

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

Request of TracFone Wireless, Inc. to Amend its Designation as an Eligible Telecommunications Carrier to Receive Utah Universal Service Fund Support for Lifeline Service	<p style="text-align: center;"><u>DOCKET NO. 17-2511-01</u></p> <p style="text-align: center;"><u>ORDER APPROVING STIPULATION AND SETTLEMENT AGREEMENT</u></p>
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ISSUED: September 18, 2018

On June 23, 2017, TracFone Wireless, Inc. (“TracFone”) filed its Petition to Amend its Designation as an Eligible Telecommunications Carrier to Receive Utah Universal Service Fund Support for Lifeline Service (“Petition”). In the Petition, TracFone seeks an amendment to its existing eligible telecommunications carrier (“ETC”) designation authorizing it to obtain state Universal Service Funds (“State USF”) for its Lifeline program.

On June 30, 2017, the Public Service Commission (“PSC”) issued its Order Staying Petition, staying the docket until administrative rules governing wireless providers’ eligibility for State USF Lifeline support were made effective. On March 6, 2018, with the requisite administrative rules in place, the PSC issued its Order Lifting Stay.

After holding a scheduling conference, the PSC issued a Scheduling Order on March 20, 2018, establishing adjudication deadlines and setting the Petition for hearing on November 15, 2018.

On August 30, 2018, the Division of Public Utilities (“DPU”) filed a Stipulation and Settlement Agreement (“Settlement”), which the DPU, the Office of Consumer Services (“OCS”) and TracFone executed (collectively, the “Parties”). The same date, the DPU filed a Motion to Vacate the Remaining Schedule and Request to Schedule Hearing on the Stipulation for September 12, 2018, which the PSC granted.

The PSC held a hearing to consider the Settlement on September 12, 2018, during which TracFone, the DPU, and the OCS provided testimony.

In the Settlement, the Parties stipulate and agree TracFone's Lifeline product offering will offer an enhanced service to Utah customers that exceeds the Federal Communications Commission's Lifeline requirements. The Parties further agree the enhanced Lifeline offering represents a benefit for Utah customers, is in the public interest, and furthers the statutory goal that basic service be available and affordable to all citizens of Utah.

Specifically, the Settlement provides that, as a condition of receiving State USF support, TracFone will offer enhanced Lifeline service to qualifying low-income Utah residents under its SafeLink Wireless<sup>®</sup> and Walmart Family Mobile<sup>®</sup> brands. The enhanced Lifeline program offering "will offer customers who receive a free smartphone from TracFone a bundled mobile broadband data and voice plan that includes 750 voice minutes and 1 GB of mobile broadband data service at a minimum of 3G speed." (Settlement at 3.) Additionally, "[t]he voice portion of the bundled plan will include unlimited text messages, voicemail, caller ID, national long distance calling without toll charges, and no charges for roaming." (*Id.*) As for customers who do not receive a free smartphone from TracFone, the same service offering will offer them "an additional 500 MB of data each month for the first three months of the customer's service." (*Id.*)

Under the Settlement, "TracFone will also provide benefits to customers of TracFone's Walmart Family Mobile<sup>®</sup> Financial Assistance Program funded in part by the federal Lifeline program." (Settlement at 4.) "TracFone will increase the amount of the discount currently provided by the federal Lifeline program by \$3.50." (*Id.*)

The Parties agree TracFone will abide by additional requirements enumerated in the Settlement, including but not limited to the following: (i) TracFone will maintain a Utah-specific fact sheet that provides customers concise and complete information about the services they will receive; (ii) TracFone will receive \$3.50 per qualifying line per month pursuant to Utah Admin. Code R746-8-403 and Utah Code Ann. § 54-8b-15; (iii) TracFone will pay all applicable state and local regulatory fees; (iv) upon implementing any changes to its Lifeline offerings, TracFone will timely file a notice with the DPU and the OCS describing the changed plans;<sup>1</sup> and (v) TracFone is not presently seeking to modify its ETC service territory and if it intends, in the future, to modify the area in which it offers Lifeline services in Utah, TracFone will timely file a notice with the PSC, the DPU, and the OCS identifying the modified area and requesting approval for the modification of its service area.

At hearing, the OCS testified TracFone satisfies all requirements to receive State USF and that the Settlement is just and reasonable in result, and in the public interest. Similarly, the DPU testified the Settlement was just, reasonable, and in the public interest. No party opposed the Settlement.

FINDINGS, CONCLUSIONS, AND ORDER

Settlements of matters before the PSC are statutorily encouraged. To approve a settlement, the PSC must consider the interests of the public and other affected persons and find the settlement is just and reasonable in result. Utah Code Ann. § 54-7-1.

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<sup>1</sup> At hearing, TracFone, the DPU, and the OCS represented they supported including in this Order a requirement that TracFone also timely file notice with the PSC upon implementing any changes to its Lifeline offerings.

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Based on our consideration of the Petition, the submitted written testimony, the testimony at hearing, and the Settlement, the PSC finds and concludes that approval of the Settlement is in the public interest and that the terms of the Settlement are just and reasonable in result.

The PSC, therefore, approves the Settlement and grants the Petition, as conditioned and supplemented by the Settlement. Additionally, upon implementing any changes to its Lifeline offerings, the PSC orders TracFone to timely file notice with the PSC that identifies and describes that change.

DATED at Salt Lake City, Utah, September 18, 2018.

/s/ Michael J. Hammer  
Presiding Officer

Approved and confirmed September 18, 2018 as the Order of the Public Service Commission of Utah.

/s/ Thad LeVar, Chair

/s/ David R. Clark, Commissioner

/s/ Jordan A. White, Commissioner

Attest:

/s/ Gary L. Widerburg  
PSC Secretary  
DW#304464

Notice of Opportunity for Agency Review or Rehearing

Pursuant to Utah Code Ann. §§ 63G-4-301 and 54-7-15, a party may seek agency review or rehearing of this order by filing a request for review or rehearing with the PSC within 30 days after the issuance of the order. Responses to a request for agency review or rehearing must be filed within 15 days of the filing of the request for review or rehearing. If the PSC fails to grant a request for review or rehearing within 20 days after the filing of a request for review or rehearing, it is deemed denied. Judicial review of the PSC's final agency action may be obtained by filing a Petition for Review with the Utah Supreme Court within 30 days after final agency action. Any Petition for Review must comply with the requirements of Utah Code Ann. §§ 63G-4-401, 63G-4-403, and the Utah Rules of Appellate Procedure.

CERTIFICATE OF SERVICE

I CERTIFY that on September 18, 2018, a true and correct copy of the foregoing was served upon the following as indicated below:

By Electronic-Mail:

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Administrative Assistant