

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of Lifeline and Link Up Reform and) WC Docket No. 11-42
Modernization)
)
)

**TRACFONE WIRELESS, INC.’S THIRD SUPPLEMENT TO APPLICATION TO
PARTICIPATE IN THE BROADBAND ADOPTION LIFELINE PILOT PROGRAM**

On July 2, 2012, TracFone Wireless, Inc. (“TracFone”) submitted an application (“Application”) to participate in the Broadband Adoption Lifeline Pilot Program (“Pilot Program”) in response to the Public Notice issued by the Commission’s Wireline Competition Bureau in the above-captioned proceeding.¹ TracFone’s Application focused on providing existing Lifeline customers with a handset that can use broadband services. By this filing, TracFone clarifies the funding amount associated with its proposed service plans.

(B) A full description of the proposed pilot project(s), including but not limited to:

- 4. The amount of the monthly discount, if any, the ETC is seeking for each broadband plan included within the proposed project and the resulting cost to subscribers for the broadband service, the duration of the monthly subsidies the ETC is seeking, and all other terms and conditions of service (the ETC must provide specific details of all of the subsidized broadband offerings it intends to offer subscribers in the pilot project, including the different options of bundled services and/or standalone broadband and offerings with different usage limits or speed);**

TracFone described five different service plans in its Application consisting of four test plans and one control plan. In its First Supplement to Application, filed August 27, 2012,

¹ Public Notice – Wireline Competition Bureau Announces Application Procedures and Deadline for Applications to participate in the Broadband Adoption Lifeline Pilot Program, WC Docket No. 11-42, DA 12-683 (April 30, 2012) (“Notice”). In this Supplement, TracFone refers to the application requirements as set forth in the Notice and as addressed in TracFone’s Application filed on July 2, 2012.

TracFone described a sixth service plan that incorporates digital literacy training. In its Second Supplement, filed September 24, 2012, TracFone revised its proposed service plans to eliminate two free service plans and to add two \$20 per month service plans. By this Supplement, TracFone clarifies that its proposed service plans are all bundled service offerings that include voice and broadband services. In addition, TracFone revises the amount of funding it will seek from USAC for providing the broadband portion of its proposed bundled service plans. The terms of the proposed service plans have not changed in any other respect.² The six plans are described as follows:

- A. **Free Phone, \$10 Service:** TracFone will provide consumers a free phone and monthly service for \$10 per month. TracFone will bill USAC \$25 per month for the broadband portion of this service.
- B. **Free Phone, \$20 Service:** TracFone will provide consumers a free phone and monthly service for \$20 per month. TracFone will bill USAC \$15 per month for the broadband portion of this service.
- C. **Discounted Phone, \$10 Service:** TracFone will offer consumers an Android phone at the subsidized retail prices available to its NET10 customers (approximately \$120). TracFone will provide consumers with monthly service for \$10 per month. TracFone will bill USAC \$25 per month for the broadband portion of this service.
- D. **Discounted Phone, \$20 Service:** TracFone will offer consumers an Android phone at the subsidized retail prices available to its NET10 customers (approximately \$120). TracFone will provide consumers with monthly service for \$20 per month. TracFone will bill USAC \$15 per month for the broadband portion of this service.
- E. **Free Phone, \$10 Service with Digital Literacy Training:** After consumers attend digital literacy training, TracFone will provide consumers with a free phone and monthly service for \$10 per month. TracFone will bill USAC \$25 per month for the broadband portion of this service.
- F. **Control Group - Discounted Phone, Paid Service:** TracFone will offer consumers an Android phone at the subsidized retail prices available to its

² The proposed broadband service plans are solely for purposes of the Pilot Program. TracFone has no plans at this time to offer a broadband service plan that includes a free handset on a long term basis.

NET10 customers (approximately \$120). TracFone will provide consumers with monthly service for \$45 per month, if they sign up for automatic payment. Customers who do not sign up for automatic payment will be charged \$50 per month. TracFone will not bill USAC for this service, since it is TracFone's non-Lifeline retail NET10 offer that any customer can purchase.

7. The project's proposed overall funding amount with details on the number of customers it is estimated to serve, with underlying assumptions;

As noted in its supplemental response to Question B.4, TracFone has revised the amount of funding it will seek from USAC for providing the broadband portion of its proposed bundled service plans. Therefore, the total proposed funding amount is revised as follows:

- A. Free Phone, \$10 Service (30% take rate): $1,500 \text{ customers} \times \$25 = \$37,500 \times 12 \text{ months} = \$450,000$.
- B. Free Phone, \$20 Service (20% take rate): $1,000 \text{ customers} \times \$15 = \$15,000 \times 12 \text{ months} = \$180,000$.
- C. Discounted Phone, \$10 Service (10% take rate): $500 \text{ customers} \times \$25 = \$12,500 \times 12 \text{ months} = \$150,000$.
- D. Discounted Phone, \$20 Service (5% take rate): $250 \text{ customers} \times \$15 = \$3,750 \times 12 \text{ months} = \$45,000$.
- E. Free Phone, \$10 Service with Digital Literacy Training: $300 \text{ customers} \times \$25 = \$7,500 \times 12 \text{ months} = \$90,000$.
- F. Control Group - Discounted Phone, Paid Service (1% take rate): $50 \text{ customers} \times \$0 = \$0 \times 12 \text{ months} = \0 .

TOTAL: \$915,000

CONCLUSION

Based on the information provided in the Application, the First Supplement, the Second Supplement, and this Third Supplement, TracFone respectfully asks the Commission to approve TracFone as a participant in the Broadband Pilot Program.

Respectfully submitted,

TRACFONE WIRELESS, INC.

By: Mitchell F. Brecher/dmm

Mitchell F. Brecher

Debra McGuire Mercer

GREENBERG TRAURIG, LLP

2101 L Street, NW

Suite 1000

Washington, D.C. 20037

(202) 331-3100

Its Attorneys

September 27, 2012