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MONT. P.S. COMMISSION

## File A Comment

This form is for electronic public comments which pertain specifically to a pending PSC proceeding, notice of which allows for public participation through written comments. This form is not to be used for inquiries, complaints, or other general communications not specifically pertaining to such proceeding. This form is not to be used by persons who have obtained party status in a PSC proceeding. If you are a party to a pending PSC proceeding, participation by you is available as provided in the procedural order governing that proceeding.

### Please Note:

The PSC has no jurisdiction over: rural electric and telephone co-operatives; cellular phone service; interstate phone service; telemarketing practices; cable TV; internet service; municipally-owned utilities; propane vendors; motor carriers (except carriers of passengers, household goods and garbage); and damage claims.

Your Name:

Docket: Do you know the Docket Number?

Docket Number:

Case Name or Utility/Carrier Affected:

In the Matter of the Investigation into Improving Transparency, Fostering Accountability, And Maintaining Quality Service for High Cost Support and Lifeline Service in Montana

Address:

City:

State:

Zip Code:

### Contact Information

E-mail:

Telephone #:

### Comment information

Subject:

Comments:

Please find attached the Comments of TracFone Wireless, Inc.

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DEPARTMENT OF PUBLIC SERVICE REGULATION  
BEFORE THE PUBLIC SERVICE COMMISSION MONT. P.S. COMMISSION  
OF THE STATE OF MONTANA

IN THE MATTER OF the Investigation into ) REGULATORY DIVISION  
Improving Transparency, Fostering Accountability, )  
And Maintaining Quality Services for High Cost ) DOCKET NO. N2017-10.82  
Support and Lifeline Services in Montana )

**COMMENTS OF TRACFONE WIRELESS, INC.**

TracFone Wireless, Inc. (“TracFone”), by its attorneys, hereby comments in response to the Commission’s Notice of Investigation and Opportunity for Comments (“Notice of Investigation”) issued in this proceeding on November 9, 2017. TracFone is a mobile virtual network operator (“MVNO”) and is the nation’s leading provider of prepaid wireless telecommunications services. Its wireless telecom and broadband services are available for purchase at many retail locations throughout Montana and throughout the United States. In addition, TracFone’s SafeLink Wireless® Lifeline service is available in more than 40 states. With more than 3 million currently-enrolled Lifeline customers, TracFone is the largest Lifeline service provider in the nation.

As the Commission notes at page 3 of its Notice of Investigation, the Federal Communications Commission (“FCC”) has issued a notice of proposed rulemaking in which it has proposed significant changes to the federal rules governing Lifeline.<sup>1</sup> Among other changes, the FCC has proposed to limit carrier participation in the Lifeline program to facilities-based providers and to preclude MVNOs and other resellers from offering Lifeline services. Categorical exclusion of resellers in general and wireless resellers in particular would be disruptive to the Lifeline program, would penalize millions of low-income households

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<sup>1</sup> In the Matter of Bridging the Digital Divide for Low-Income Consumers (*Fourth Report and Order, Order on Reconsideration, Memorandum Opinion and Order, Notice of Proposed Rulemaking, and Notice of Inquiry*), FCC 17-155, released December 1, 2017.

throughout the United States , including Montana, who rely on wireless Lifeline service obtained from resellers, and should not be adopted by the FCC. According to data compiled by the Universal Service Administrative Company, approximately ninety percent of Lifeline subscribers have chosen wireless resellers for their Lifeline service. Consumers select those resellers' Lifeline service due to the perceived value of those services. TracFone and other resellers have introduced many of the most innovative and well-regarded Lifeline service features, including no charge service, all distance calling (no long distance or roaming charges), and access to mobile broadband. Since the reseller exclusion would be harmful to Montana Lifeline consumers, TracFone respectfully encourages the Commission to submit comments to the FCC in opposition to that proposal.

Underlying the FCC's proposal to bar resellers from Lifeline is the wholly unsupported premise that wireless resellers have been a source of waste, fraud and abuse in the Lifeline program. Neither TracFone nor anyone else can dispute the notion that fraud should be prevented and that companies and persons who commit fraud should be held accountable. However, there is no evidence to support the notion that all or even most Lifeline fraud is caused by resellers. Indeed, several of the FCC's strongest enforcement actions involving defrauding of the Universal Service Fund, including Lifeline, have been taken against facilities-based carriers. The way to reduce and eliminate Lifeline fraud is to promulgate rules which prohibit fraudulent conduct and to actively enforce those rules against wrongdoers, including Lifeline providers and their agents who engage in fraudulent conduct. Lifeline providers who commit fraud should be subject to sanctions and even subject to removal from the Lifeline program in appropriate circumstances.

In short, whether a telecommunications carrier – wireline or wireless; facilities-based or reseller – should be allowed to remain a Lifeline provider should be based on the provider’s conduct, not on its status. For that reason, TracFone welcomes the opportunity to share its concerns with the Commission and it respectfully urges the Commission to comment in the FCC proceeding in opposition to the FCC’s ill-advised reseller exclusion.

Respectfully submitted,

**TRACFONE WIRELESS, INC.**



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January 19, 2018