

101 South Queen Street  
Martinsburg, West Virginia 25401  
(304) 263-0836

7000 Hampton Center  
Morgantown, West Virginia 26505  
(304) 285-2500

5th Floor, United Square  
501 Avery Street  
Parkersburg, West Virginia 26101  
(304) 485-8500

  
**Bowles Rice**  
McDAVID GRAFF & LOVE LLP

ATTORNEYS AT LAW

600 Quarrier Street  
Charleston, West Virginia 25301

Post Office Box 1386  
Charleston, West Virginia 25325-1386  
(304) 347-1100

[www.bowlesrice.com](http://www.bowlesrice.com)

July 23, 2010

333 West Vine Street, Suite 1700  
Lexington, Kentucky 40507-1639  
(859) 252-2202

480 West Jubal Early Drive  
Suite 130  
Winchester, Virginia 22601  
(540) 723-8877

2400 Cranberry Square  
Morgantown, West Virginia 26508-9209  
(304) 594-1000

Paul E. Frampton  
Telephone — (304) 347-1163  
Facsimile — (304) 347-1746

E-Mail Address:  
[pframpton@bowlesrice.com](mailto:pframpton@bowlesrice.com)

Sandra Squire, Director  
Executive Secretary's Division  
WV Public Service Commission  
201 Brooks Street  
Charleston, West Virginia 25301

**HAND DELIVERY**

RECEIVED  
JUL 23 PM 3:38  
VA PUBLIC SERVICE  
COMMISSION  
SECRETARY'S OFFICE

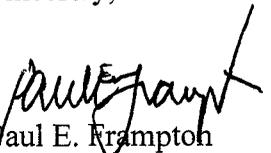
Re: General Investigation Regarding Certification Of Federal Universal Service  
Funding For Eligible Telecommunications Carriers In West Virginia  
Case No. 10-00558-T-GI

Dear Ms. Squire:

Enclosed for filing in the referenced matter, please find the original and twelve (12) copies of TracFone Wireless, Inc.'s Annual Report.

Thank you for your attention to this matter. If you have any questions, please do not hesitate to contact me.

Sincerely,

  
Paul E. Frampton

PEF/csg  
Enclosure  
cc: Mitchell F. Brecher, Esq.



**PUBLIC SERVICE COMMISSION OF WEST VIRGINIA  
CHARLESTON**

GENERAL INVESTIGATION REGARDING )  
CERTIFICATION OF FEDERAL UNIVERSAL ) Case No. 10-0558-T-GI  
SERVICE FUNDING FOR ELIGIBLE )  
TELECOMMUNICATIONS CARRIERS IN WEST )  
VIRGINIA )

**TRACFONE WIRELESS, INC.'S ANNUAL REPORT**

TracFone Wireless, Inc. ("TracFone"), by its undersigned counsel, hereby submits this annual report required of all eligible telecommunications carriers ("ETCs") as requested by the Commission in its May 18, 2010 Order in this proceeding.

On February 25, 2009, the Commission issued a Recommended Decision in Case No. 08-1605-C-PC (TRACFONE WIRELESS, INC., a corporation, Miami, FL, Petition for consent and approval to be designated an eligible telecommunications carrier). That Recommended Decision became final on March 17, 2009 following the expiration of the mandatory fifteen day protest period, with no protests having been filed.

Unlike other telecommunications carriers which have been designated ETCs by the Commission, TracFone's ETC designation is for the limited purpose of offering Lifeline service to low income West Virginia households. Its ETC designation does not entitle it to receive high cost support from the federal universal service fund. In addition, TracFone provides prepaid wireless service, including its SafeLink Wireless Lifeline service, solely on a resale basis. It does not own, operate, control or manage any network facilities or telecommunications infrastructure. Accordingly, some of the information requested by the Commission's May 18 Order is not applicable to TracFone since that information is specifically directed at construction and maintenance of network facilities and on use of universal service fund high cost support. In

this report, TracFone will provide the information sought by the Commission where applicable and will indicate which information requests are not applicable.

**I. Verified Statement Regarding Use of Universal Service Support**

As indicated in the Verification of F.J. Pollak, President and Chief Executive Officer of TracFone (attached), the federal Universal Service support funds received by TracFone will be used to provide the supported services as designated in 47 C.F.R. §54.101 which are available throughout TracFone's service area. TracFone, as a reseller, does not own facilities. Therefore, any funds received from the Universal Service Fund are solely used to provide Lifeline service.

**II. Disclosures**

- (1) progress reports on the ETC's five-year service quality improvement plan of the ETC, including maps detailing progress towards meeting its plan targets, an explanation of how much universal service support was received and how the support was used to improve signal quality, coverage, or capacity; and an explanation regarding any network improvement targets that have not been fulfilled.**

Not applicable. Since TracFone does not own, operate, control or manage any network facilities and does not receive high cost support for the construction and maintenance of network facilities, this information is not applicable.

- (2) detailed information on any outage lasting at least thirty minutes, for any service area in which an ETC is designated for any facilities it owns, operates, leases or otherwise utilizes that potentially affect at least ten percent of the end users served in a designated service area, or that potentially affect a 911 special facility (as defined in subsection (e) of section 4.5 of the *Outage Reporting Order*). An outage is defined as a significant degradation in the ability of an end user to establish and maintain a channel of communications as a result of failure or degradation in the performance of a communications provider's network. Specifically, the ETC's annual outage report must include: (1) the date and time of onset of the outage; (2) a brief description of the outage and its resolution; (3) the particular services affected; (4) the geographic areas affected by the outage; (5) steps taken to prevent a similar situation in the future; and (6) the number of customers affected.**

TracFone is a mobile virtual network operator. It owns and operates no telecommunications network facilities. TracFone provides service utilizing networks of various licensed wireless network operators. TracFone does not have detailed information on network outages from the various wireless service providers it uses.

- (3) the number of requests for service from potential customers within its service areas that were unfulfilled for the past year. The ETC must also detail how it attempted to provide service to those potential customers.**

None. TracFone only provides Lifeline service to individuals in West Virginia who qualify to receive Lifeline service. All requests for SafeLink Wireless service by West Virginia residents who have been able to qualify for Lifeline support have been fulfilled.

- (4) the number of complaints per 1,000 handsets or lines .**

The number of complaints per thousand handsets in West Virginian in 2009 was 0.

- (5) certification that the ETC is complying with applicable service quality standards and consumer protection rules, e.g., the CTIA Consumer Code for Wireless Service.**

TracFone certifies that it is in compliance with all applicable service quality and consumer protection requirements and standards, including the CTIA - The Wireless Association® Consumer Code for Wireless Service, as it is required to do pursuant to Section 54.202(a)(3) of the Federal Communications Commission's rules (47 C.F.R. § 54.202(a)(3)).

- (6) certification that the ETC is able to function in emergency situations.**

TracFone certifies that it will be able to function in emergency situations to the extent that its underlying network providers are able to do so. TracFone provides service in West Virginia using the networks the several of the leading wireless companies in the nation, including Verizon Wireless, AT&T Mobility, and T-Mobile. TracFone relies on those networks' reliability in all situations, including emergency situations. Each of those companies complies

with applicable requirements for emergency service, including available power supplies. Those network operators have implemented state-of-the-art network reliability standards and TracFone and its customers benefit from their high standards. Throughout its more than ten years of existence, TracFone's service reliability has compared favorably with that of any facilities-based operator in the wireless telecommunications industry.

**(7) certification that the ETC is offering a local usage plan comparable to that offered by the incumbent LEC in the relevant service areas.**

TracFone certifies that it offers a local usage plan "comparable" to those of the incumbent LECs serving relevant service areas. However, TracFone notes that "comparable" does not mean "identical." There are significant differences between wireline and wireless service offerings. Unlike traditional wireline offerings, TracFone does not offer unlimited local service at flat rates. Instead, its service may be used by customers for all manner of calls -- local, long distance, intrastate, and interstate, as well as international calls to more than 60 destinations. There are no separate toll charges and no roaming charges. In addition, TracFone customers receive at no additional charge such vertical service features as call waiting and caller ID. Typically, incumbent wireline LECs charge additional fees for such service features. Given these intrinsic differences between wireline and wireless services, TracFone's SafeLink Wireless service is comparable with that provided by wireline incumbent LECs.

**(8) certification that the carrier acknowledges that the [FCC] may require it to provide equal access to long distance carriers in the event that no other eligible telecommunications carrier is providing equal access within the service area**

TracFone certifies that it may be required to provide equal access to long distance carriers in the event that no other ETC is providing equal access within the service area. However, TracFone reminds the Commission that its wireless service includes calling to all locations

(including locations which would involve payment of toll charges if provided by ILECs). Since TracFone, unlike wireline carriers, including wireline ETCs, does not impose separate charges for what those wireline carriers call “toll” calls, it seems highly improbable that any TracFone customer would want to have equal access to long distance carriers since use of TracFone’s service to place long distance calls would still incur wireless airtime charges.

### **III. Rate Information**

#### **(a) Monthly line charge**

**Not applicable.** TracFone does not impose monthly line charges on customers. TracFone service is offered on a pay-as-you-go prepaid basis only. Customers purchase as much wireless airtime as they need when they need it. TracFone’s SafeLink Wireless Lifeline customers receive 68 minutes of airtime per month at no charge.

#### **(b) Monthly usage charges (an average may be used)**

There are no monthly usage charges. As noted in the response above, Lifeline customers receive 68 minutes of airtime per month.

#### **(c) Any federal subscriber line charge**

No.

#### **(d) Any federal universal service credit**

Not applicable.

#### **(e) Any federal universal service surcharge**

No. As a provider of interstate telecommunications service, TracFone is required to contribute to the federal universal service fund based on its interstate telecommunications service revenues. Since it does not render periodic invoices to customers, it has no means for recovering its federal universal service fund contributions through customer surcharges.

**(f) Any local number portability surcharge**

No.

**(g) Any telecommunications relay service surcharge**

No.

**(h) Any E-911 surcharge**

Not applicable.

**(i) Federal excise tax**

Not applicable.

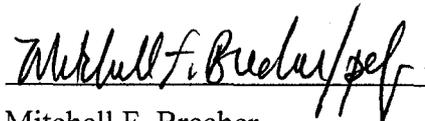
**(j) Any other mandatory surcharges that apply to their listed basic calling plan.**

No.

Respectfully submitted,



Paul E. Frampton (WV State Bar No. 1272)  
BOWLES, RICE, MCDAVID, GRAFF &  
LOVE, LLP  
Post Office Box 1386  
Charleston, WV 25325-1386  
(304) 347-1163



Mitchell F. Brecher  
Debra McGuire Mercer  
GREENBERG TRAUERIG, LLP  
2101 L Street, NW  
Suite 1000  
Washington, D.C. 20037  
(202) 331-3100

*Counsel for TracFone Wireless, Inc.*

July 23, 2010

**VERIFICATION**

State of Florida

County of Miami-Dade, ss.

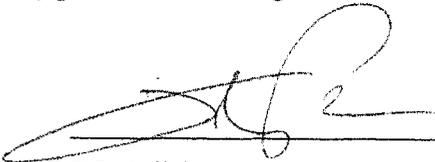
F.J. Pollak, being duly sworn, states the following:

1. I am President and Chief Executive Officer of TracFone Wireless, Inc. ("TracFone") In this position, I am personally familiar with the Federal Universal Service support received by TracFone and how TracFone uses these funds.

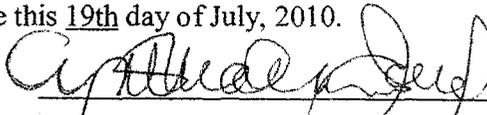
2. The Federal Universal Service support funds received by TracFone will be used only for the provision of services for which the support is intended. Specifically, TracFone will use the support to provide the supported services as designated in 47 C.F.R. §54.101 which are available throughout TracFone's service area.

3. I have read TracFone's Annual Report for 2009. I confirm that the information contained therein is true and correct to the best of my knowledge.

The matters addressed above are within my personal knowledge and are true and correct.

  
F.J. Pollak

Taken, sworn to and subscribed before me this 19th day of July, 2010.

  
Notary Public in and for said County

My commission expires on the 19th day of June 20 10.

