

**STATEMENT OF
COMMISSIONER DEBORAH TAYLOR TATE**

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.*

Just as we improved utilization of the separate rural health care mechanism of the universal service program with our recent Rural Health Care Pilot Program, we now take action to enhance the Lifeline Program. The Lifeline program is a key component of the national universal service goal set out by Congress to ensure that consumers in all corners of the nation – no matter their economic status – have access to telecommunications services. Since its inception, Lifeline has provided support for millions of low-income consumers.

In our decision we grant a very narrow and limited Eligible Telecommunications Carrier (ETC) designation to TracFone's Lifeline program which provides eligible consumers increased choice and mobility, especially citizens in rural areas who often must drive significant distances for employment, education and healthcare. In addition the prepaid feature may be an attractive alternative to Lifeline-eligible consumers who are concerned about usage charges or long-term contracts.

Significantly, under this limited ETC designation, TracFone will not be eligible for support for Link Up or toll-limitation service under the low-income program, nor will it be eligible for high-cost support, or for schools and libraries and rural health care support. In addition, we impose additional requirements on TracFone that obligate it to implement certain 911 and E911 requirements, including administrative procedures to safeguard against waste, fraud, and abuse.