been approved for FEMA disaster assistance. Qualifying persons received a free cell phone and 300 minutes of use at no charge to the consumer.

TracFone, not yet a designated ETC at the time, was one of several carriers who obtained emergency authorization from the Commission to participate in the program. TracFone enrolled nearly 30,000 displaced victims from Louisiana, Mississippi, and Alabama in its emergency Katrina Lifeline program. Other participating carriers also provided no charge service to Katrina victims based on the model established by the Commission in the Katrina Order. The Katrina Lifeline program provided an invaluable public safety and emergency communications benefit to tens of thousands of persons. Persons who had lost their homes and their personal property, and

who were forced to relocate – often to other states – were able to remain in contact with employers, and to communicate with potential new employers, as well as with family members, health care providers, social service agencies, and others. Whether labeled as a “prepaid wireless” Lifeline program or as a “free” program, its importance cannot be underestimated in enabling persons to get through a very difficult period.

Today’s Lifeline-eligible low-income households may not face conditions as dire as those faced by displaced Katrina victims in 2005 and 2006. However, they too, face difficult circumstances daily and rely on available telecommunications service, including wireless service, to pursue employment, stay in contact with family, access health care providers and, when necessary, access emergency services. In evaluating the criticisms of Lifeline in general and no charge wireless Lifeline programs in particular, the Commission should remain mindful that these programs have helped achieve the statutory goal of affordable telecommunications service for all Americans, including low-income households, and that the no charge Lifeline program created by the Commission was an invaluable component of the Government’s response to Hurricane Katrina. The Commission should continue to seek ways to further improve the program and to take such additional steps as appropriate to prevent waste, fraud and abuse of USF resources. However, it should not eliminate Lifeline programs, including the successful and effective no charge wireless Lifeline programs, as has been suggested by program critics.

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

cc: Hon. Julius Genachowski
Hon. Robert M. McDowell
Hon. Mignon Clyburn
Hon. Jessica Rosenworcel
Hon. Ajit Pai
Ms. Julie Veach
Ms. Kimberly Scardino
Mr. Jonathan Lechter