

**STATEMENT OF
COMMISSIONER JONATHAN S. ADELSTEIN**

Re: *Federal-State Joint Board on Universal Service; TracFone Wireless, Inc.; Petitions for Designation as an Eligible Telecommunications Carrier in the States of New York, Florida, Virginia, Connecticut, Massachusetts, Alabama, North Carolina, Tennessee, Delaware, New Hampshire, Pennsylvania and the District of Columbia for the Limited Purpose of Offering Lifeline Service to Qualified Households, CC Docket No. 96-45, Order.*

For most of us, living without telephone service is almost unimaginable. It is a link to our jobs, to commerce, to healthcare and emergency services, not to mention friends and family. For that reason, Congress and the Commission have long recognized the importance of ensuring that consumers have affordable access to telecommunications services. We have succeeded through Federal universal service programs, including Lifeline and Link Up, in achieving extraordinarily high levels of telephone penetration in the U.S. Despite that progress, millions of consumers lack even the most basic connectivity. For many of these consumers, the cost of maintaining telephone service is prohibitively expensive, keeping even the most basic connections out of reach. This is particularly so for low-income consumers, who are much less likely to have access to telephone service.

Our Lifeline program forms the backbone of our efforts to reach low income consumers. Through this Order, the Commission takes a modest step to expand the options available for low income consumers. By designating a provider that actively targets low-income consumers for Lifeline support, this Order should expand choice for these consumers. This is particularly important, given the Commission's estimate that only about one third of households eligible for Lifeline support actually subscribe to the program. Greater competition for low-income customers should lead to better service offerings, lower costs, and, most importantly, greater participation.

I would like to thank the staff of the Wireline Competition Bureau for their hard work to address these petitions and the proposed compliance plan. Given the unique circumstances of designating a prepaid provider as eligible to receive universal service support, it is important that the Commission carefully monitor its implementation and I look forward to working with both the Bureau and my colleagues should any questions arise.