

April 20, 2010

Chairman Ted Boyer
Commissioner Richard M. Campbell
Commissioner Ron Allen
Utah Public Service Commission
Heber M. Wells Building
160 East 300 South
Salt Lake City, UT 84114

Dear Commissioners:

The Utah Public Service Commission is considering an application to expand Lifeline, a public assistance program enacted and funded by the Federal Communications Commission (FCC) that will provide low-income seniors and low-income families who meet specific eligibility standards access to free telephone service. It is our understanding that TracFone, a leading national wireless provider, has applied for Eligible Telecommunications Carrier (ETC) status for the purpose of offering Lifeline services to low-income households in the State of Utah.

In 2009 only twenty-one percent (29,982 households) of the estimated 145,986 low-income households in Utah had Lifeline service. The low penetration rate is due in part to the fact that existing Telecommunications Carriers' do not incorporate marketing for the Lifeline program in their business model, and as a consequence the majority of Utah's low-income population do not even know that this program exists.

The ongoing economic recession has created enormous financial burdens on Utah families, and has disproportionately impacted low-income seniors and families in Utah who are often forced to give up telephone service that had served as both a safety lifeline and a critical link to seeking and maintaining employment status. The Lifeline program, that is entirely funded by the FCC administered Universal Service Fund, provides access to cell phones that studies have clearly demonstrated can significantly boost the earning potential of low-income families, and are a critical component of personal safety and access to emergency services.

TracFone has invested more than \$100 million in the development of a business model that is known as the "SafeLink" program, and has effectively marketed this product to more than 2.8 million households in the District of Columbia and twenty-one states including: Alabama, Connecticut, Delaware, Florida, Georgia, Illinois, Louisiana, Maryland, Massachusetts, Michigan, Missouri, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, West Virginia and Wisconsin.

It is imperative that Utah's low-income households have immediate access to the SafeLink program to empower these low-income families and seniors to increase their earning potential, protect their personal safety and have access to emergency services. The SafeLink service will

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provide eligible households with a free cell phone; will receive a free allocation of 67 minutes of service every month that carry over if unused for one year; and mobile access to emergency services.

SafeLink will help Utah's low-income residents contribute to a robust state economy without any drain on already scarce state revenues. It is imperative that the SafeLink program be approved as quickly as possible to allow these at-risk families in Utah to have access to this valuable program.

Sincerely,

Scott Davis, President
Mountain West Small Business Finance