

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Petition of TracFone Wireless, Inc. for Designation as an Eligible Telecommunications Carrier in the State of Utah for the Limited Purpose of Offering Lifeline Services to Qualified Households

Docket No. 09-2511-01

**POST HEARING BRIEF OF
SALT LAKE COMMUNITY ACTION
PROGRAM**

The following is the Post Hearing Brief for Salt Lake Community Action Program.

Introduction

The Lifeline Program exists to ensure telephone service is accessible and affordable to low-income households. While a wireless Lifeline service offering may be beneficial to people with low incomes, the Lifeline service TracFone is proposing to offer its Utah SafeLink customers is inadequate. TracFone has not even proposed to provide its Utah SafeLink customers with a service that is equal to the Lifeline services they are offering in some other states.

The Commission Should Require TracFone to provide the maximum number of free minutes offered in other states.

TracFone's offer of 67 free minutes is not adequate. As stated in our previous testimonies, an average of 2-3 minutes of airtime per day is not of much value to meet the needs of low-income families. Additionally, TracFone is providing a higher number of free minutes to

its customers in other states. TracFone is currently offering 80 free minutes of airtime to its Massachusetts SafeLink customers.

The Minnesota Public Utilities Commission (Minnesota PUC) recognized the inadequacy of TracFone's initial offering in Minnesota. On June 9, 2010, the Minnesota PUC approved TracFone's designation as an ETC, conditionally for one year. The Minnesota Order Granting One-Year, Conditional ETC Designation and Opening Investigation (The Minnesota Order) is attached as Exhibit A. The Minnesota Order states "TracFone's Minnesota Lifeline service offering shall include the highest number of free minutes of usage offered in any jurisdiction." (p. 13)

It is also important to note that TracFone, in response to the Minnesota Order, has filed a Motion for Reconsideration with the Minnesota PUC. TracFone's Motion for Reconsideration with the Minnesota PUC is attached as Exhibit B. In TracFone's Motion for Reconsideration it states "TracFone has modified its proposed SafeLink Wireless® offering to include a 200 free minute per month option for low income Minnesotans." (p. 1) TracFone is not only currently providing 80 free minutes of airtime to its SafeLink customers in Massachusetts, but it is also proposing to offer 200 free minutes per month to its Minnesota customers. TracFone should offer its Utah SafeLink customers, at minimum, the highest number of free minutes it is offering in other states.

The Commission should require TracFone to provide airtime minutes at the lowest rate offered in other states.

TracFone has proposed to offer its Utah SafeLink customers the option of purchasing minutes beyond the 67 free minutes of airtime at a rate of \$0.20 per minute. Essentially, a qualifying Lifeline participant in Utah would pay substantially more in order to receive a service

that is comparable with a SafeLink customer in Massachusetts. The current offer in Utah would require a customer pay \$0.20 per minute with the smallest increment available at \$19.99. For a Utah Lifeline customer to even purchase the additional 17 minutes that is offered for free in Massachusetts, it would cost that low-income customer a minimum of \$19.99 in Utah.

The Minnesota Order requires TracFone to provide Minnesota SafeLink customers “supplementary minutes priced at the ten-cent level offered in other jurisdictions.” The Washington State Utilities and Transportation Commission issued a Final Order in the Matter of the Petition of TracFone Wireless, Inc., Docket UT-093012, dated June 24, 2010 (Washington State Final Order). The Washington State Final Order adopts a settlement agreement in which TracFone has agreed to provide low-income customers in Washington with supplementary minutes at the cost of \$0.10 per minute. It should also be noted, the Washington State Final Order goes further by stating “TracFone must also provide Lifeline customers with the choice of all other rate plans available to regular customers and offer the discounted versions of the Straight Talk plans.” (p.13) TracFone offers Washington customers a \$10.00 discount on two of their higher volume Straight Talk Plans. In Washington a low-income customer may purchase a “Straight Talk Unlimited Plan” for \$35.00 a month or a “Straight Talk All You Need Plan” (1,000 minutes) for \$20.00 per month.

These other states have recognized the inadequacy of TracFone’s offering of additional minutes at \$0.20 per minute to low-income families. Further, they have ordered TracFone to lower the rate to a maximum of \$0.10 per minute, which is available to other TracFone customers including TracFone’s own Net 10 customers. Low-income customers in Utah should be provided with affordable options for telephone service, as is the purpose of Lifeline. TracFone

should be offering its Utah SafeLink customers, at minimum, the lowest per minute rate it is offering in other states.

Customers should not be charged airtime for calls to TracFone customer service.

TracFone's proposed Utah offering would charge airtime to low-income Utah SafeLink customers for accessing the TracFone customer service number. This is unacceptable and is especially troubling because there are no physical TracFone locations a customer can visit to address customer service issues. Washington and Minnesota have both acknowledged charging low-income customers airtime for calls made to customer service is not appropriate. The Washington Final Order and the Minnesota Order both require TracFone to provide customer service calls for free to SafeLink customers.

ETC status should be monitored and adjusted as needed.

TracFone's entrance to the market as a potential Lifeline provider has raised concerns that have not been previously explored in Utah or adequately addressed at the Federal Communications Commission. In our view, it would be preferable for the Utah Commission to first make a determination about what it considers to be an appropriate Lifeline product and how best to meet the needs of low-income customers. However, other options have been established in other states. The Washington State Final Order approved TracFone's ETC status, conditionally for one year and subject to further review. TracFone will have to renew its status and the Washington PUC can modify or revoke the agreement. The Minnesota Order also granted a one year conditional status subject to conditions. TracFone must reapply with the Minnesota PUC within 60 days before expiration of the order. If the Utah Commission decides to

grant TracFone's ETC status it should consider granting conditionally in order to monitor and adjust the service offering as needed.

Conclusion

The specific issues addressed in this brief do not encompass the entire position of Salt Lake Community Action Program regarding this matter. Instead, Salt Lake Community Action Program has addressed in this brief issues where additional information has come forth to support our position such as those proposed in our testimony and in this brief.

The Utah Commission should not grant TracFone's ETC status without imposing conditions. Salt Lake Community Action Program respectfully requests the Utah Commission consider the testimony of Salt Lake Community Action Program, as well as the additional information we have set forth in this brief.

DATED this ____ day of July, 2010.

SONYA L. MARTINEZ

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing Post Hearing Brief of Salt Lake Community Action Program in Docket No. 09-2511-01 was mailed electronically this ____ day of July, 2010, to the following:

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Respectfully,

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