

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of a Petition of TracFone Wireless, Inc.)
for Designation as an Eligible Telecommunications)
Carrier in the State of Missouri and for the Limited) **Case No. TA-2009-0327**
Purpose of Offering Lifeline and Link Up Service to)
Qualified Households.)

STAFF REPORT ON EFFECT OF WAIVER

COMES NOW the Staff of the Missouri Public Service Commission (Staff), by and through counsel, and submits its Staff Report on Effect of Waiver as follows:

1. On July 29, 2009, the Missouri Public Service Commission (the Commission) issued its Order of Correction and Order Directing Filing, ordering each party to this matter to file a pleading discussing the extent to which the grant of a waiver pending before the Federal Communications Commission (FCC) may affect those approval conditions outlined by Staff in its Staff Recommendation, filed May 20, 2009.

2. The waiver request to which this pleading refers was filed by TracFone Wireless Inc. (TracFone or the Company) with the FCC on May 4, 2009¹. If granted by the FCC, TracFone’s request will carry the practical implication of permitting the Company to receive \$6.50 in “Tier One” federal Lifeline support for each and every qualifying Missouri customer, as opposed to \$5.31 for those qualifying customers located in the service area of the ILEC AT&T.

3. As originally outlined in its Staff Recommendation, Staff conditioned its recommendation to approve TracFone’s Petition upon the imposition by the Commission of several conditions, including the condition that “TracFone receive no more support reimbursement per customer than the amount the customer would have paid in such customer’s

¹ Petition for Waiver, In the Matter of TracFone Wireless, Inc.’s Petition for Waiver of 47 C.F.R. § 54.403(a)(1), CC Docket No. 96-45.

respective underlying ILEC service area.” Although Staff’s condition is essentially a reinforcement of the federal requirement contained in Federal Rule 47 C.F.R. § 54.403(a)(1), the condition is predicated on Staff’s view that Missouri consumers should receive a benefit that directly corresponds with the amount of “Lifeline” support received by TracFone.

4. Regardless of whether TracFone’s waiver request is granted by the FCC, Staff conditions its recommendation to approve TracFone’s Petition upon the benefit of any “Lifeline” support received by the Company being passed through to Missouri consumers. Staff therefore recommends that if TracFone’s waiver request is granted by the FCC that this Commission require TracFone to provide to those qualifying customers located in the service territory of the ILEC AT&T additional minutes equal to the amount of additional “Lifeline” support which will be received by the Company. These additional minutes represent the benefit, in minutes, of the corresponding monetary compensation which would be received by the Company.

WHEREFORE, Staff recommends that if TracFone’s waiver request is granted by the FCC that this Commission require TracFone to provide to those qualifying customers located in the service territory of the ILEC AT&T additional minutes equal to the amount of additional “Lifeline” support which will be received by the Company.

Respectfully submitted,

/s/ Eric Dearmont

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 5th day of August, 2009.

/s/ Eric Dearmont