

Gary A. Dodge, #0897  
HATCH, JAMES & DODGE  
10 West Broadway, Suite 400  
Salt Lake City, UT 84101  
Telephone: (801) 363-6363  
Facsimile: (801) 363-6666  
Email: gdodge@hjdllaw.com

Mitchell F. Brecher  
GREENBERG TRAURIG, LLP  
2101 L Street, NW, Suite 1000  
Washington, DC 20037  
Telephone: (202) 331-3100  
Facsimile: (202) 261-0152  
Email: brecherm@gtlaw.com

Attorneys for TracFone Wireless, Inc.

**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 Service to Qualified Households	Docket No. 09-2511-01  <b>TRACFONE WIRELESS, INC.'S STATEMENT REGARDING ITS STATE UNIVERSAL SERVICE FUND CONTRIBUTION METHOD</b>
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Pursuant to the Commission's Order on Reconsideration issued March 9, 2011, TracFone Wireless, Inc. ("TracFone") describes the method it will use to collect and remit contributions to the Utah Universal Service Fund ("USF").

In that Order on Reconsideration, the Commission reversed its prior determination and held that TracFone is obligated to contribute to the State USF despite the fact that the Commission acknowledged that the administrative rule governing State USF contributions appears to exclude non-billed services, such as TracFone's prepaid wireless service. The Commission then required TracFone as a condition of its ETC status to "identify a mechanism by which to collect the appropriate USF surcharges from end users." That is, of course, an impossibility. Without a billing mechanism, there is no mechanism available to TracFone to **collect** USF surcharges from end-users. Moreover, TracFone prepaid service is purchased in advance so even when consumers purchase

service directly from TracFone through the company's website and pay by credit card, there is no mechanism for determining at the time of payment for the prepaid service whether the purchased service will be used for intrastate calling.

TracFone is disappointed in the Commission's decision on reconsideration to reverse its prior conclusion that the State USF collection obligation is not applicable to non-billed services such as TracFone's prepaid wireless service. Nonetheless, TracFone respects the Commission's decision and it is gratified to have been designated as an ETC in Utah.

Notwithstanding its inability to collect USF surcharges from end users of its non-billed prepaid service, TracFone will calculate the amount of its contribution to the Utah USF by multiplying its intrastate revenues by 0.0025 -- the applicable USF surcharge factor -- and remitting that amount to the Commission. Upon receiving the Commission's approval of this contribution method, TracFone will commence its remittance of contributions to the Utah USF.

Respectfully submitted,

HATCH, JAMES & DODGE

/s/ \_\_\_\_\_  
Gary A. Dodge

GREENBERG TRAURIG, LLP

/s/ \_\_\_\_\_  
Mitchell F. Brecher  
Debra McGuire Mercer

Attorneys for TracFone Wireless, Inc.

June 2, 2011

## CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served by email this 2<sup>nd</sup> day of June, 2011, on the following:

Patricia Schmid  
Assistant Attorney General Heber Wells  
Building  
160 East 300 South, 5<sup>th</sup> Floor  
Salt Lake  
City, Utah 84114  
pschmid@utah.gov

Stephen F. Mecham  
Callister Nebeker & McCullough  
10 East South Temple Suite 900  
Salt Lake City, UT 84133  
sfmecham@cnmlaw.com

Paul Proctor  
Assistant Attorney General  
Heber Wells Building  
160 East 300 South, 5<sup>th</sup> Floor Salt Lake  
City, Utah 84114-0857  
pproctor@utah.gov

Betsy Wolf  
Salt Lake Community Action Program  
764 South 200 West  
Salt Lake City, UT 84101  
bwolf@slcap.org

Cheryl Murray  
Utah Office of Consumer Services 160  
East 300 South, 2<sup>nd</sup> Floor  
P.O. Box 146782  
Salt Lake City, Utah 84114-6782  
cmurray@utah.gov

Katharine H. Kinsman  
Assistant Attorney General  
160 East 300 South, 5th Floor  
P.O. Box 140857  
Salt Lake City, Utah 84114-0857  
kkinsman@utah.gov

Casey Coleman  
Utah Division of Public Utilities 160 East  
300 South, 4<sup>th</sup> Floor Salt Lake City, Utah  
84114 wduncan@utah.gov  
ccoleman@utah.gov

Sherman Roquero  
Department of Community and Culture  
324 South State Street, Suite 500  
Salt Lake City, UT 84114-9302  
sroquero@utah.gov

Stephen F. Mecham  
Callister Nebeker & McCullough 10 East  
South Temple, Suite 900  
Salt Lake City, Utah 84133  
sfmecham@cnmlaw.com

/s/ \_\_\_\_\_