

NATIONAL CONSUMERS LEAGUE

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June 15, 2010

Mr. Jeff R. Derouen
Executive Director
Kentucky Public Service Commission
P.O. Box 615
211 Sower Boulevard
Frankfort, KY 40602-0615

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PUBLIC SERVICE
COMMISSION

Re: Case No. 2009-00100, Petition of TracFone Wireless, Inc. for Designation as an Eligible Telecommunications Carrier in the Commonwealth of Kentucky for the Limited Purpose of Offering Lifeline and Link Up Service to Qualified Households.

Dear Mr. Derouen:

I am writing to you on behalf of the National Consumers League¹ to express our support for efforts to help connect thousands of low-income Kentucky consumers to wireless telephone service. Specifically, we ask that you allow consumers to use subsidies received via the state Lifeline program for the purchase of wireless devices and services and to take other suitable regulatory actions necessary to allow qualifying low-income Kentuckians to access such services.

As we have stated in previous comments,^{2 3} we support the use of state and federal monies to bring wireless telephone service to low-income consumers, especially in rural communities, via federal and state subsidy programs such as Lifeline.

For more than a century, the National Consumers League has advocated on behalf of consumers and workers. In that time, we have consistently supported public policies that help consumers access essential goods and services at affordable rates. Wireless telephones have been embraced by more than 285 million American consumers. More than 22% households have “cut the cord,”

¹ The National Consumers League, founded in 1899, is America’s pioneer consumer organization. Our mission is to protect and promote social and economic justice for consumers and workers in the United States and abroad. For more information, visit www.nclnet.org.

² Comments Of The National Consumers League Concerning Federal-State Joint Board On Universal Service, FCC Docket No. 96-45, January 7, 2009.

³ NCL Petitions Concerning Eligible Telecommunications Designations And The Lifeline And Link-Up Universal Service Support Mechanism, FCC Docket 96-45, WC Docket 03-109, September 17, 2004.

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choosing to replace their landline telephones with wireless devices for all their calling needs.⁴ Among low-income consumers, in particular, wireless devices and services provide many advantages over fixed landline phones.

First, low-income consumers often do not remain in one residential location for extended periods of time. Due to eviction, homelessness, or the need to change residency to find employment, frequent relocation is an all-too-often fact of life for low-income consumers.⁵ Wireless devices can relieve such consumers of the need to frequently have their Lifeline phones service reconnected after each move.

Second, low-income consumers may not have sufficient credit histories to qualify for traditional residential landline phone service should their personal financial situation improve to such an extent that they no longer qualify for the state's subsidy programs. Such wireless consumers can easily maintain uninterrupted service with wireless providers as they transition out of the Lifeline program.

Third, as an organization with a special focus on the needs of workers, we are keenly aware of the importance of telephones to them, particularly those workers who are maintaining multiple jobs to try and make ends meet.⁶ Such consumers are rarely at their place of residence and are often unable to take advantage of even the limited benefits of fixed residential Lifeline phone service. With the ability to keep Lifeline-enabled wireless devices on their person, low-income consumers could take advantage of this service to remain in contact with essential government services, current and potential employers, and family and social support networks regardless of their geographic location. The mobility advantage inherent with wireless devices is a significant reason that nearly a quarter of American consumers have given up their landline phone service. There is no good reason why low-income consumers should not also be able to benefit from the advantages that such devices bring.

In conclusion, we urge you to allow low-income consumers to access the benefits of wireless service via state subsidy programs. We believe that such access offers significant potential benefits to Kentuckians facing economic hardship, particularly in today's difficult environment. We look forward to working with you as the Kentucky Public Service Commission moves forward on this important issue.

Thank you for your consideration.

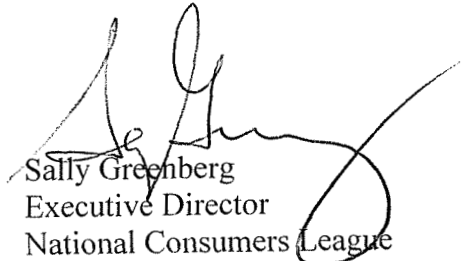
⁴ CTIA-The Wireless Association. "Wireless Quick Facts: Year-End Figures," December 2009. Online: http://www.ctia.org/media/industry_info/index.cfm/AID/10323

⁵ Between 1999 and 2000, slightly more than 16% of the U.S. population moved. By comparison, 33% of renters and 28% of people living in households below the poverty line moved. (Schaft, Kai. "Why Do People Move?" Department of Rural Sociology, Cornell University. August 2002. Online: http://www.cdtoolbox.net/community_planning/000161.html)

⁶ 11.4% of low-wage workers (defined as workers ages 16 to 64 whose hourly wage rate is such that even if they worked full-time, full-year their annual earnings would fall below the poverty line for a family of four) work multiple jobs compared with 7.6% of higher-wage workers. (Loprest, Pamela *et al.* "Who are Low-Wage Workers?" Office of the Assistant Secretary for Planning and Evaluation, Office of Human Services Policy. U.S. Department of Health and Human Services. February 2009. Online: <http://aspe.hhs.gov/hsp/09/LowWageWorkers/rb.pdf>)

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Sincerely,



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Executive Director
National Consumers League
Phone: (202) 835-3323