

December 16, 2009

**VIA OVERNIGHT DELIVERY AND ELECTRONIC MAIL**

Mr. Jack Leutza  
Director, Telecommunications Division  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94104

Re: TracFone Wireless, Inc. - Advice Letter No. 1

Dear Mr. Leutza:

TracFone Wireless, Inc. (“TracFone”), by this letter, notifies the Commission that it is withdrawing effective today Advice Letter No. 1, including all amendments (i.e., Advice Letter Nos. 1A, 1B, 1C, 1D, and 1E). TracFone’s Advice Letter No. 1 requested designation as an Eligible Telecommunications Carrier in accordance with Resolution T-17002. As you are aware, TracFone has petitioned the Commission for designation as an Eligible Telecommunications Carrier (“ETC”) pursuant to Section 214(e)(2) of the Communications Act of 1934, as amended (47 U.S.C. § 214(e)(2)) for the limited purpose of offering a wireless Lifeline service to low-income California households as part of the federal Lifeline program. That petition has been pending since August 2008.

TracFone is aware that the staff of the Commission has recommended denial of that petition and TracFone’s request for ETC designation due to unresolved issues regarding the applicability to TracFone of certain public program fees and the Public Utility Commission fee. Whether those fees are applicable to prepaid wireless services such as those provided by TracFone and how to collect such fees on the sales of prepaid wireless services are matters that are presently before the Commission in two separate proceedings. In May 2009, the Telecommunications Division commenced an inquiry into whether and how providers of prepaid wireless services collect and remit such fees. That inquiry was commenced by a letter sent to all wireless providers, including TracFone. To date, no action has been taken with regard to that inquiry. Also, on December 11, 2009, Verizon Wireless filed with the Commission a petition for rulemaking (Petition to Adopt, Amend, or Repeal A Regulation Pursuant to Cal. Pub. Utils. Code § 1708.5, specifically To Review the Assessment of Surcharges for The Commission’s Public Policy Programs With Respect to Prepaid Wireless Services). That petition requests that the Commission promulgate rules governing fee and surcharge collection and remittance procedures applicable to prepaid wireless services.

These pending proceedings indicate that questions regarding applicability of surcharges and fees to prepaid wireless services are relevant to the entire wireless industry, particularly the companies whose offerings include prepaid services. It is not a TracFone-specific issue. Therefore, in order to afford the Commission and other stakeholders an opportunity to address

and resolve these issues outside the pending ETC matter, TracFone is withdrawing its Advice Letter and amendments thereto requesting designation as an ETC.

TracFone looks forward to bringing its Lifeline service to low-income California households in the near future so that Californians may enjoy the benefits currently being received by more than 2.5 million TracFone Wireless Lifeline customers in more than 20 states. Accordingly, it reserves the right to again request ETC designation at an appropriate time once the aforementioned surcharge and fee issues are resolved.

If there are questions regarding this letter and notification of withdrawal, please communicate directly with undersigned counsel for TracFone.

Respectfully submitted,



Mitchell F. Brecher  
*Counsel for TracFone Wireless, Inc.*

cc: Hon. Michael Peevey  
Hon. Rachelle Chong  
Hon. Timothy Simon  
Hon. Dian Grueneich  
Hon. John Bohn  
Mr. Robert Haga  
Mr. Lester Wong  
Ms. Natalie Wales  
Ms. Kelly Hymes  
Ms. Lindsay Brown  
Telecommunications Advice Letter Coordinator  
All parties of record