

July 29, 2010

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

In the Matter of Petition of TracFone Wireless, Inc. for Designation as an Eligible Telecommunications Carrier in the State of Utah for the Limited Purpose of Offering Lifeline Service to Qualified Households **Docket No. 09-2511-01**

Dear Commissioners:

Once again we repeat our request that the Utah Public Service Commission conduct a generic hearing on how to best offer telephone Lifeline in the state. In conjunction we believe it would be advisable for the Public Service Commission to delay any final order in the pending TracFone Wireless, Inc. case or any other telephone Lifeline case before the commission at this time.

Given the pending Federal Communications Commission Lifeline case cited in our July 15, 2010 correspondence to the commission we believe it would be best to delay all Utah Lifeline related decisions until the relevant FCC findings are revealed. Review of the 20 or so sets of comments (including that of TracFone Wireless) filed in the FCC proceeding show an incredibly broad range of positions on how Lifeline service should be offered. Eligibility, outreach, database and broadband issues are all dealt with at great length.

As we have stated previously, the commission, by conducting its own generic hearing into the full range of telephone Lifeline service including both the existing landline and the potential wireless services, would better serve the long term interests of all those concerned.

A brief look at the other regulatory jurisdictions around the country shows the telephone Lifeline service offering is in flux. This is demonstrated by the changes in TracFone's own Lifeline offerings state by state. Where TracFone in their Minnesota and Utah Lifeline hearings started out offering 67 minutes in their basic service now they are offering 200 minutes. And in Minnesota they have reduced their per minute charge to \$0.10 a minute.

If the bundle of minutes offered is so flexible what else in the service offering is open to examination, debate and ultimately change in the proposed Lifeline service?

The Utah PSC should slow things down and do it right. Rather than allowing Utah's low income consumers to be dragged through an unnecessarily tumultuous time where one Lifeline service is offered, and then another and possibly more, followed by still more probable changes brought on by federal decisions, the commission should take a deliberate approach and start from the beginning.

TracFone reports that Lifeline subscriptions increase dramatically when their new wireless service has been offered. However, when checked for eligibility in California, Florida and elsewhere the telephone Lifeline error (or if one prefers – the fraud) rates are exceptionally high. Until more is known about how to offer service accurately and reliably Utah regulators should move with caution.

We recommend the Utah Public Service Commission:

- 1) postpone the inauguration of new telephone Lifeline service in Utah
- 2) conduct a generic hearing into the nature and type of Lifeline service or services that would best serve the state
- 3) invite all interested parties to participate, including current landline providers, to best investigate the full range of service potential
- 4) direct its staff and the other state agencies to report on the progress of the relevant federal proceedings and invite potential interveners to do the same
- 5) set a date certain for:
  - a. completion of the generic hearing,
  - b. release of a final report
  - c. start of the time for accepting new telephone Lifeline applications.

Thank you,

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