



wireless, inc. 9700 NW 112th Avenue | Miami, FL 33178

November 1, 2011

Mr. Steven C. Reed
Secretary of the Commission
Post Office Box 360
Jefferson City, Missouri 65102

Re: In the Matter of a Repository File in which to Gather Information and Assess the
Availability of Broadband Services in the State of Missouri (File No. TW-2010-0362)

Dear Mr. Reed:

TracFone Wireless, Inc. appreciates the opportunity to comment on assessing the availability of Broadband Services in the State of Missouri. While the report is requesting identification of barriers to deployment, such as economic, geographic, regulatory, and market barriers, the Commission should also consider household economic reasons as a major contributing factor for households not adopting broadband.

According to an FCC Media Release dated February, 2010, the FCC's National Broadband Plan Consumer Survey, namely Broadband Adoption and Use in America, concluded that one of the main reasons for Americans not being connected to high-speed internet at home was affordability. In fact, the survey determined that 93 million Americans, one-third of the country did not have high-speed internet at home. Further, out of those 93 million Americans, 36 percent or 28 million Americans attributed cost as the deterrent. Cost encompasses computer cost, set-up fee, and monthly fees. In addition, there is a segment of this population that just does not want to enter into a contract.

Another study by Pew Internet & American Life Project shows that only 25 percent of households with annual incomes below \$20,000 have broadband service, as compared with 55 percent of all households. Further, among households within annual incomes between \$50,000 and \$75,000, 67 percent have broadband access; households with annual incomes above \$100,000 have a broadband penetration rate of 85 percent. Their conclusion was that "a person's household income is an **independent predictor** of the likelihood that she or he will be an internet and email user..."

In addressing the Broadband plan, it is necessary that the Commission not only consider deployment barriers, but also adoption barriers, especially affordability. Not doing so will only worsen the digital divide, leaving the low-income population falling further behind. In order to provide broadband to all residents within the state of Missouri, the Commission must consider the need for providing assistance to the low-income population in order to truly acknowledge the benefit of high-speed internet specifically as opposed to serving the privileged vs. underprivileged.

TracFone Wireless, Inc. is the largest “No-Contract” cellular provider in the United States. Further, TracFone was the first company to take the Lifeline Services program for low-income individuals from landline to wireless service. SafeLink, TracFone’s Lifeline program was launched successfully in 2008 and we were designated as an ETC in the state of Missouri in January 2010. We understand the target customer, those that are credit-challenged and low-income. Missouri has approximately 700,000 households below the \$25,000 income level. This comprises more than 25% of the entire population of Missouri. The Commission must ensure these households are considered and serviced.

The success of the Lifeline Program speaks for itself. Millions of low-income individuals are better equipped with communication devices as a result. The Commission should consider a similar approach for broadband deployment. As such, TracFone suggests that the Commission consider all proposals from public and private companies, regardless of technology, to offer broadband services within the state of Missouri at a discounted or subsidized rate to ensure that affordability is not a barrier to meeting the goal of providing high-speed broadband to all residents within the state of Missouri.

Respectfully,

A handwritten signature in black ink, appearing to read 'Javier Rosado', with a stylized flourish at the end.

Javier Rosado
SafeLink Wireless, Inc.

See, **Broadband Adoption and Use in America**
See, **Use of the internet in higher-income households**