

Exhibit 1

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

In the Matter of)	
)	
Federal-State Joint Board on Universal Service)	CC Docket No. 96-45
)	
TracFone Wireless, Inc.)	
)	
Petition for Designation as an Eligible Telecommunications Carrier in the State of New York)	
)	
Petition for Designation as an Eligible Telecommunications Carrier in the State of Florida)	
)	
Petition for Designation as an Eligible Telecommunications Carrier in the Commonwealth of Virginia)	
)	
Petition for Designation as an Eligible Telecommunications Carrier in the State of Connecticut)	
)	
Petition for Designation as an Eligible Telecommunications Carrier in the Commonwealth of Massachusetts)	
)	
Petition for Designation as an Eligible Telecommunications Carrier in the State of Alabama)	
)	
Petition for Designation as an Eligible Telecommunications Carrier in the State of North Carolina)	
)	
Petition for Designation as an Eligible Telecommunications Carrier in the State of Tennessee)	
)	
Petition for Designation as an Eligible Telecommunications Carrier in the State of Delaware for the Limited Purpose of Offering Lifeline Service to Qualified Households)	
)	
Petition for Designation as an Eligible Telecommunications Carrier in the State of New Hampshire for the Limited Purpose of Offering Lifeline Services to Qualified Households)	

Petition for Designation as an Eligible)
 Telecommunications Carrier in the Commonwealth of)
 Pennsylvania for the Limited Purpose of Offering)
 Lifeline Service to Qualified Households)
)
 Petition for Designation as an Eligible)
 Telecommunications Carrier in the District of Columbia)
 for the Limited Purpose of Offering Lifeline Service to)
 Qualified Households)

**PETITION FOR MODIFICATION OF
 ANNUAL VERIFICATION CONDITION**

TracFone Wireless, Inc. (TracFone), by its attorneys, hereby petitions the Commission to modify a condition attached to the order designating TracFone as an Eligible Telecommunications Carrier (ETC). Specifically, TracFone requests modification of the condition that TracFone require its customers to self-certify at time of service activation and annually thereafter that they are the head of household and receive Lifeline-supported service only from TracFone.¹ As will be explained more fully in this petition, TracFone only requests modification of that portion of the condition which requires verification by every customer on an annual basis. It does not seek modification of the condition that it require every customer to self-certify at the time of service activation that they are head of household and receive Lifeline-supported service only from TracFone.

¹ This condition was first imposed in the 2005 order conditionally granting TracFone’s petition for forbearance. Federal-State Joint Board on Universal Service, Petition of TracFone Wireless, Inc. for Forbearance from 47 USC § 214(e)(1)(A) and 47 CFR § 54.201(j), 20 FCC Rcd 15095 at ¶ 18 (“TracFone Forbearance Order”). It was re-affirmed in the 2008 order designating TracFone as an ETC in certain jurisdictions. 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, at ¶ 21 (“TracFone ETC Designation Order”). An identical condition was recently imposed by the Commission on Virgin Mobile USA. Virgin Mobile USA, L.P. Petition for Forbearance from 47 U.S.C. § 214(e)(1)(A), Petition for Designation as an Eligible Telecommunications Carrier in the State of New York, et al, FCC 09-18, at ¶ 12.

Section 54.410(c)(2) of the Commission's rules requires that ETCs must implement procedures to verify the continued eligibility of a statistically-valid sample of their Lifeline consumers and they must provide the results of those samples to the Administrator (the Universal Service Administrative Company).² The Commission's decision to require ETCs to verify annually their Lifeline customers' continued eligibility for enrollment in Lifeline through use of a statistically-valid sample rather than verifying all of each ETCs' thousands of Lifeline customers reflects a careful balancing by the Commission between the need to reasonably ensure that only eligible customers continue to receive Lifeline support on the one hand, without unduly burdening ETCs through a requirement that one hundred percent of customers be verified annually on the other hand.

Like all other ETCs offering Lifeline service, TracFone is required to comply with that requirement. The condition which obligates TracFone to verify annually that its customers are head of household and receive Lifeline-supported service only from TracFone is in addition to the generally applicable annual verification requirement.

By this petition, TracFone requests that the annual verification condition imposed on it in the TracFone Forbearance Order be modified to allow TracFone to verify annually that its Lifeline customers are heads of household and receive Lifeline-supported service only from TracFone through use of a statistically-valid sample of those customers. This relatively minor modification would make the annual verification condition imposed on TracFone as a condition of forbearance consistent with the annual verification of continued Lifeline eligibility requirement to which all ETCs offering Lifeline service are subject.

² 47 CFR § 54.410(c)(2).

Nothing in the TracFone Forbearance Order or the TracFone ETC Designation Order indicates the existence of any reason for imposing that annual verification condition in a manner which requires verification of every customer, while allowing annual verification of continued Lifeline eligibility -- a requirement applicable to all ETCs -- to be determined based upon a statistically-valid sample of Lifeline customers. Moreover, TracFone plans to conduct its annual verification of its customers' continued head of household status and receipt of Lifeline-supported service only from TracFone simultaneously with its annual verification of its customers' continued eligibility for Lifeline. Modification of that condition so as to allow TracFone to verify its customers' head of household status through use of a statistically-valid sample, would make it feasible for TracFone to comply with the entirety of its annual verification obligations through a combined process.

TracFone recognizes that the Commission-imposed condition requiring it to verify annually that its Lifeline customers are head of household and receive Lifeline-supported service only from TracFone is imposed upon it as a condition of forbearance and is not imposed on other ETCs. TracFone is not disputing nor challenging that condition. By this petition, it is requesting that the condition be modified so as to allow it to meet that additional annual verification condition by verifying a statistically-valid sample of its Lifeline customers as it -- and all other ETCs -- must do in order to verify customers' continued Lifeline eligibility.

Accordingly, TracFone respectfully requests that the annual verification condition first articulated at paragraph 18 of the TracFone Forbearance Order be modified as follows:

We require that TracFone require its Lifeline customers to self-certify under penalty of perjury upon service activation, and that TracFone verify on an annual basis using a statistically-valid sample, in conformance with Section 54.410(c)(2) of the Commission's Rules, that its Lifeline customers are head of

household and only receive Lifeline-supported service from TracFone.

This modification will enable TracFone to more efficiently verify that its customers remain entitled to receive Lifeline service from TracFone without compromising the verification process.

Respectfully submitted.

TRACFONE WIRELESS, INC.



Mitchell F. Brecher
GREENBERG TRAURIG, LLP
2101 L Street, NW
Suite 1000
Washington, DC 20037
(202) 331-3100

Its Attorneys

April 27, 2009

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

In the Matter of)	
)	
Federal-State Joint Board on Universal Service)	CC Docket No. 96-45
)	
TracFone Wireless, Inc.)	
)	
Petition for Designation as an Eligible Telecommunications Carrier in the State of New York)	
)	
Petition for Designation as an Eligible Telecommunications Carrier in the State of Florida)	
)	
Petition for Designation as an Eligible Telecommunications Carrier in the Commonwealth of Virginia)	
)	
Petition for Designation as an Eligible Telecommunications Carrier in the State of Connecticut)	
)	
Petition for Designation as an Eligible Telecommunications Carrier in the Commonwealth of Massachusetts)	
)	
Petition for Designation as an Eligible Telecommunications Carrier in the State of Alabama)	
)	
Petition for Designation as an Eligible Telecommunications Carrier in the State of North Carolina)	
)	
Petition for Designation as an Eligible Telecommunications Carrier in the State of Tennessee)	
)	
Petition for Designation as an Eligible Telecommunications Carrier in the State of Delaware for the Limited Purpose of Offering Lifeline Service to Qualified Households)	
)	
Petition for Designation as an Eligible Telecommunications Carrier in the State of New Hampshire for the Limited Purpose of Offering Lifeline Services to Qualified Households)	
)	

Petition for Designation as an Eligible)
 Telecommunications Carrier in the Commonwealth of)
 Pennsylvania for the Limited Purpose of Offering)
 Lifeline Service to Qualified Households)
)
 Petition for Designation as an Eligible)
 Telecommunications Carrier in the District of Columbia)
 for the Limited Purpose of Offering Lifeline Service to)
 Qualified Households)

**SUPPLEMENT TO PETITION FOR MODIFICATION OF
 ANNUAL VERIFICATION CONDITION**

TracFone Wireless, Inc. (TracFone), by its attorneys, hereby supplements its petition to modify a condition attached to the order designating TracFone as an Eligible Telecommunications Carrier (ETC), filed April 27, 2009. Specifically, TracFone provides additional information to support its request for modification of the condition set forth in the Forbearance Order and in the TracFone ETC Designation Order that TracFone require its customers to self-certify on an annual basis that they are the head of household and receive Lifeline-supported service only from TracFone.¹

The Forbearance Order requires the following:

[W]e require that TracFone require its Lifeline customers to self-certify under penalty of perjury upon service activation and then annually thereafter that they are the head of household and only receive Lifeline-supported service from TracFone. The penalties for perjury must be clearly stated on the certification form.²

¹ See Federal-State Joint Board on Universal Service, Petition of TracFone Wireless, Inc. for Forbearance from 47 USC § 214(e)(1)(A) and 47 CFR § 54.201(i), 20 FCC Rcd 15095 at ¶ 18 (“TracFone Forbearance Order”); 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, at ¶ 21 (“TracFone ETC Designation Order”).

² Forbearance Order, ¶ 18 (emphasis added).

The Forbearance Order further requires that “TracFone maintain the self-certifications and provide such documentation to the Commission upon request.”³ Given the requirement that TracFone maintain documentation of the self-certifications, TracFone can only comply with the annual verification requirement by: (1) contacting its customers via direct mail and requesting that they complete an enclosed form and send it back to TracFone; or (2) contacting its customers via electronic mail and requesting that they review a form and electronically indicate their self-certification. While TracFone maintains mailing addresses for every Lifeline customer, it does not have electronic mail addresses for the majority of its Lifeline customers. In fact, since TracFone Lifeline customers are low income, many do not own computers, do not have Internet service accounts, and therefore, are not able to send or receive electronic mail. Therefore, it anticipates relying on direct mail to obtain the annual verification from each customer that he or she is the head of household and receives Lifeline only from TracFone.

Based on TracFone’s more than 10 years of experience in providing prepaid wireless service to millions of customers and communicating with those customers, TracFone has found that on average only 15 percent of its customers who receive a direct mailing requesting a response actually send a response. TracFone is concerned that the vast majority of Lifeline customers will not respond to a direct mailing that asks them to sign a form and send it back to TracFone, despite being qualified to receive Lifeline. Based upon that experience with direct mail responses, TracFone is concerned that approximately 85 percent of its Lifeline customers would lose their Lifeline benefits even if they remain qualified. In less than a year of offering Lifeline in only a handful of states, TracFone is already providing Lifeline service to over 1 million customers. The massive de-enrollments that TracFone anticipates will be caused if it is

³ Forbearance Order, n.50.

required to obtain self-certifications from each customer on an annual basis threatens the success of the Lifeline program. This risk of massive de-enrollment is especially unfortunate and avoidable since no other operational ETC is subject to such a customer response requirement for each and every customer. As a result, many low income Lifeline-eligible households who enroll in TracFone's Lifeline program will be de-enrolled when similar Lifeline customers who have enrolled in other ETCs' Lifeline programs will not be subject to a comparable risk of de-enrollment and lost of Lifeline benefits. This condition disadvantages TracFone as a competitive ETC. More importantly, however, it will penalize otherwise Lifeline-eligible low income households, and will unnecessarily lower the level of participation in Lifeline by eligible low income persons. According to Commission data, only 33.7 percent of Lifeline-eligible low income households nationwide participate in the Lifeline program.⁴ The Commission's grant of TracFone's petition to modify the annual verification condition will ensure that the vast underutilization of the Lifeline program is not perpetuated.

CONCLUSION

Based on the foregoing, and for the reasons stated in TracFone's Petition for Modification, TracFone respectfully requests that the annual verification condition articulated at paragraph 18 of the Forbearance Order be modified to allow TracFone to verify annually that its Lifeline customers are heads of household and receive Lifeline-supported service only from TracFone through use of a statistically-valid sample of those customers.

⁴ Lifeline and Link-Up, *Report and Order and Further Notice of Proposed Rulemaking*, 19 FCC Rcd 8302 (2004), at Appendix K - Section 1: Baseline Information Table 1.A. Baseline Lifeline subscription information (Year 2002).

Respectfully submitted.

TRACFONE WIRELESS, INC.



Mitchell F. Brecher
Debra McGuire Mercer
GREENBERG TRAUIG, LLP
2101 L Street, NW
Suite 1000
Washington, DC 20037
(202) 331-3100

Its Attorneys

June 1, 2009