

McDevitt & Miller LLP

Lawyers

420 W. Bannock Street
P.O. Box 2564-83701
Boise, Idaho 83702

(208) 343-7500
(208) 336-6912 (Fax)

Chas. F. McDevitt
Dean J. (Joe) Miller

February 25, 2011

Via Hand Delivery

Jean Jewell, Secretary
Idaho Public Utilities Commission
472 W. Washington St.
Boise, Idaho 83720

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IDAHO PUBLIC
UTILITIES COMMISSION

**Re: In the Matter of The Application of TracFone Wireless
TFW-T-09-01**

Dear Ms. Jewell:

Enclosed for filing, please find nine (9) copies of the Direct Testimony and exhibits of Jose Fuentes, with one copy designated as the "Reporter's Copy." A compact disk containing the Direct Testimony and exhibits of the above-named witnesses is also enclosed.

Kindly return a file stamped copy to me.

Very Truly Yours,

McDevitt & Miller LLP


Dean J. Miller

DJM/hh
Encl.

COPY

Dean J. Miller (*ISB No. 1968*)
Chas. F. McDevitt (*ISB No. 835*)
McDEVITT & MILLER LLP
420 West Bannock Street
P.O. Box 2564-83701
Boise, ID 83702
Tel: 208.343.7500
Fax: 208.336.6912
joe@mcdevitt-miller.com
chas@mcdevitt-miller.com

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UTILITIES COMMISSION

Mitchell F. Brecher
Debra McGuire Mercer
GREENBERG TRAUIG, LLP
2101 L Street, NW, Suite 1000
Washington, D.C. 20037
Tel: 202-331-3100
Fax: 202-331-3101
brecher@gtaw.com
mercercdm@gtlaw.com

Attorneys for TracFone Wireless, Inc.

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	CASE NO. TFW-T-09-01
OF TRACFONE WIRELESS, INC. FOR)	
DESIGNATION AS AN ELIGIBLE)	
TELECOMMUNICATIONS CARRIER.)	
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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

DIRECT TESTIMONY OF JOSE FUENTES

1 Q. WHAT IS YOUR NAME AND OCCUPATION?

2 A. My name is Jose Fuentes. I have been Director of Government Relations for
3 TracFone Wireless, Inc. ("TracFone") for the past two years. I am responsible for
4 facilitating TracFone's designation as an Eligible Telecommunications Carrier by
5 state utility commissions and for implementing SafeLink Wireless® Lifeline
6 service throughout the United States. I am also the corporate spokesperson for the
7 SafeLink Wireless® brand.

8 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

9 A. This direct testimony is being filed in support of TracFone's First Amended ETC
10 Application, filed with this Commission on March 1, 2010. My testimony will
11 show that TracFone's First Amended ETC Application meets the federal and
12 Idaho requirements for ETC designation to the extent those requirements are
13 applicable to TracFone as a prepaid, non-facilities-based reseller of commercial
14 mobile radio service ("CMRS") that seeks ETC designation for the limited
15 purpose of using federal Universal Service Fund resources to provide Lifeline
16 service to qualified low-income Idaho households.

17 The federal requirements are contained at Section 214 of the
18 Communications Act of 1934, as amended, and in the rules of the Federal
19 Communications Commission ("FCC"). The Idaho ETC designation, certification
20 and reporting requirements are contained in the Appendix to In the Matter of the
21 Application of WWC Holding Co., Inc. DBA Cellular-One® Seeking Designation
22 as an Eligible Telecommunications Carrier That May Receive Federal Universal
23 Service Support, Order No. 29841, Case No. WST-T-05-1 (Idaho Pub. Utilities

1 Comm'n: August 4, 2005), which I will reference as the "ETC Checklist" in my
2 testimony.

3 Q. WHAT IS TRACFONE?

4 A. TracFone is a 98%-owned subsidiary of America Movil. America Movil is the
5 fourth largest wireless telecommunications carrier in the world, serving over 260
6 million customers throughout Latin America, the Caribbean and the United States.
7 TracFone is the largest provider of prepaid wireless service in the United States
8 serving over 17 million customers under the brands TracFone[®], NET10[®], Straight
9 Talk[®], and SafeLink Wireless[®]. TracFone's market share in prepaid wireless in
10 the United States continues to grow, now at over 30% according to Neilson and
11 others. TracFone is also the fifth largest wireless carrier and largest mobile
12 virtual network operator in the United States in terms of total customer counts.
13 TracFone is incorporated under the laws of the State of Delaware and is
14 headquartered at Miami, Florida. Its corporate offices are located at 9700 N.W.
15 112th Avenue, Miami, FL 33178.

16 Q. DOES TRACFONE HAVE A PRESENCE IN IDAHO?

17 A. TracFone is a reseller of CMRS throughout the United States, including the State
18 of Idaho. TracFone provides service through a "virtual network" consisting of
19 services obtained from licensed operators of wireless networks. TracFone has
20 provided CMRS service throughout the State of Idaho continuously for over
21 twelve years. In Idaho, TracFone obtains service from the following underlying
22 carriers: AT&T Mobility, T-Mobile, and Verizon Wireless. TracFone's

1 arrangements with these providers enable it to offer services wherever any of
2 those providers offer service in the State of Idaho.

3 Q. DOES TRACFONE HAVE THE ABILITY TO PROVIDE LIFELINE?

4 A. Yes. TracFone, through its arrangements with the underlying carriers listed
5 above, has the ability to provide all services and functionalities supported by the
6 universal service program, as detailed in the FCC rules at 47 C.F.R. § 54.101,
7 throughout its underlying carriers' coverage areas in Idaho. Upon designation as
8 an ETC, TracFone will make available to consumers a Lifeline offering, under the
9 brand SafeLink Wireless[®], which will provide consumers with all of the
10 functionalities and features currently provided by TracFone to existing customers.
11 TracFone will provide Lifeline service to qualifying low-income Idaho
12 households requesting these services pursuant to the universal service program
13 and in accordance with federal law. TracFone requests ETC designation
14 statewide in all exchanges to the extent that its underlying carriers have facilities
15 and coverage.

16 Q. WHAT ARE THE GENERAL TERMS OF TRACFONE'S SAFELINK
17 WIRELESS[®] LIFELINE SERVICE?

18 A. TracFone's Lifeline customers in all states, including Idaho, have the option to
19 select from three monthly plans. The plans are as follows:

20 1) 250 free minutes each month, which do not carry over to the next
21 month if unused (unless there are unused purchased minutes at the
22 end of the month), with texting available at a rate of one text per
23 minute of airtime; or

1 2) 125 free minutes each month, which carry over to the following
2 month if unused, with texting available at a rate of one text per
3 minute of airtime; or

4 3) 68 free minutes each month, which carry over to the following
5 month if unused, with texting available at a rate of 3 texts per each
6 minute of airtime, plus International Long Distance calling to over
7 100 destinations.

8 A list of the international destinations is provided as Exhibit No. 1. Customers
9 who choose the 125 minute plan or the 68 minute plan are able to carry over all
10 unused minutes on a month-to-month basis. There is no limit on the number of
11 minutes that may be carried over to the following month. As noted above,
12 whenever a SafeLink Wireless[®] customer enrolled in the 250 minute plan
13 purchases additional airtime minutes, those purchased additional minutes will not
14 expire at the end of the month of purchase. Instead, those purchased minutes will
15 be carried over for three succeeding months. In addition, when such customers
16 purchase additional minutes during a month the unused portions of those
17 customers' free allotment of 250 minutes will not expire at the end of the month.
18 Rather, like the purchased additional minutes, they will be carried over for three
19 succeeding months. However, if a customer enrolled in the 250 minute plan does
20 not purchase any additional minutes, unused minutes will not carry over to the
21 following month. Extending the expiration of the free allotted minutes of Lifeline
22 customers who purchase additional airtime minutes will ensure that no customer

1 who purchases additional minutes will lose any purchased, but unused, minutes in
2 less time than the normal expiration date for such purchased minutes of airtime.

3 TracFone will provide E911-compliant handsets to its participating
4 Lifeline customers at no charge. The cost of those handsets, including delivery to
5 consumers, will be borne solely by TracFone with no support from the federal
6 Universal Service Fund. TracFone will pre-activate handsets provided to
7 qualified customers, enroll the customers in the Lifeline plan, and allocate the
8 appropriate number of minutes of usage to the customers' accounts. The handsets,
9 will be delivered to customers upon enrollment in the program with the first
10 month's free usage allotment already activated and ready for immediate use upon
11 receipt. Low-income customers who have limited access to communications
12 sources will gain immediate and free access to wireless telecommunications
13 service simply by turning on the handsets provided by TracFone. In addition,
14 SafeLink Wireless® Lifeline customers in Idaho will be able to contact customer
15 service by dialing 611 from their SafeLink Wireless® phones, without having
16 any minutes deducted.

17 TracFone pledges that one hundred percent of the federal Lifeline support
18 it receives will be flowed through to Lifeline customers in the form of free usage.
19 TracFone's terms and conditions governing SafeLink Wireless® Lifeline service
20 are attached as Exhibit No. 2.

21 Q: WILL IDAHO LIFELINE CUSTOMERS BE ABLE TO PURCHASE
22 ADDITIONAL WIRELESS AIRTIME MINUTES? IF SO, AT WHAT PRICE?

1 A: Yes. SafeLink Wireless® Lifeline customers will be able to purchase additional
2 minutes at any retail location where TracFone services are sold at a rate of \$0.10
3 per minute. Although additional minutes may be purchased, based on TracFone's
4 experience as an ETC in other states, it does not expect that many Idaho Lifeline
5 customers will purchase additional minutes. In the states where TracFone has
6 been providing Lifeline service as an ETC under its prior plan, fewer than seven
7 percent of Lifeline customers purchased additional wireless airtime in any month.
8 With the increase of the availability in the number of free minutes to 250,
9 TracFone has observed that a significantly lower percentage of customers who
10 select the 250 minute option purchase additional minutes.

11 Q: EARLIER IN THIS PROCEEDING, TRACFONE STATED THAT ITS
12 SAFELINK WIRELESS® SERVICE INCLUDED 67 MINUTES OF AIRTIME
13 EACH MONTH. WHY DID TRACFONE ENHANCE ITS LIFELINE
14 PROGRAM WITH THESE NEW OPTIONS?

15 A: TracFone is the industry leader in prepaid wireless Lifeline service. It was the
16 first wireless carrier to obtain a favorable forbearance ruling from the FCC to
17 enable it to be designated as an ETC for the purpose of providing Lifeline service
18 without providing service, at least in part, using its own facilities. TracFone was
19 the first non-facilities-based telecommunications company to become designated
20 as an ETC in any state. TracFone was the first ETC to offer a Lifeline plan which
21 provided Lifeline customers with free service rather than discounts on the
22 monthly service prices billed to those customers. As TracFone's Lifeline business
23 grew, and as it sought ETC designation in other states, it was becoming apparent

1 that consumer groups and others were becoming increasingly critical of
2 TracFone's program and were advocating that low-income consumers needed
3 more free minutes. TracFone was also aware that another ETC offering prepaid
4 wireless Lifeline service in certain states had introduced a Lifeline plan which
5 provided its Lifeline customers with 200 free minutes per month. As a result of
6 these developments, TracFone began to evaluate its Lifeline program and to
7 consider changes. In 2010, TracFone commissioned extensive market research
8 into customer needs and wants and commenced a series of market tests in which it
9 offered differing amounts of free minutes in various states. The results of that
10 research and testing enabled TracFone to gauge such factors as the relationship of
11 free minutes to consumer demand, whether consumers preferred additional free
12 minutes to other benefits such as the ability to carry over unused minutes to
13 succeeding months, or the ability to place international calls, and the importance
14 of text messaging to Lifeline customers. TracFone analyzed the data it compiled
15 from its market tests and developed the three options.

16 Q: PLEASE DESCRIBE THE DIFFERENCES IN THE THREE OPTIONS?

17 A: The first option provides for 250 free minutes of wireless airtime each month.
18 Unlike the other two options, unused minutes do not carry over from month to
19 month (unless, as I explained earlier, there are unused purchased minutes at the
20 end of the month). This plan was developed in response to concerns from
21 consumer advocacy groups around the country that low-income households need
22 more free minutes than were available under TracFone's prior plan. TracFone's
23 second option provides 125 free minutes each month with unused minutes

1 carrying over from month to month. That option also allows for text messaging at
2 the rate of 1 text per minute of airtime. This plan, like TracFone's initial plan
3 (now the third option) allows for minutes to carry over but provides 57 more
4 minutes (nearly an hour of airtime) per month. It also allows for text messaging.
5 The third option provides 68 free minutes each month, with unused minutes
6 carrying over to the following month. The plan also allows for text messaging,
7 but at a lower rate than the text rate of the first two options. The plan also allows
8 for international long distance calling. This is the only plan in the industry that
9 allows international long distance calling to more than 100 international
10 destinations at no additional charge.

11 Q: WHICH OPTION IS MOST BENEFICIAL TO CONSUMERS?

12 A: Which of the three options is most favorable to any Lifeline customer will depend
13 on the calling needs of the specific customer. For those customers who want the
14 maximum amount of free airtime each month, the first option will be the best
15 choice. Therefore, TracFone expects that most Lifeline customers will select that
16 option. However, TracFone's market research and testing confirmed that some
17 Lifeline-eligible low-income households prefer the carry over feature and prefer
18 to save unused minutes from month to month rather than lose unused minutes at
19 the end of the month. For those customers, either the second or third option
20 would be preferable. Other customers do not have large daily calling needs but
21 do have an ongoing need to communicate with persons in foreign countries. For
22 example, many of TracFone's Lifeline customers who are recent immigrants
23 value the ability to use their free Lifeline minutes to call friends and relatives in

1 their home countries. For such customers, the third option which includes
2 international calling would be the most attractive option, despite the fact that the
3 option provides fewer total free minutes than either of the other two options. The
4 point is that Lifeline customers will have a choice of options which best meet
5 their needs.

6 Q: DOES TRACFONE ANTICIPATE FURTHER CHANGES TO ITS LIFELINE
7 OPTIONS?

8 A: The wireless telecommunications service market is evolving as new competitors
9 enter, new products are introduced and technology improves. TracFone, like most
10 prudent businesses, constantly monitors market developments and changes its
11 services accordingly. When TracFone first introduced SafeLink Wireless® in
12 2008, its plan was "state of the art." No other company before had offered a
13 Lifeline program which included free service. As with other wireless services,
14 what was deemed to be a desirable service two years ago may no longer be what
15 consumers need and expect. It is for that reason that TracFone introduced its new
16 plans in August 2010. At this time, TracFone has no plans to change these
17 options. However, it is possible that in the future, further changes will be
18 appropriate. One thing is certain -- throughout the history of the commercial
19 mobile service industry the consistent trend has been lower prices, increased and
20 improved services and features. TracFone expects that trend to continue
21 throughout the wireless telecommunications market, including the Lifeline
22 segment of the market. TracFone is a company prepared for change and it will
23 continue to respond accordingly.

1 Q: WILL TRACFONE ASSIST APPLICANTS FOR ENROLLMENT IN ITS
2 LIFELINE PROGRAM TO SELECT THE OPTION MOST APPROPRIATE
3 FOR THE APPLICANTS?

4 A: Yes. TracFone's website will contain detailed descriptions of each of the three
5 options. In addition, when prospective SafeLink Wireless® Lifeline customers
6 contact TracFone's Lifeline enrollment department, they will be asked to select
7 which option they prefer. Customer service representatives who assist customers
8 in the Lifeline enrollment process will be trained to explain the options, to answer
9 questions and to help applicants determine which option is best for them.
10 Moreover, customers are free to change plans as often as they wish. Therefore, if
11 a customer is not satisfied with a certain option, he or she can switch to another
12 option.

13 Q: HOW DOES TRACFONE'S LIFELINE OFFERING BENEFIT IDAHO
14 CONSUMERS?

15 A: Not too many years ago, wireless telecommunications service was considered to
16 be a luxury item that only upper income consumers and business customers could
17 afford. In recent years, wireless service prices have decreased, new and improved
18 services and devices have become available and millions of Americans have come
19 to rely on wireless service as an essential tool in an increasingly mobile society.
20 Until recently, the lowest income segments of the population had limited, and
21 often no, available wireless service options. TracFone has made it possible for
22 Lifeline-eligible low-income households in many states to obtain wireless
23 handsets and mobile service through its SafeLink Wireless® Lifeline program.

1 Furthermore, the mobile nature of SafeLink Wireless® will bring Lifeline-
2 supported service to those needy Idahoans with no permanent fixed address.
3 TracFone has been working with the FCC and with operators of homeless shelters
4 in various states to enable homeless persons residing in such shelters to enroll in
5 SafeLink Wireless®. It plans to do that in Idaho as well.

6 TracFone's Lifeline offering will enable low-income Idaho residents who
7 qualify for Lifeline assistance to receive 250 minutes of free service per month.
8 TracFone is not aware of any party to this proceeding who has suggested that 250
9 free minutes will not be a sufficient amount of service. Neither is TracFone
10 aware of any wireless ETC operating in Idaho or elsewhere which provides
11 Lifeline customers with more free minutes than TracFone will provide to Idaho
12 Lifeline customers under its first option.

13 Q. WILL TRACFONE'S LIFELINE OFFERINGS DIFFER FROM THOSE OF
14 OTHER IDAHO ETCS? IF SO, HOW?

15 A. TracFone's Lifeline offerings differ from other Idaho ETCS' Lifeline programs in
16 several very important respects. First, TracFone will offer low-income consumers
17 the convenience, portability, and security of wireless services. In addition, unlike
18 all other ETCS' Lifeline programs, TracFone's Lifeline service will provide
19 quantities of wireless usage at no charge to the consumer. Stated simply,
20 TracFone's Lifeline service will be free to qualified customers. Typically,
21 Lifeline programs provide participating consumers with discounts below carriers'
22 standard rates. However, enrolled Lifeline customers still must pay the ETC's
23 discounted rates as well as standard rates for additional services and features not

1 subject to the Lifeline discount (including, for example, long distance toll charges
2 and charges for vertical features like call waiting, voice mail, and caller ID), and
3 face service termination if they fail to pay the amounts owed. For example, if a
4 provider's standard monthly charge is \$30.00 and the Lifeline customer receives a
5 \$10.00 discount funded by the USF, the customer will still receive an invoice for
6 \$20.00, plus additional charges incurred during the billing period as well as
7 various taxes and fees. Such customers will face termination of service if they
8 fail to pay those billed amounts -- amounts which often are well in excess of the
9 discounted local service portion of their bills. TracFone's Lifeline customers will
10 not receive bills. Furthermore, TracFone's Lifeline customers will be able to
11 initiate and receive calls from their wireless phones without incurring any
12 activation charges. In addition, unlike the Lifeline services of other Idaho ETCs,
13 TracFone's service will include at no additional charge important vertical features
14 like caller ID, call waiting, and voice mail.

15 Q. DOES TRACFONE MEET THE REQUIREMENTS FOR ETC
16 DESIGNATION?

17 A. TracFone meets all applicable federal and Idaho requirements for ETC
18 designation. In addition, TracFone recognizes that the Communications Act
19 states that ETCs shall offer services, at least in part, over their own facilities and
20 prohibits state commissions from designating as an ETC a telecommunications
21 carrier that offers services exclusively through the resale of another carrier's
22 services. However, on September 8, 2005, the FCC granted a petition filed by
23 TracFone that requested the FCC to exercise its forbearance authority with respect

1 to the facilities-based service requirement (“TracFone Forbearance Order”). The
2 TracFone Forbearance Order is attached as Exhibit No. 3. In an Order dated April
3 11, 2008, the FCC designated TracFone as an ETC in ten states and the District of
4 Columbia, subject to the conditions set forth in the TracFone Forbearance Order.
5 Those conditions include TracFone providing its Lifeline customers with 911 and
6 enhanced 911 (“E911”) access regardless of activation status and availability of
7 prepaid minutes; obtaining a certification from each Public Safety Answering
8 Point (“PSAP”) where TracFone provides Lifeline service confirming that
9 TracFone complies with the 911 service condition; providing its Lifeline
10 customers with E911-compliant handsets; requiring its customers to self-certify at
11 time of service activation and annually thereafter that they are the head of
12 household and receive Lifeline-supported service only from TracFone; and
13 establishing safeguards to prevent its customers from receiving multiple TracFone
14 Lifeline subsidies at the same address. On March 5, 2009, the Commission issued
15 an Order modifying one of the conditions imposed in the TracFone Forbearance
16 Order requiring that TracFone obtain a certification from each PSAP where
17 TracFone provides Lifeline service confirming that it provides its customers with
18 access to basic and E911 service. The March 5, 2009 Order is attached as Exhibit
19 No. 4.

20 Q. DO ANY OF THE CONDITIONS IMPOSED ON TRACFONE IN THE
21 FORBEARANCE ORDER APPLY TO TRACFONE’S DESIGNATION AS AN
22 ETC IN IDAHO?

1 A. Yes. I understand that all state commissions, including this Commission, are
2 required to comply with the FCC's decision to forbear from applying or enforcing
3 the facilities requirement on TracFone. Accordingly, the FCC-imposed
4 conditions of forbearance are binding on TracFone in all jurisdictions where it
5 may be designated as an ETC.

6 Q. WHAT FUNCTIONS WILL TRACFONE OFFER TO LIFELINE CUSTOMERS
7 IF GRANTED ETC STATUS?

8 A. Upon designation as an ETC in Idaho, TracFone will offer all of the services and
9 functionalities required by the FCC's rules (47 C.F.R. § 54.101) and the ETC
10 Checklist, ¶ A.2. as applicable to TracFone. These services and functionalities
11 include the following:

12 Voice Grade Access to the Public Switched Network.

13 The voice grade access provided by TracFone enables a user of
14 telecommunications services to transmit voice communications, including
15 signaling the network that the caller wishes to place a call, and to receive voice
16 communications, including receiving a signal indicating there is an incoming call.

17 Local Usage.

18 As part of the voice grade access to the public switched telephone
19 network, an ETC must provide local calling. TracFone provides customers the
20 ability to send and receive local phone calls wherever it provides service.

21 TracFone's Lifeline offering allows customers to use their free airtime minutes
22 (68, 125, or 250 minutes, depending on the Lifeline offering in which the
23 customer is enrolled) to send and receive local phone calls by using their free

1 airtime minutes. Thus, a certain amount of free local usage is included in
2 TracFone's Lifeline calling plan. The FCC rules require an ETC applicant to
3 show it has a local usage plan comparable, although not identical, to that offered
4 by the incumbent local exchange carriers ("ILECs") in the same service areas.
5 Furthermore, the FCC has not adopted any minimum local usage requirements.
6 As a designated ETC, TracFone will comply with any applicable minimum local
7 usage requirements established by the FCC. Wireless and wireline services,
8 though increasingly substitutable for each other, are different from each other and
9 they are priced differently. Given those differences, the FCC and ETC
10 designating authorities in 24 states have concluded that TracFone's local service
11 offering meets the comparability standard codified in the FCC's rules.

12 This Commission, however, does not require ETC applicants to comply
13 with the FCC's comparability standard. Instead, ETC Checklist, ¶ B.4 requires an
14 ETC applicant to provide a description of its local usage plans and a description
15 of the local usage plans of the ILECs. As I just described, TracFone's Lifeline
16 offering includes free airtime minutes that can be used for local calling. Based on
17 a review of information available on ILECs' websites, ILECs providing service
18 within TracFone's proposed Lifeline service area offer unlimited local usage at
19 the following rates: Cambridge Telephone Company - \$16.50-\$24.10; Inland
20 Telephone Company - \$13.80-\$26.00; Rural Telephone Company - \$25.76;
21 Verizon Northwest - \$12.78; Qwest Corporation - \$12.00-\$24.00. The ILECs'
22 monthly rates may vary depending on the location of the customer. ILECs' local

1 usage plans are also available on the Commission's website at
2 <http://www.puc.state.id.us/tariff/approved/approved.htm>.

3 Dual Tone Multi-Frequency (DTMF) Signaling or Its Functional Equivalent.

4 DTMF signaling allows carriers to provide expeditious call set-up and call
5 detail information and enables modem usage. All telephone handsets provided
6 by TracFone are DTMF-capable as required by federal law.

7 Single-party Service or Its Functional Equivalent.

8 Single-party service means that only one party will be served by a
9 subscriber line or access loop in contrast to a multi-party line. TracFone provides
10 customers with single-party access for the duration of every phone call.

11 Access to 911 and E911 Emergency Service.

12 TracFone provides universal access to the 911 system for its customers.
13 TracFone has implemented and will continue to implement enhanced 911 services
14 consistent with the FCC's rules and orders applicable to wireless resellers. Given
15 that TracFone is a reseller, it does not own or operate any facilities. TracFone has
16 the ability to remain functional in emergency situations. TracFone provides
17 service in Idaho by reselling services of underlying wireless network carriers,
18 including AT&T Mobility, T-Mobile, and Verizon Wireless. Those network
19 operators have implemented state-of-the-art network reliability standards.
20 TracFone and its customers benefit from the network operators' high standards.
21 Throughout its more than twelve years of operation, TracFone has never received
22 a complaint about a 911 system failure.

23 Access to Operator Services.

1 TracFone offers all its customers access to operator services.

2 Access to Interexchange Service.

3 TracFone does not impose separate charges for interexchange calls. Long
4 distance calling is included in TracFone's service with no additional charge.

5 Access to Directory Assistance.

6 All TracFone customers, including those customers located in Idaho, have
7 access to directory assistance services provided by TracFone's vendors. Unlike
8 other telecommunications carriers, TracFone does not impose separate charges for
9 directory assistance.

10 Toll Limitation for Qualified Low-Income Customers.

11 There is no need for TracFone to offer a toll limitation feature to
12 qualifying low-income customers. Since TracFone's service is a prepaid service,
13 no customers will incur toll charges that they cannot pay for or be disconnected
14 for failure to pay toll charges or, for that matter, any other charges. TracFone
15 treats long distance minutes of use as any other usage. Therefore, customers are
16 not subject to additional charges for toll services.

17 Q. WILL TRACFONE OFFER LINK-UP SERVICE IN IDAHO?

18 A. TracFone does not seek designation as an ETC for the purpose of offering Link-
19 Up service to customers. In the TracFone Forbearance Order, the FCC forbears
20 from applying the facilities requirement to TracFone only for the purpose of
21 offering Lifeline service. Moreover, TracFone does not impose activation or
22 connection charges -- charges which are offset by Link-Up support. Thus, there is
23 no need for TracFone to offer Link-Up.

1 Q. HOW QUICKLY WILL TRACFONE BE ABLE TO START PROVIDING
2 LIFELINE SERVICE?

3 Within a very reasonable timeframe, since TracFone already provides
4 service in Idaho by reselling service which it obtains from underlying facilities-
5 based providers. Each of those providers' networks are operational and largely
6 built out. Thus, TracFone already serves those areas. The only delay will be the
7 time needed to implement procedures and internal systems to offer the Lifeline
8 program.

9 Q. HOW RELIABLE IS TRACFONE'S QUALITY OF SERVICE?

10 A. As a reseller of other carriers' wireless services, TracFone's service is of the same
11 quality and reliability as that of its underlying vendors. I cannot assure the
12 Commission that TracFone will never experience service disruptions. Occasional
13 dropped calls and inconsistent coverage depending on atmospheric conditions are
14 a fact of life in the wireless industry. However, TracFone's service is as reliable
15 as that of any other wireless provider serving the Idaho market. To demonstrate
16 its commitment to high service quality, TracFone will comply with the CTIA -
17 The Wireless Association® Consumer Code for Wireless Service. A copy of the
18 CTIA Code is attached as Exhibit No. 5. TracFone's SafeLink Wireless® service
19 is also subject to a Privacy Policy available to all customers on its website at
20 www.safelink.com. A copy of the Privacy Policy is attached as Exhibit No. 6.

21 Q. CAN TRACFONE MEET ALL RESPONSIBILITIES UNDER THE CTIA
22 CONSUMER CODE GIVEN ITS RESELLER STATUS?

1 A. Yes. TracFone is able to and does meet each of the CTIA Consumer Code
2 provisions. The following describes TracFone's compliance with each of the
3 provisions of the CTIA Consumer Code for Wireless Service.

4 Disclose rates and terms of service to consumers: TracFone discloses its rates and
5 terms of service to consumers on its website.

6 Make available maps showing where service is generally available: TracFone
7 makes available maps showing where service is generally available on its website.
8 See http://www.tracfone.com/jsplib/verify_mapcov.jsp. Coverage maps are
9 accessed by clicking on "Site Map" on TracFone's home page, then clicking on
10 "Coverage Maps".

11 Provide contract terms to customers and confirm changes in service: TracFone
12 does not require its customers to enter into contracts. TracFone's service is
13 governed by the terms and conditions as set forth on its website.

14 Allow a trial period for new service: TracFone only offers prepaid service and
15 does not charge an early termination fee. Consumers can purchase the amount of
16 airtime minutes they wish to use. Therefore, there is no need for TracFone to
17 offer a trial period for service. Customers may terminate their use of TracFone
18 service at any time without incurring any penalty or termination charge.

19 Provide specific disclosures in advertising: TracFone provides specific
20 disclosures in any advertising of prices. TracFone does not charge activation or
21 initiation fees, monthly access fees, or early termination fees and does not have a
22 required contract term or peak and off-peak calling times. TracFone makes all
23 disclosures related to prices that are applicable to its service.

1 Separately identify carrier charges from taxes on billing statements: As a prepaid
2 service provider, TracFone does not issue billing statements. Therefore,
3 requirements concerning billing statements are not applicable to TracFone.

4 Provide customers the right to terminate service for changes to contract terms:
5 TracFone does not require its customers to enter into contracts. TracFone's
6 service is governed by the terms and conditions as set forth on its website.
7 Therefore, requirements concerning cancellation of contracts are not applicable to
8 TracFone.

9 Provide ready access to customer service: TracFone provides ready access to its
10 customer service department via a toll-free telephone number during regular
11 business hours. TracFone's toll-free customer service telephone number is
12 provided on its website and in all communications with its customers.

13 Promptly respond to consumer inquiries and complaints received from
14 government agencies: TracFone promptly responds to consumer inquiries and
15 complaints received from federal and state government agencies.

16 Abide by policies for protection of consumer privacy: TracFone's Privacy Policy
17 is available to all customers on its website. TracFone also complies fully with
18 applicable requirements governing Customer Proprietary Network Information set
19 forth at Section 222 of the Communications Act and in the FCC's rules.

20 Q. HOW WILL TRACFONE ENSURE THAT ELIGIBLE CUSTOMERS ARE
21 MADE AWARE OF ITS SERVICES?

22 A. TracFone will aggressively advertise the availability of its SafeLink Wireless®
23 Lifeline service and the associated charges using media of general distribution, in

1 accordance with the requirements under federal and Idaho state law. TracFone
2 plans to utilize such marketing and outreach efforts as necessary and appropriate
3 to ensure that as many potentially eligible consumers are aware of TracFone's
4 prepaid wireless Lifeline offering. TracFone understands that it will be
5 competing with other ETCs in Idaho, including the incumbent local exchange
6 carriers, which may be chosen by consumers to be their Lifeline service provider.
7 TracFone will utilize traditional means for promoting the availability of its
8 Lifeline program. These means will include print and broadcast advertising in
9 media outlets most likely to reach consumers eligible for Lifeline. These would
10 include national publications as well as local and community newspapers, and
11 commercial broadcast stations, especially those stations whose programming is
12 targeted to significant lower income communities including, for example, Spanish
13 language stations in areas with significant Spanish-speaking populations.

14 Q. WILL TRACFONE OFFER LIFELINE SERVICES THROUGHOUT THE
15 PROPOSED SERVICE AREA AND ATTEMPT TO PROVIDE SERVICE TO
16 EVERY REQUESTING CUSTOMER IN THE AREA AS REQUIRED BY ETC
17 CHECKLIST, ¶ B.1?

18 A. Yes. This requirement is based on FCC rule 54.202(a)(1)(i) (47 C.F.R. §
19 54.202(a)(1)(i)), which provides that in order to be designated as an ETC, a
20 carrier must commit to provide service throughout its proposed designated service
21 area to all customers making a reasonable request for service. ETC Checklist, ¶
22 B.1 also refers to the six-step process that must be used when service is requested
23 within the applicant's service area, but outside its existing network coverage. The

1 purpose of this requirement is to ensure that an ETC is using high-cost support to
2 expand and improve network services. TracFone does not own and operate a
3 network and it will not seek high-cost support. However, TracFone will provide
4 service on a timely basis to all qualified customers requesting Lifeline service
5 within its designated service area. TracFone, as a reseller, defines its service area
6 to include the coverage areas of its underlying carriers. TracFone does not have
7 the ability to expand or make any changes to the networks of its underlying
8 carriers. As such, it can only comply with requests for service within its
9 underlying carriers' service areas.

10 Q. IS TRACFONE ABLE TO REMAIN FUNCTIONAL IN EMERGENCIES AS
11 REQUIRED BY ETC CHECKLIST, ¶ B.2?

12 A. In accordance with FCC Rule 54.202(a)(2) (47 C.F.R. § 54.202(a)(2)) and ETC
13 Checklist, ¶ B.2, TracFone has the ability to remain functional in emergency
14 situations. Given that TracFone is a reseller, it does not own or operate any cell
15 sites, microwave hubs, or switches. Therefore, the requirement that TracFone
16 demonstrate that it has back-up power and is able to reroute and manage traffic in
17 emergency situations is not applicable. TracFone provides service in Idaho by
18 reselling services of underlying wireless network carriers, including AT&T
19 Mobility, T-Mobile, and Verizon Wireless. Those network operators have
20 implemented state-of-the-art network reliability standards. TracFone and its
21 customers benefit from the network operators' high standards. Throughout its
22 over twelve years of operation, TracFone's service reliability has compared
23 favorably with that of any facilities-based operator in the wireless

1 telecommunications industry.

2 Q. WILL TRACFONE'S RESELLER STATUS LIMIT ITS ABILITY TO
3 RESOLVE ALL COMPLAINTS REGARDING ITS SERVICE THAT MAY BE
4 RECEIVED BY THE COMMISSION?

5 A. No. TracFone has been providing nationwide wireless telecommunications
6 service for more than twelve years. During that time period, TracFone has
7 satisfactorily resolved complaints that have been forwarded to it by state utility
8 commissions and by the FCC. TracFone's status as a reseller has not limited its
9 ability to address and resolve any complaint. TracFone will promptly work to
10 resolve any complaints it receives from this Commission or from an Idaho
11 customer.

12 Q. WILL TRACFONE BE ABLE TO COMPLY WITH THE ANNUAL
13 REPORTING REQUIREMENTS FOR ETCs IN IDAHO?

14 A. TracFone understands that the annual reporting requirements for ETCs are set
15 forth in the ETC Checklist, ¶ C. TracFone will be able to comply with all
16 reporting requirements to the extent that they are applicable to a reseller that only
17 offers Lifeline service. Some of the reporting requirements relate to high-cost
18 support or network improvements, such as the two-year network improvement
19 plan required by ¶ C.1 and the high-cost certification required by ¶ D. Such
20 reporting requirements are not applicable to TracFone because it does not seek
21 high-cost support and does not own or operate a network.

22 ETC Checklist, ¶ C.2. requires a wireless ETC to file an annual outage
23 report consistent with 47 C.F.R. § 54.209(a)(2). ETC Checklist, ¶ C.2 requires

1 the annual outage report to include information detailing: (A) the date and time
2 of onset of the outage; (B) a brief description of the outage and its resolution; (C)
3 the particular services affected; (D) the geographic areas affected by the
4 outage; (E) steps taken to prevent a similar situation in the future; and (F) the
5 number of customers affected. TracFone receives outage information from each
6 of its underlying carriers in Idaho. The information received by TracFone
7 identifies the date and time of the onset of the outage, the duration of the outage,
8 the nature of the outage, and the general geographic location of the outage.
9 However, as a reseller, TracFone does not own or operate any switches, and
10 therefore cannot identify the steps taken to prevent a similar situation in the
11 future. Furthermore, the outage information provided to TracFone does not
12 enable TracFone to identify the number of customers affected. Therefore,
13 TracFone will provide outage information to the extent that it is able to do so. In
14 this regard, the Commission should be aware that Section 54.209 of the FCC's
15 rules is applicable to TracFone as a designated ETC. TracFone submits Section
16 54.209 reports annually to the FCC for the states in which it is a FCC-designated
17 ETC.

18 Q. WHY WOULD DESIGNATION OF TRACFONE AS AN ETC SERVE THE
19 PUBLIC INTEREST?

20 A. The FCC has determined that designation of competitive ETCs serves the public
21 interest by promoting competition and benefits consumers by increasing customer
22 choice, innovative services, and new technologies. Designation of TracFone as
23 an ETC will provide a valuable alternative to the existing Lifeline wireline and

1 wireless services available in Idaho. TracFone's Lifeline service will provide
2 important public interest benefits, including larger local calling areas, the
3 convenience and security afforded by mobile telephone service, the opportunity
4 for customers to control their costs by purchasing in advance only the volumes of
5 service which they need and supplementing those quantities on an as-needed basis
6 after exhausting their monthly supply of free service, availability of important
7 vertical features such as caller ID, call waiting, and voice mail at no additional
8 charge, and availability of E911 service in accordance with the FCC's E911
9 requirements. In addition, TracFone's inclusion of all distance calling (local and
10 long distance) and roaming within its calling plans will enable consumers to avoid
11 the risk of becoming burdened with large and unanticipated charges for toll
12 calling.

13 Q. IS TRACFONE ADDRESSING THE CURRENT ECONOMIC DOWNTURN?

14 A. TracFone's SafeLink Wireless[®] Lifeline service offers important benefits that are
15 especially needed by low-income Idaho residents in this time of economic
16 downturn. Idaho has an unemployment rate of 9.5 percent. These conditions
17 have had a significant impact on Idaho residents. The availability of a mobile
18 telephone is critical to many unemployed Idaho residents' efforts to search for
19 other employment opportunities. Without a mobile telephone, unemployed
20 individuals face extreme difficulty in finding employment. A mobile telephone
21 allows individuals to be reached at any time and location, which enables
22 unemployed individuals to respond to potential employers immediately. In
23 addition, a mobile telephone assists employed low-wage individuals by allowing

1 those individuals to stay in contact with employers, manage relationships with
2 supervisors, and respond to requests for work of additional shifts or hours.

3 TracFone's SafeLink Wireless® Lifeline program will enable thousands of Idaho
4 residents, including residents seeking employment and residents with low-wage
5 positions, to obtain a handset and wireless service which would otherwise be
6 unavailable to them.

7 Q. WHY WOULD IDAHO BENEFIT FROM ANOTHER ETC PROVIDING
8 LIFELINE SERVICE?

9 A. As I will describe below, a significant number of Idaho residents who are eligible
10 for Lifeline benefits are not enrolled in a Lifeline program with an ETC. While
11 TracFone does not know the precise causes for the underutilization of a program
12 established to provide discounted telecommunications services to low-income
13 households, based on its experience in other states, it believes that its Lifeline
14 service will attract a significant number eligible low-income Idaho consumers.

15 Q. WHAT ARE SOME BENEFITS OF INCREASED COMPETITIVE CHOICE?

16 A. The benefits of competitive choice are especially valuable in situations in which
17 wireless providers like TracFone seek to provide service to rural communities and
18 elsewhere. The availability of a wireless competitive alternative benefits those
19 rural consumers who often must drive significant distances to work, schools,
20 stores, and other community locations. TracFone's prepaid wireless service
21 alternative will provide all qualified Lifeline consumers with convenient and
22 affordable telecommunications service, both from their residences and when they
23 are away from their homes.

1 TracFone believes that many consumers, including qualified Lifeline
2 customers, view the portability and convenience of wireless service as a modern
3 necessity, not a luxury. Parents need to be able to reach their children wherever
4 they may be, and vice versa; persons seeking employment opportunities need to
5 be reachable by potential employers, even when they are away from home;
6 persons need to be able to call for emergency assistance while away from home,
7 since not all emergencies requiring 911 access occur at home. TracFone
8 recognizes that not all Lifeline-eligible low-income Idaho consumers will select
9 TracFone's SafeLink Wireless® offering. Some consumers will prefer the
10 traditional Lifeline plans of other ETCs, such as that of their incumbent wireline
11 local exchange carrier. For those consumers who would prefer the benefits of a
12 wireless Lifeline plan, SafeLink Wireless® will provide an important alternative.

13 According to most recent FCC data available, Idaho's statewide Lifeline
14 participation rate is 22.1 percent of eligible households and according to
15 Universal Administrative Service Company the statewide participation rate for
16 2009 was between 20 and 50 percent of eligible households. In other words, more
17 than 50 percent of low-income Idaho household that are eligible to receive
18 Lifeline are not receiving Lifeline benefits. TracFone expects that many
19 qualified low-income households will elect to enroll in its SafeLink Wireless®
20 Lifeline program, and that the availability of competing Lifeline programs will
21 encourage greater participation in Lifeline. In fact, since late 2008 when
22 TracFone commenced offering SafeLink Wireless® Lifeline service in three states
23 (Tennessee, Virginia, and Florida), TracFone has substantially increased the

1 number of Lifeline participants in each state where SafeLink Wireless[®] is offered.
2 For example, in each of those states, TracFone has increased Lifeline enrollment
3 by more than one hundred percent.

4 Q. WHAT ARE THE ADVANTAGES OF TRACFONE'S SERVICE
5 OFFERINGS?

6 A. As described earlier in my testimony, TracFone's entire business model is
7 predicated on providing easy-to-use, pay-as-you-go, affordable wireless
8 telecommunications service to consumers to whom wireless service would be
9 otherwise unavailable or unaffordable. TracFone will offer qualified low-income
10 Idaho consumers an opportunity to acquire wireless service using state-of-the-art
11 E911-compliant handsets and such features as caller ID, call waiting, voice mail,
12 text messaging, and long distance calling without toll charges, as well as
13 international calling to more than 100 destinations. Because TracFone's service
14 requires no term contracts, no minimum service periods or volume commitments,
15 no credit checks, and no early termination fees, the service is available to
16 everyone – irrespective of age; irrespective of residency; irrespective of
17 creditworthiness. Moreover, TracFone's prepaid service is unique in that usage
18 information and remaining balance information is stored in the handsets and is
19 thus available to consumers on a "real-time" basis. TracFone's prepaid service
20 offers Lifeline-qualified customers access, quality and price. All of these
21 benefits and advantages will be available to TracFone's Idaho Lifeline customers.

1 Q. WILL TRACFONE'S DESIGNATION AS AN ETC RESULT IN
2 CREAMSKIMMING IN THE RURAL ILEC AREAS IN WHICH IT SEEKS
3 DESIGNATION AS AN ETC?

4 A. No. A creamskimming analysis as part of the Commission's consideration of
5 TracFone's ETC application is neither not relevant nor appropriate. TracFone is a
6 reseller which seeks ETC designation for the limited purpose of providing
7 Lifeline service and will not seek support from the high-cost fund. The FCC
8 developed the "creamskimming" analysis requirement when it began to designate
9 wireless ETCs who sought support from this high-cost portion of the Universal
10 Service Fund to subsidize the costs of building alternative networks which would
11 compete with rural LECs. The FCC's concern was that such facilities-based
12 wireless ETCs would get high-cost support to build out competing networks with
13 those of the rural LECs but would actually deploy competing networks only in the
14 most populous areas of the rural ILECs service territories -- effectively
15 "creamskimming" in the LECs' territories since the ILECs had to build out
16 throughout their entire service areas, including the sparsely-populated portions of
17 their service areas. Since TracFone is a reseller, it will not, and cannot, engage in
18 creamskimming as that term has been used by the FCC. It can provide Lifeline
19 service only where its underlying vendors have wireless coverage. If its
20 underlying vendors do not have coverage, it cannot provide service.

21 Q. WHAT KIND OF IMPACT WILL TRACFONE HAVE ON THE FEDERAL
22 UNIVERSAL SERVICE FUND IF GRANTED ETC STATUS?

1 A. The FCC considered the impact on the USF when determining whether to grant
2 TracFone's petitions for designation as an ETC and concluded that designation of
3 TracFone as an ETC for the limited purpose of offering Lifeline would not have a
4 significant impact on the USF. The FCC noted in its decision granting TracFone
5 forbearance from the facilities requirement for ETCs: "Any increase in the size of
6 the fund would be minimal and is outweighed by the benefit of increasing eligible
7 participation in the Lifeline program, furthering the statutory goal of providing
8 access to low-income consumers." TracFone Forbearance Order, ¶ 17.

9 Whatever impact designation of TracFone as an ETC in Idaho will have
10 on the size of the universal service fund will be relatively modest and will be
11 more than offset by the fact that USF resources will be used for a very important
12 purpose -- to make available to all Americans, including low-income persons,
13 affordable telecommunications services. TracFone seeks ETC designation solely
14 to enable it to offer Lifeline benefits to eligible low-income Idaho consumers.
15 TracFone does not seek access to funds from the federal Universal Service Fund
16 for the purpose of obtaining high-cost support.

17 TracFone's designation as an ETC will not increase the number of persons
18 eligible for Lifeline support. As stated in the Communications Act, the universal
19 service fund was established to ensure that quality services are available to all
20 individuals at just, reasonable, and affordable rates. TracFone's ability to increase
21 the Lifeline participation rate of qualified low-income individuals from the
22 current participation rate of less than 50 percent will further the goal of Congress
23 to provide all individuals with affordable access to telecommunications service.

1 Q. ARE THERE ANY OTHER WAYS IN WHICH TRACFONE'S
2 DESIGNATION AS AN ETC WILL BENEFIT THE PUBLIC INTEREST IN
3 IDAHO?

4 A. As a national leader in prepaid wireless services, TracFone has done much to
5 advance the availability of wireless service for those portions of the population for
6 whom wireless service is otherwise unavailable or, if available, is too costly and
7 requires term duration and volume commitments which are beyond the means of
8 many consumers.

9 Moreover, designation of TracFone as an ETC will serve the public
10 interest by further promoting the extensive role TracFone plays in the provision of
11 communications services to lower income and lower volume users, transient
12 users, as well as other consumers who either choose not to enter into long-term
13 service commitments or who are unable to meet the credit requirements necessary
14 to obtain service from other wireline or wireless carriers. TracFone's wireless
15 service enables consumers to enjoy the convenience and security of wireless
16 telecommunication without being subject to extensive credit reviews and long-
17 term service commitments which historically have limited the availability of
18 wireless service to many Americans, including many Idaho residents.

19 Q. IS THERE ANYTHING ELSE YOU WOULD LIKE TO ADD TO YOUR
20 TESTIMONY?

21 A. Based on my testimony above, I would like to reiterate that TracFone meets all
22 legal requirements for designation as an ETC and that designation of TracFone as
23 an ETC for the limited purpose of providing Lifeline service to low-income Idaho

1 households will serve the public interest. Accordingly, the Idaho Public Utilities
2 Commission should unconditionally and promptly grant TracFone's application
3 for designation as an eligible telecommunications carrier so that TracFone may
4 commence providing its SafeLink Wireless[®] service to low-income Idaho
5 households at the earliest possible time.

Exhibit No. 1
Case No. TFW-T-09-01
J. Fuentes, TracFone Wireless, Inc.



[MY ACCOUNT](#) [ESPAÑOL](#)

THE CELL PHONE THAT PUTS YOU IN CONTROL

NO BILLS

NO CONTRACTS

NO SURPRISES

YOU'RE IN CONTROL

[ACTIVATE /
REACTIVATE
PHONE](#)
[BUY / ADD
AIRTIME](#)
[BUY PHONES
AND MORE](#)
[TRACFONE
PROGRAMS](#)
[SERVICE &
SUPPORT](#)

Available International Destinations

Calls to cellular phones are not included unless the word "Cellular" is specifically listed next to the country name. Numbers in parentheses indicate the Country Code.

Albania - Tirana (355)	Croatia (385)	Ireland (353)	San Marino - Cellular (378)
Andorra (376)	Cyprus - Cellular (357)	Israel (972)	San Marino (378)
Argentina (54)	Cyprus (357)	Italy (39)	Saudi Arabia - Riyadh (966)
Australia (61)	Czech Republic (420)	Japan (81)	Singapore - Cellular (65)
Austria (43)	Denmark (45)	Jordan (962)	Singapore (65)
Bahamas - Cellular (1)	Dominican Republic (1)	Kazakhstan (7)	Slovakia (421)
Bahamas (1)	Estonia (372)	Kenya - Nairobi (254)	Slovenia (386)
Bangladesh - Cellular (880)	Finland (358)	Lithuania (370)	South Korea - Cellular (82)
Bangladesh - Chittagong (880)	France (33)	Luxembourg - Cellular (352)	South Korea (82)
Bangladesh - Dhaka (880)	French Antilles (596)	Luxembourg (352)	Spain (34)
Bangladesh - Sylhet (880)	French Guiana - Cellular (594)	Macao - Cellular (853)	Sweden (46)
Belgium (32)	French Guiana (594)	Macao (853)	Switzerland (41)
Bermuda - Cellular (1)	Georgia (995)	Malaysia - Cellular (60)	Taiwan - Cellular (886)
Bermuda (1)	Germany (49)	Malaysia (60)	Taiwan (886)
Bolivia - La Paz (591)	Gibraltar (350)	Malta (356)	Thailand (66)
Bolivia - Santa Cruz (591)	Greece (30)	Mexico (52)	Turkey (90)
Brazil (55)	Guadeloupe (590)	Monaco (377)	United Kingdom (44)
Brunei - Cellular (673)	Guatemala - Telgua (502)	Netherlands (31)	Uzbekistan (7)
Brunei (673)	Hong Kong - Cellular (852)	New Zealand (64)	Venezuela (58)
Bulgaria (359)	Hong Kong (852)	Norway (47)	Vietnam - Ho Chi Minh (84)
Canada - Cellular (1)	Hungary (36)	Panama (507)	Zambia (260)
Canada (1)	Iceland (354)	Paraguay (595)	
Chile (56)	India - Cellular (91)	Peru (51)	
China - Cellular (86)	India (91)	Polland (48)	
China (86)	Indonesia - Cellular (62)	Portugal (351)	
Colombia - Cellular (57)	Indonesia - Jakarta (62)	Romania (40)	
Colombia (57)	Indonesia - Surabaya (62)	Russia - Cellular (7)	
Costa Rica (506)	Iraq - Baghdad (964)	Russia (7)	

**Available International Destinations are subject to change without prior notice.*

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Exhibit No. 2
Case No. TFW-T-09-01
J. Fuentes, TracFone Wireless, Inc.

SAFELINK WIRELESS™

Terms and Conditions of Service

Please read these SAFELINK WIRELESS Terms and Conditions of Service carefully. SAFELINK WIRELESS is a service of TracFone Wireless, Inc. ("TracFone Wireless"). These SAFELINK WIRELESS Terms and Conditions of Service are a legally binding agreement between you and TracFone Wireless. They contain important information about your legal rights and require that certain disputes be resolved through Arbitration instead of a court trial. TracFone Wireless reserves the right to change or modify any of these SAFELINK WIRELESS Terms and Conditions of Service at any time and at its sole discretion. Any changes or modifications to these SAFELINK WIRELESS Terms and Conditions of Service will be binding upon you once posted on the SAFELINK WIRELESS website at www.safelink.com. You should check the SAFELINK website regularly for updates to these terms.

By enrolling in the SAFELINK WIRELESS Program (the "SAFELINK WIRELESS Program" or "SAFELINK Program") and by using the SAFELINK WIRELESS service (the "SAFELINK WIRELESS Service" or "SAFELINK Service"), you ("You"), the participant, acknowledge and agree to the following terms and conditions:

1. SAFELINK WIRELESS PROGRAM DESCRIPTION.

SAFELINK WIRELESS Service is funded by the Universal Service Fund Lifeline program and administered by the Universal Service Administrative Company. In order to qualify for enrollment in the SAFELINK WIRELESS Program, a person must meet certain eligibility requirements set by each state where the SAFELINK Program is offered. These requirements are based on a person's participation in a state or federal support program(s) or by meeting certain income requirements based upon the Income Poverty Guidelines as defined by the US Government. Federal law limits the availability of the SAFELINK Program. The SAFELINK Program allows one (1) enrollment per "household" and only the "head of household" may apply. The SAFELINK Program permits only one Lifeline benefit per household, therefore, no person currently living in the household may receive Lifeline benefits from any other Lifeline program. Applicants for the SAFELINK Program must complete an application form, provide supporting documentation that they meet the eligibility requirements and certify, under penalty of perjury, that they:

- Are eligible for and currently receive benefits from the public assistance program(s) identified in the application form.
- Are a "head of household."
- Do not currently receive lifeline support for a telephone line serving their residential address and no other resident in their household participates in the Lifeline program. If the applicant is already participating in another Lifeline program, then the applicant agrees to cancel their current household Lifeline support provider in order to enroll in the SAFELINK Program.
- Are not claimed as a dependent on another person's federal or state income tax return.
- Will notify SAFELINK Wireless by calling 1-800-SAFELINK if and when they no longer qualify for any of the public assistance programs identified in their application form.
- Will notify SAFELINK Wireless of any change of address by calling 1-800-SAFELINK.
- Reviewed the information contained in their application and it is true and correct to the best of their knowledge and belief.

Applicants who qualify and are enrolled in the SAFELINK Program will receive a free cellular phone provided by TracFone Wireless together with a free allotment of airtime minutes each month for up to one year. TracFone Wireless will determine at its sole discretion whether or not an applicant meets the eligibility requirements to participate in the SAFELINK Program. Texas residents application is subject to state approval. The state will confirm your participation within 30 days, you will receive a letter in the mail from the Texas Public Utility Commission with more information. If you do not qualify, your Free Minutes may be suspended, however the phone and the minutes you previously received are yours to keep. You can still use the handset by purchasing TracFone airtime cards available at any of the following retailers: Wal-Mart, Walgreens, CVS, Family Dollar, Dollar General. For more information visit www.tracfone.com. The monthly airtime minutes provided by the SAFELINK Program will vary from state to state (in Washington state, the number of monthly airtime minutes is 68 under Plan Option 1) and will be based upon the Plan Option selected. Please call SAFELINK WIRELESS at 1-800-SAFELINK or visit our website at www.safelink.com for further information.

Applicants who do not meet the eligibility requirements will receive written notification, via US Mail, of the reason for their non-eligibility. Upon enrollment in the SAFELINK Program, You will be qualified to participate for up to one (1) year. To continue your enrollment in the SAFELINK Program after the initial year, You must verify annually that you are qualified for continued enrollment in the SAFELINK Program as required by your state Public Service Commission, Public Utility Commission or other agency administering the SAFELINK Program in Your state. TracFone Wireless will also conduct verification drives for each state according to its rules. If TracFone Wireless determines during its verification drive, or at any other time, that a customer fails to continue to qualify for the SAFELINK Program, such customer will immediately be deemed ineligible to participate in the SAFELINK Program, will be de-enrolled from the SAFELINK Program and will no longer receive the free monthly minutes. SAFELINK Customers who are no longer eligible (for any reason) for enrollment in the SAFELINK Program must immediately notify SAFELINK Wireless that they no longer meet the eligibility requirements for enrollment. A SAFELINK customer's enrollment may also be cancelled upon the request of a state and/or federal authority.

TracFone Wireless and SAFELINK WIRELESS reserve the right to cancel the enrollment of any customer and/or permanently deactivate any customer's SAFELINK WIRELESS phone for fraud, misrepresentation or other misconduct as determined solely by TracFone Wireless. While participating in the SAFELINK Program, a customer shall not be permitted to sell, rent, give away or in any way allow another person to use the cellular phone or SAFELINK Service provided to him/her by SAFELINK WIRELESS. IT IS A VIOLATION OF FEDERAL AND STATE LAW TO SELL OR GIVE AWAY THE SAFELINK CELLULAR PHONE OR SAFELINK SERVICE PROVIDED TO YOU BY SAFELINK WIRELESS. Any violation of this prohibition will be reported to the appropriate legal authorities for prosecution. In addition, if TracFone determines, in its sole discretion, that a SAFELINK WIRELESS customer has violated these prohibitions, TracFone Wireless will the permanently de-enroll the customer from the SAFELINK Program, their phone will be permanently deactivated and the customer's personal information will be permanently flagged so that the customer may not re-enroll in the SAFELINK Program in the future. If you have any questions, concerns, comments or complaints regarding the SAFELINK Program or Service, offerings or products, please call SAFELINK WIRELESS Customer Care at 1-800-SAFELINK. You may also contact your state's Public Service Commission/Public Utility Commission.

2. ACTIVATION AND USE OF YOUR SAFELINK WIRELESS PHONE.

Upon enrollment in the SAFELINK Program, you will receive a pre-activated SAFELINK WIRELESS phone delivered to your home address noted in the application. You must accept the SAFELINK WIRELESS telephone number assigned to your SAFELINK WIRELESS phone at the time of activation and you will acquire no proprietary interest in any number assigned to you. The wireless telecommunications networks used to transmit calls for the SAFELINK WIRELESS Service are owned and operated by various licensed commercial mobile radio service providers ("Carriers"), not SAFELINK WIRELESS or TracFone Wireless. The number assigned to your SAFELINK WIRELESS phone at the time of activation will not be changed for any reason unless required by a Carrier or if the number is lost following the deactivation of your phone. You may not select a number to be assigned to your SAFELINK WIRELESS phone. Your SAFELINK WIRELESS phone can only be used through TracFone Wireless, and cannot be activated with any other wireless or cellular service. SAFELINK WIRELESS Services are provided at TracFone Wireless' discretion. Some functions and features referenced in the Manufacturer's manual provided with your SAFELINK WIRELESS phone may not be available on your SAFELINK WIRELESS handset. TracFone Wireless may modify or cancel any

SAFELINK Service or take corrective action at any time without prior notice and for any reason, including but not limited to your violation of these terms and conditions of service. TracFone Wireless notifies Illinois residents that SafeLink Wireless® will not provide a telephone directory to any customer nor will any customer's telephone number be published in any telephone directory.

3. AIRTIME RATES, USAGE AND INCLUDED MONTHLY MINUTES.

While you are enrolled in the SAFELINK Program, you will receive a free monthly allotment of airtime minutes as provided for the SAFELINK Program approved in your state and the minute Plan that you select. SAFELINK WIRELESS airtime is issued in minute (or unit) increments. Units are deducted from the SAFELINK WIRELESS phone at a rate of one (1) unit per minute or partial minute of use. There is no additional charge for nationwide long distance. If you are on Plan 1, there is no additional charge for international long distance to countries designated at www.tracfone.com. SAFELINK offers three plans that are currently available to all new and existing SAFELINK customers. Each plan offers different benefits, features and carryover options. The 3 Plans that are currently available are:

	Free Monthly Minutes Included in Plan	Unused Minutes Carryover Each Month	Text Message Charge*	Free International Long Distance	Voicemail Caller ID Call Waiting
Plan 1	68 in all states (80 in MA)	Yes	3 Texts/1 Minute	Yes	Yes
Plan 2	125	Yes	1 Text/1 Minute	No	Yes
Plan 3	250	No**	1 Text/1 Minute	No	Yes

*These text messaging rates will apply even if a different text messaging rate is stated on an airtime card.

**With Plan 3, your phone will reset to 250 minutes each month when your monthly minutes are delivered. Unused minutes will not automatically carry over to the next month. You may carry over unused airtime minutes on this plan for up to 3 consecutive months if you purchase and add airtime from a TracFone Airtime Card before the 25th day of the month. By purchasing and adding a TracFone airtime card before the 25th of the month, your unused airtime minutes (including your free monthly allotment and any additional TracFone Airtime cards) will carry over for 3 consecutive months from the date of your last TracFone Airtime Card redemption. If you purchase and redeem a TracFone Airtime Card on or after the 26th day of any month, your airtime balance will be reset and not be carried over to the next month. The minutes you purchased will be carried over together with your next three allotments of free monthly minutes. Adding more than one Airtime Card at the same time will NOT extend your airtime carry over for more than the 3 consecutive months. The 3 month carry over is effective from the date of redemption of the last airtime card redeemed to your phone.

New SAFELINK customers must choose a plan upon enrollment. Existing SAFELINK customers who wish to switch plans may do so at www.safelink.com or by calling 1-800-SAFELINK. If you switch plans before the 25th day of any given month, the change will be effective the following month. If you switch plans on or after the 25th day of the month, the change will be effective in the second month following your request to switch plans. You may use your free monthly allotment of airtime minutes to place or receive calls, to send or read text messages or multi-media messages and to access the internet (with certain models of phones). In order to receive your monthly allotment of minutes, you will need to leave your SAFELINK WIRELESS phone powered "on" during the first few days of each month. If you DO NOT receive your monthly allotment of minutes because your phone was not "ON" at the beginning of the month or your phone does not automatically retrieve minutes when powered

"ON." You may self-retrieve by following the instructions below. If for any reason these instructions do not work on your handset, please call us at 1-800-378-1684.

Airtime minutes will be deducted for all time during which your SAFELINK WIRELESS phone is connected to, or using, the wireless system of any Carrier. Use of a wireless system typically begins when you press the "send," "call" or other key to initiate or answer a call and does not end until you press the "end" key or the call is otherwise terminated. Airtime minutes are deducted for all incoming and outgoing calls, including incoming call waiting calls, simultaneous calls, calls to toll free numbers, 411, 611, Customer Care, and to access your voice mail. For simultaneous calls, such as incoming call waiting and 3-way calling (where available) airtime minutes will be deducted for each call. Airtime minutes are not deducted for calls to 911, and all handsets will be able to call 911 even if they have no airtime remaining. Customers in the State of Washington will not be charged for calls to Customer Care if they dial 611 directly from their handset. For outbound calls, you may be charged airtime for incomplete and/or busy-no answer calls. Airtime minutes will be deducted for use of other services such as text messaging and accessing the TracFone Wireless Mobile Web ("WAP"). No credit or refund is given for dropped calls. Customers in the State of Washington who have a problem with their SAFELINK Wireless service and are unable to resolve it by contacting Customer Care, may contact the Washington State Attorney General, Consumer Protection Division, by calling 1-800-551-4636.

4. SELF-RETRIEVAL AND ADDING AIRTIME

Self-Retrieve Your Monthly Minutes by following these instructions:

- Press the **MENU** key located in the center of the navigation keys or arrow keys. "Prepaid" will be displayed across your screen. Press **SELECT**.
- Using the arrow keys on your phone, go to "Redeem Airtime" or "Add Airtime." If your screen displays a message, scroll down and press **OK** until you see "Card #" or "Airtime Pin."
- To Self Retrieve your Monthly Minutes, enter **555** and press **OK**.

Add or Redeem an Airtime Card by following these instructions:

- Press the **MENU** key located in the center of the navigation keys or arrow keys. "Prepaid" will be displayed across your screen. Press **SELECT**.
- Using the arrow keys on your phone, go to "Redeem Airtime" or "Add Airtime." If your screen displays a message, scroll down and press **OK** until you see "Card #" or "Airtime Pin."

If you do NOT have a Promotional Code:

- Enter your 15 digit Airtime PIN number (located on the back of your airtime card or on your register receipt) and press **OK**.

If you have a Promotional Code, follow the instructions for your model of phone:

- For Motorola C139, C155 or Nokia 1112: Enter your 15 digit Airtime PIN plus your 5 digit promotional code and press **OK**.

- For Motorola W175 and all other models: Enter your 15 digit Airtime PIN and press **OK**. You should see the phrase "Have a promotional code?" displayed on your SAFELINK phone screen. Press the key below **YES** and follow the prompts.

Make sure to keep your SAFELINK phone ON until you receive your Minutes!

If your phone does not allow you to self-retrieve, your phone does not automatically retrieve your monthly airtime, if you are having difficulty receiving your monthly allotment of minutes or you are having difficulty loading an airtime card, please call Technical Customer Care at 1-800-378-1684.

5. TEXT MESSAGING.

You may use your free monthly allotment of minutes to send and/or open text messages. Text messages sent to you by SAFELINK WIRELESS are free of charge. The charge to send or open an incoming text message using your SAFELINK WIRELESS phone will vary depending upon your plan. Under Plan 1, you will be charged 0.3 minutes per text message for sending and 0.3 minutes per text message for opening a received text message. Under Plans 2 and 3, you will be charged 1 minute per text message for sending and 1 minute per text message for opening a received text message. If you have exhausted your free monthly allotment of minutes, you will need to purchase and redeem additional airtime minutes in order to continue to send text messages and open incoming text messages and to place and receive voice calls. If you do not want minutes deducted from your SAFELINK WIRELESS phone for text messaging, then do not send text messages or open incoming text messages. SAFELINK WIRELESS does not allow international text messages. Attempting to send international messages could result in service deactivation and de-enrollment from the SAFELINK Program. Please note that SAFELINK WIRELESS does not generally participate in Premium SMS services or campaigns. Premium SMS refers to text messages that are sent to a designated "short code" or buying or attempting to buy SMS services from anyone other than SAFELINK WIRELESS. Premium SMS campaigns include activities such as casting a vote, expressing your opinion, playing a game, subscribing to a service, or interactive television programs. You should not attempt to participate in Premium SMS campaigns unless it is a SAFELINK WIRELESS authorized campaign. Any text message you send to a "short code" will in all likelihood not go through. Any charges you may incur as a result of any attempts to participate in Premium SMS services or campaigns not authorized by SAFELINK WIRELESS are not refundable whether you incur charges as deductions from your SAFELINK WIRELESS phone or from your credit card. You may purchase from SAFELINK WIRELESS ring tones, graphics and certain information services. You may utilize multi-media services with certain SAFELINK WIRELESS models of phones. See SAFELINK WIRELESS Data Services below for more information.

6. INTERNATIONAL CALLING.

International calling is available only if you are enrolled in Plan 1. If you selected Plan Option 1, you may use your SAFELINK WIRELESS phone to make international calls to landlines and some cellular phones in some countries at no additional charge (see www.tracfone.com for available countries and details). The countries where international calling is available under Plan 1 are subject to change at any time without prior notice. In order to place an international call, you will need to dial 1-800-706-3839 (the International Long Distance ("ILD") access number) and follow the instructions. If you are calling from Alaska, Hawaii or the US Virgin Islands, the ILD Access number you should dial is 305-938-5673. Airtime deductions for international calls begin the moment the ILD access number is dialed and apply to dropped calls, misdialed numbers and busy destination numbers. When placing international calls, you may experience connection failures more frequently than calls made within the United States. SAFELINK WIRELESS will not credit airtime minutes deducted for unsuccessful calls. You will not be able to make or receive calls on your SAFELINK WIRELESS phone when you are located outside of the United States, Puerto Rico or the U.S. Virgin Islands (the "Coverage Area"). Any attempt to make or receive calls when you are located outside of the Coverage Area could result in service deactivation and de-enrollment from the SAFELINK Program. International calling is not available under Plan Option 2 or 3.

7. AIRTIME CARDS.

Your SAFELINK WIRELESS phone will only operate when you have airtime minutes available on the SAFELINK WIRELESS phone. If you run out of your free monthly allotment of airtime, you may purchase and add additional

airtime to your phone. See the instructions above for adding airtime. SAFELINK WIRELESS customers may purchase and use any SAFELINK WIRELESS or TracFone Wireless airtime cards, including Double Minute Airtime cards, for their SAFELINK WIRELESS phone. **PLEASE NOTE: Customers who are enrolled in any Double Minutes for Life program will receive double minutes ONLY on their purchased airtime. The free monthly minutes provided to customers enrolled in the SAFELINK Program and any Bonus or Promotional Minutes WILL NOT DOUBLE.**

Each TracFone Wireless airtime card includes a set number of minutes and service days that begin to run from the date you add the airtime to your SAFELINK WIRELESS phone. SAFELINK WIRELESS customers who purchase and redeem 30, 60, 90 and 120 minute TracFone Wireless airtime cards at our regular price will receive an additional 20, 40, 35 and 30 Bonus minutes respectively (SAFELINK WIRELESS customers in the state of Washington will receive 140 Bonus minutes for a 60 minute card purchased at regular price and 180 Bonus minutes for a 120 minute card purchased at regular price). Bonus and promotional minutes will not double with any TracFone Wireless Double Minute airtime cards. TracFone reserves the right to modify, adjust and/or eliminate the extra Bonus minutes at any time in its discretion. SAFELINK customers in certain states may purchase airtime at the rate of 10¢ per unit. TracFone reserves the right to adjust its airtime rates at any time in its sole discretion.

For each TracFone Wireless airtime card or PIN purchased at our regular price and added to a SAFELINK phone, the SAFELINK customer will receive the following:

Minutes on Face of TracFone Card (Purchased at Regular Price)	Total Minutes Provided	Service Days	Cards Cost	Other
30	50	30 or 45	\$9.99	N/A
60	100*	90	\$19.99	N/A
90	125	90	\$24.99	N/A
120	150*	90	\$29.99	N/A
200	200	90	\$39.99	N/A
450	450	90	\$79.99	N/A
One Year Service Card	250 or 400	365	\$99.99	N/A
One Year plus Double Minute	800	365	\$119.99	Double minutes for the life of your phone on all airtime that you purchase. Not transferable to another handset even if your phone is damaged, lost or stolen. The minutes included with this card have already been doubled for your convenience. YOUR FREE MONTHLY MINUTES FROM SAFELINK WILL NOT DOUBLE. BONUS, PROMOTIONAL AND OTHER NON-PURCHASED MINUTES WILL NOT DOUBLE.
Double Minute Card	0	0	\$19.99	Double minutes for the life of your phone on all airtime that you purchase. Card is not transferable to another handset even if your phone is damaged, lost or stolen. YOUR FREE MONTHLY MINUTES FROM SAFELINK WILL NOT

				DOUBLE. BONUS, PROMOTIONAL AND OTHER NON-PURCHASED MINUTES WILL NOT DOUBLE
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*Customers in the state of Washington may obtain additional airtime at an effective rate of \$.10 per minute by purchasing a 60-minute or 120-minute TracFone Wireless airtime card. The 60-minute card has a retail price of \$19.99 and provides 200 total minutes (including Bonus minutes). The 120-minute card has a retail price of \$29.99 and provides 300 total minutes (including Bonus minutes).

8. SERVICE END DATE, DEACTIVATION AND REACTIVATION.

As a SAFELINK WIRELESS customer, You will receive 425 service days upon Your enrollment and activation in the SAFELINK Program and another 365 service days following each successful annual verification for your continued program eligibility in the SAFELINK Program. If you fail to complete your annual verification within 120 days of the required verification date, you will be de-enrolled from the SAFELINK Program. Upon de-enrollment from the SAFELINK Program, you will cease receiving the free monthly allotment of airtime. If you are de-enrolled, your phone will remain active and you may continue to use your phone so long as you have available airtime minutes and service days remaining on your phone. You may purchase airtime and service days to keep your phone service active. If you are de-enrolled from the SAFELINK Program and You allow your remaining service days to expire or go "past due," Your phone service will be deactivated, you may lose your unused minutes and you will lose your wireless telephone number.

If your service is deactivated, you may reactivate your service by re-enrolling in the SAFELINK Program (if eligible) or purchasing and redeeming a TracFone Wireless airtime card with service days. Upon reactivation of your phone, you may be assigned a new telephone number. Any airtime remaining on your handset at the time of deactivation will be reinstated if your phone is reactivated within 60 days from the deactivation date. If your phone remains inactive for more than 60 days, you will lose any remaining airtime.

If you have been de-enrolled from the SAFELINK Program but you wish to keep your service active, You must purchase and redeem additional airtime and service days before the "Service End Date" displayed on your phone. To prevent any interruption in your phone service, please keep your handset service active by timely completing your annual verification as required by the SAFELINK Program or by purchasing and adding TracFone airtime cards before your Service End Date.

"No Usage" De-Enrollment and Deactivation: Regardless of the Service End Date displayed on your handset, if you exceed 2 months without any Usage (as defined in this section), You will be de-enrolled from the SAFELINK Program. "Usage" is defined as any transaction including, but not limited to, making or receiving a call, sending or opening a text message, downloading data content, adding airtime or receiving Your free monthly airtime. Upon de-enrollment for non-Usage, You will have up to a 30 day grace period to reenroll in the SAFELINK Program by calling 1-800-SAFELINK. If you do not re-enroll or call SAFELINK Customer Care within 30 days of your de-enrollment, your phone service will be deactivated. In order to reactivate your SAFELINK phone and re-enroll in the SAFELINK Program, you will need to call SAFELINK Customer Care and you will need to purchase a TracFone airtime card or PIN number with service days in order to reactivate your phone service. Upon successful re-enrollment, you will receive the monthly minutes that you were entitled to receive through the date your enrollment was cancelled. You will not, however, receive any airtime for the period of time you were not enrolled in the SAFELINK Program.

9. OUR RIGHT TO TERMINATE YOUR SAFELINK WIRELESS SERVICE.

You agree not to give away, resell or offer to resell the SAFELINK Phone or Service provided by the SAFELINK Program. You also agree your SAFELINK Phone will not be used for any other purpose that is not allowed by this agreement or that is illegal. WE CAN, WITHOUT NOTICE, LIMIT, SUSPEND, OR END YOUR SERVICE AND DE-ENROLL

YOU FROM THE SAFELINK PROGRAM FOR VIOLATING THIS PROVISION OR FOR ANY OTHER GOOD CAUSE, including, but not limited to, if You: (a) violate any of the terms and conditions of service; (b) lie to us or attempt to defraud us; (c) allow anyone to tamper with your SAFELINK Phone; (d) threaten or commit violence against any of our employees or customer service representatives; (e) use vulgar and/or inappropriate language when interacting with our representatives; (f) steal from us; (g) harass our representatives; (h) interfere with our operations; (i) engage in abusive messaging, emailing or calling; (j) modify your device from its manufacturer's specification; or (k) use the service in a way that adversely affects our network or the service available to our other customers. We reserve the right to, without notice, limit, suspend or end your service for any other operational or governmental reason. In addition to permanently terminating your Service, criminal offenses (i.e., selling or giving away your Service; threatening violence, etc.) will be reported to the appropriate legal authorities for prosecution.

10. UNAUTHORIZED USAGE; TAMPERING.

The SAFELINK WIRELESS handset is provided exclusively for use by you, the end consumer with the SAFELINK WIRELESS Service available solely in the United States, Puerto Rico and the U.S. Virgin Islands. Any other use of your SAFELINK WIRELESS handset, including without limitation, any resale, unlocking and/or re-flashing of the handset is unauthorized and constitutes a violation of your agreement with TracFone Wireless. You agree not to unlock, re-flash, tamper with or alter your SAFELINK WIRELESS phone or its software, enter unauthorized PIN's, engage in any other unauthorized or illegal use of your SAFELINK WIRELESS phone or the Service, or assist others in such acts, or to sell and/or export SAFELINK WIRELESS handsets outside of the United States. These acts violate TracFone Wireless' rights and state and federal laws. Improper, illegal or unauthorized use of your SAFELINK WIRELESS phone is a violation of this agreement and may result in immediate discontinuance of Services and legal action against you. TracFone Wireless will prosecute violators to the full extent of the law. You agree that any violation of this agreement through your improper, illegal or unauthorized use or sale of your SAFELINK WIRELESS phone shall entitle TracFone Wireless to recover liquidated damages from you in an amount of not less than \$5,000 per SAFELINK WIRELESS handset purchased, sold, acquired or used in violation of this agreement.

Some SAFELINK WIRELESS handsets have SIM cards. If your SAFELINK WIRELESS phone has a SIM card, then you agree to safeguard your SIM card and not to allow any unauthorized person to use your SIM card. You agree not to allow any other person to, directly or indirectly alter, bypass, copy, deactivate, remove, reverse-engineer or otherwise circumvent or reproduce the encoded information stored on, or the encryption mechanisms of, your SIM card. You may not remove your SIM Card from your phone nor place the SIM Card in any other phone. Doing so could result in the immediate termination of your service and de-enrollment from the SAFELINK Program. The Carriers, TracFone Wireless, or its service providers, may, from time to time, remotely update or change the encoded information on your SIM card. Your SAFELINK WIRELESS phone is restricted from operating when you are located anywhere outside of the United States, Puerto Rico or the U.S. Virgin Islands, including offshore or in international waters. Any such calls are considered unauthorized usage by TracFone Wireless for which your service will be immediately suspended. In the event of suspension for this or any other unauthorized usage, you will not be entitled to receive any refunds for unused airtime.

11. COVERAGE MAPS AND ROAMING.

You will find coverage maps on our website at www.tracfone.com. These maps are for general informational purposes only. Actual coverage and service areas may vary from the maps and may change without notice. TracFone Wireless does not guarantee coverage or service availability. Even within a coverage area, factors such as terrain, weather, structures, foliage, signal strength, traffic volumes, service outages, network changes, technical limitations, and your equipment may interfere with actual service, quality and availability. "Roaming" occurs when a subscriber of one wireless service provider uses the facilities of another wireless service provider. Roaming most often occurs when you make and receive calls outside of the network coverage area of your service provider. When your SAFELINK WIRELESS phone is roaming, an indicator light on your handset may display the word "Roam" or "RM" on the screen while the phone is not in use. There are no additional charges for roaming calls for the SAFELINK WIRELESS phone you were provided. Availability, quality of coverage and Services while roaming are not guaranteed.

12. LIMITATIONS OF SERVICE AND USE OF EQUIPMENT.

Service is subject to transmission limitations caused by certain equipment and compatibility issues, atmospheric, topographical and other conditions. Further, service may be temporarily refused, limited, interrupted or curtailed due to system capacity limitations, technology migration or limitations imposed by the Carrier, or because of equipment modifications, upgrades, repairs or relocations or other similar activities necessary or proper for the operation or improvement of the Carrier's radio telephone system. At anytime, TracFone Wireless reserves the right to substitute and/or replace any SAFELINK WIRELESS equipment (including handsets) with other SAFELINK WIRELESS equipment including handsets of comparable quality. Some functions and features referenced in the Manufacturer's manual for a particular SAFELINK WIRELESS handset may not be available on your phone. TracFone Wireless does not warrant or guarantee availability of network or of any Services at any specific time or geographic location or that the Services will be provided without interruption. Neither TracFone Wireless, nor any Carrier, shall have any liability for service failures, outages or limitations of Service. Because of the risk of being struck by lightning, you should not use your SAFELINK WIRELESS phone outside during a lightning storm. You should also unplug the SAFELINK WIRELESS phone power cord and charger to avoid electrical shock and/or fire during a lightning storm.

13. WARRANTY EXCHANGE AND LOST OR STOLEN PHONE POLICY.

Limited Warranty Exchange Policy: SAFELINK WIRELESS customers shall have up to one year from the activation date of their phone to return any defective phone to TracFone Wireless. TracFone Wireless will exchange a defective phone for a new or refurbished phone, at TracFone's discretion, during this period of time only pursuant to the terms of the Limited Warranty set forth below. For a defective phone replacement, call SAFELINK WIRELESS Technical Customer Care at 1-800-378-1684.

Lost or Stolen Phone Policy: For any lost or stolen SAFELINK WIRELESS phone, you may request and receive only one replacement phone per customer. The replacement phone will be a refurbished phone. All reported lost and stolen phones will be permanently deactivated. The replacement phone will include only 10 minutes of lost airtime. Any additional airtime that you may have had on your lost phone will not be replaced. In the event you lose your replacement phone or it is stolen, you will need to purchase an additional phone. If a phone is lost or stolen while in transit to the customer before the customer receives the phone, the lost phone and airtime may be replaced as a onetime courtesy in TracFone's sole discretion.

14. DISCLAIMER OF WARRANTIES.

EXCEPT FOR THE LIMITED WARRANTY SET FORTH IN THESE TERMS AND CONDITIONS, AND TO THE EXTENT PERMITTED BY LAW, THE SERVICES AND DEVICES ARE PROVIDED ON AN "AS IS" AND "WITH ALL FAULTS" BASIS AND WITHOUT WARRANTIES OF ANY KIND. WE MAKE NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE CONCERNING YOUR SERVICE OR YOUR DEVICE. WE CANNOT PROMISE UNINTERRUPTED OR ERROR-FREE SERVICE AND DO NOT AUTHORIZE ANYONE TO MAKE ANY WARRANTIES ON OUR BEHALF. WE DO NOT GUARANTEE THAT YOUR COMMUNICATIONS WILL BE PRIVATE OR SECURE; IT IS ILLEGAL FOR UNAUTHORIZED PEOPLE TO INTERCEPT YOUR COMMUNICATIONS, BUT SUCH INTERCEPTIONS CAN OCCUR.

15. HEARING, VISUAL OR SPEECH IMPAIRED ACCOMMODATIONS

Any hearing, visual or speech impaired persons interested in applying for a specially equipped SAFELINK WIRELESS must call SAFELINK WIRELESS at 1-800-378-1684 and specify the need(s) to an agent and TracFone Wireless will

make every effort to assist such customer in obtaining a handset that is in compliance with all applicable laws, rules, and regulations.

16. EMERGENCY CALLS.

SAFELINK Wireless customers have access to 911. Occasionally, however, callers may attempt to call 911 in areas where there is no wireless coverage. If there is no wireless coverage, your call to 911 may not go through and You should dial 911 from the nearest landline phone.

17. DATA SERVICES.

With certain SAFELINK WIRELESS phone models, you can download ring tones, graphics, access information services such as news, weather and sports ("Information Services") and utilize multi-media messaging services ("MMS") (ringtones, graphics, Information Services and MMS are collectively referred to as "Data Services") through our Wireless Mobile Web ("WAP"). Data Services are additional Services offered by us at an additional charge in the form of a debit of minutes for Your use of such services.

Accessing and Purchasing Data Services. In order to purchase, download or access Data Services, your handset must have active service and sufficient available airtime minutes. Your handset will not let you open the WAP browser without an airtime balance of at least 10 minutes. Each time you access our Wireless WAP with your handset's browser, 0.5 units per minute will be deducted from your handset ("Access Charges"). Access Charges are deducted in full minute increments. WAP access of less than 60 seconds is rounded up to the next full minute. Access Charges begin when your handset makes a data connection. This should occur shortly after you open your browser, send or receive a multi-media message (e.g., a picture), initiate a content download, view subscribed Information Services or if WAP access is initiated for any other purpose. Access Charges end when the data connection terminates. This should occur shortly after you close your browser, successfully receive or send a multi-media message (e.g., a picture), after a successful content download or after any other closure of a WAP session. The WAP access duration and the related Access Charges are NOT determined from the exact moment you press a button on your handset to open or close the browser.

In addition to the Access Charges, there will be an additional one-time charge for any content you select to download ("Content Charge"). The Content Charges vary depending on the type of content. You will be advised of the Content Charges prior to finalizing your purchase. The Data Services you purchase and download may only be used or viewed on the handset for which they were purchased and cannot be transferred to any other device, including a new or replacement handset. Data Services are non-refundable and non-transferable.

Purchase Options for Data Services: You may purchase Data Services either through your handset's WAP browser or through the Internet (accessed with a personal computer) at www.tracfone.com

When you purchase Data Services from the Internet at www.tracfone.com, the Content Charge will be shown in both U.S. Dollars and in minutes. You will have the opportunity to select one of two payment options: (1) using a credit card to pay the purchase price shown, or (2) a direct deduction of minutes from your SAFELINK WIRELESS handset. If you buy a TracFone card the number of minutes to be charged is based on the last airtime card added to your handset. See Purchasing Data Services With Airtime Minutes below.

How to purchase from the Internet (www.tracfone.com): Go to "Downloads and More" at www.tracfone.com and enter your SAFELINK WIRELESS serial number (ESN /IMEI) and SAFELINK Wireless Number. This will take you to the Wireless Data Services content catalog where you can browse, sample and purchase ringtones and/or graphics. After you find a title and select "Buy," you will be presented with the two purchase options described above.

How to purchase through your handset's WAP browser: Select "BROWSER" on your handset then select "Start Browser" and you will be presented with a menu. When you use your handset's WAP browser to purchase Data Services, only the unit charge purchase option is available. You may not purchase Data Services through your handset using a Credit card. Note: Ringtones can only be sampled at www.tracfone.com

Purchasing Data Services With Airtime Minutes: If you add TracFone airtime cards, the charges for Data Services purchases are determined by the last airtime card added to your handset. The chart below details the number of minutes you will be charged for each dollar you spend for the Data Services you purchase. Your phone will be assigned the appropriate dollar-to-minute conversion factor each time an airtime card is added to your handset. The charges for Data Services in U.S. Dollars and/or minutes and the dollar-to-minute conversion factor(s) are subject to change without prior notice.

Dollar-To-Minute Conversion Factors for Data Services	
If the last airtime card you added to your handset was:	You will have this number of minutes deducted for every \$1 you spend on Data Services:
TRACFONE Airtime Cards	
30, 40 or 60 minute cards	3.00
90 minute card	3.60
100 or 120 minute cards	4.00
200, 250 or 400 minute cards	5.00
450 minute card	5.62
200, 250 or 400 minute cards with Double Minutes	3.00
Annual Plan and Double Minute Prepaid Plan Cards	
150 unit Annual Plan card	1.66
250 unit Annual Plan card	2.50
400 minute Annual Plan Card	4.00
800 minute Annual Plan Card	5.71
300 minute Double Minute Annual Prepaid Plan Card	2.30
400 minute Double Minute Annual Prepaid Plan Card	3.07
Regular Airtime Cards Added to TRACFONE's with active Double Minute Benefit	
30, 40 or 60 minute cards	6.00
90 minute card	7.20
100 or 120 minute cards	8.00
200, 250 or 400 minute cards	10.00
450 minute card	11.24
Other (not listed above)	6.00

Charges for MMS (e.g., picture messaging). You will be charged 1.0 unit to send or receive a multi-media message (the "MMS Charge"). In addition to the 1.0 unit MMS Charge, there will also be an additional WAP Access Charge of 0.5 units per minute for the time it takes to send or receive the multi-media message. The total WAP Access

Charge will vary depending on the size of the multi-media message being sent or received. Partial minutes will be rounded up.

Additional Access Charges for Data Services. In addition to the Content Charges and MMS Charges, and regardless of the payment option you use, there is always an additional Access Charge of 0.5 units per minute associated with downloading content, accessing/viewing Information Services or utilizing MMS. Total Access Charges will vary depending on the size of the content and the actual time it takes to download the content, access/view the Information Service or utilize MMS.

Modifications, Interruptions, or Discontinuation of Data Service. SAFELINK WIRELESS does not guarantee the availability of Data Services on all of its phone models nor does it guarantee the availability of Data Services at all times. SAFELINK WIRELESS reserves the right to modify, suspend, interrupt, discontinue or permanently cancel Data Services, or portions thereof, without notice. Data Services are not available in certain areas. SAFELINK WIRELESS is not responsible and will not be liable for any modifications, interruptions or discontinuation of the Data Services or for any failure in receipt of the purchased Data Services. If the Data Services, or any part thereof, for which you subscribe, are modified, interrupted, discontinued or canceled, you will not receive a refund or credit from SAFELINK WIRELESS for any remaining used or unused subscription time. If you cancel or attempt to cancel a Data Service download, a subscription purchase or a multi-media message in progress, or if this process is otherwise interrupted through no action on your part, you may nevertheless be charged in accordance with the terms and conditions set forth herein.

Non-Rated Content. SAFELINK WIRELESS and TracFone Wireless strive to present and offer only generally acceptable content. However, it is impossible to proof all content, titles and news articles for appropriate content. Our wireless content is NOT rated and you are solely responsible for the use of such material, which may be offensive or objectionable to you or to others. You agree not to hold SAFELINK WIRELESS or TracFone Wireless liable for any offensive or objectionable content.

18. LIMITATION OF LIABILITY

SAFELINK WIRELESS and TracFone Wireless are not liable to you for any direct or indirect, special, incidental, consequential, exemplary or punitive damages of any kind, including lost profits (regardless of whether it has been notified such loss may occur) by reason of any act or omission in its provision of equipment and/or Services. SAFELINK WIRELESS and TracFone Wireless will not be liable for any act or omission of any other company furnishing a part of our Services or any equipment or for any damages that result from any service or equipment provided by or manufactured by third parties. When your SAFELINK WIRELESS phone is returned to SAFELINK WIRELESS for any reason, TracFone Wireless is not responsible and shall not be liable to you or anyone else for any personal information such as user names, passwords, contacts, pictures, SMS, MMS and/or additional downloads you may have stored on your phone or which may remain on your phone.

19. INDEMNIFICATION. You agree to indemnify and hold harmless SAFELINK WIRELESS and TracFone Wireless from any and all liabilities, penalties, claims, causes of action, and demands brought by third parties (including the costs, expenses, and attorneys' fees on account thereof) resulting from your use of a SAFELINK WIRELESS phone and/or use of the SAFELINK WIRELESS Services, whether based in contract or tort (including strict liability) and regardless of the form of action.

20. BINDING ARBITRATION. PLEASE READ THIS SECTION CAREFULLY AS IT AFFECTS RIGHTS THAT YOU MAY OTHERWISE HAVE. IT PROVIDES FOR RESOLUTION OF ALL DISPUTES AND CLAIMS (INCLUDING ONES THAT ALREADY ARE THE SUBJECT OF LITIGATION), EXCEPT FOR CLAIMS CONCERNING THE UNAUTHORIZED RESALE, EXPORT, ALTERATION, AND/OR TAMPERING OF YOUR SAFELINK WIRELESS PHONE, ITS SOFTWARE, THE SERVICE

AND/OR PIN NUMBERS, THROUGH ARBITRATION INSTEAD OF SUING IN COURT IN THE EVENT THE PARTIES ARE UNABLE TO RESOLVE A DISPUTE OR CLAIM. ARBITRATION IS BINDING AND SUBJECT TO ONLY A VERY LIMITED REVIEW BY A COURT. THIS ARBITRATION CLAUSE SHALL SURVIVE TERMINATION OF TRACFONE WIRELESS™ AGREEMENT WITH YOU. This provision is intended to encompass all disputes or claims arising out of your relationship with TracFone Wireless, arising out of or relating to the SAFELINK Service or any equipment used in connection with the SAFELINK Service (whether based in contract, tort, statute, fraud, misrepresentation or any other legal theory). Nothing contained in this arbitration provision shall preclude TracFone Wireless from bringing claims concerning the unauthorized resale, export, alteration, and/or tampering of your SAFELINK WIRELESS phone, its software, the SAFELINK Service and/or PIN numbers, in state or federal court. References to you and TracFone Wireless include our respective subsidiaries, affiliates, predecessors in interest, successors, and assigns. All claims, except those excluded above, will be resolved by binding arbitration where permitted by law. You must first present any claim or dispute to TracFone Wireless by contacting Customer Care to allow an opportunity to resolve the dispute prior to initiating arbitration. The arbitration of any dispute or claim shall be conducted in accordance with the American Arbitration Association ("AAA") under the Commercial Dispute Resolution Procedures and the Supplementary Procedures for Consumer Related Disputes (collectively, "AAA Rules"), as modified by this agreement. The AAA Rules are available online at www.tracfone.com or by calling the AAA at 1-800-778-7870. You and TracFone Wireless agree that use of the SAFELINK Service evidences a transaction in interstate commerce and this arbitration provision will be interpreted and enforced in accordance with the Federal Arbitration Act and federal arbitration law. All issues are for the arbitrator to decide, including the scope of this arbitration clause, but the arbitrator is bound by the terms of this agreement. You and TracFone Wireless agree that any arbitration will be conducted on an individual basis and not on a consolidated, class wide or representative basis. Further, you agree that the arbitrator may not consolidate proceedings or more than one person's claims, and may not otherwise preside over any form of a representative or class proceeding, and if this preclusion of consolidated, class wide or representative proceedings is found to be unenforceable, then this entire arbitration clause shall be null and void. All fees and expenses of arbitration will be divided between you and TracFone Wireless in accordance with the WIA Rules, except that TracFone Wireless will reimburse you for the amount of the filing fee in the event you prevail in the arbitration. Each party will bear the expenses of its own counsel, experts, witnesses, and preparation and presentation of evidence. If for any reason this arbitration provision is deemed inapplicable or invalid, or to the extent this arbitration provision allows for litigation of disputes in court, you waive to the fullest extent permitted by law, (i) the right to a trial by jury and (ii) any claims for punitive or exemplary damages. Unless TracFone Wireless and you agree otherwise, the location of any arbitration shall be Miami, Florida. Except where prohibited by law, TracFone Wireless and you agree that no arbitrator has the authority to award punitive damages or any other damages not measured by the prevailing party's actual damages. Neither you nor TracFone Wireless shall disclose the existence, contents, or results of any arbitration, except to the extent required by law. Judgment on the award rendered may be entered by any court of competent jurisdiction.

This Agreement shall be construed under the laws of Florida, without regard to its choice of law rules, except for the arbitration provision contained in these Terms and Conditions, which will be governed by the Federal Arbitration Act. This governing law provision applies no matter where You reside, or where You use or pay for the Services.

21. PRIVACY POLICY. To view the SAFELINK WIRELESS Privacy Policy please refer to the SAFELINK WIRELESS website found at www.safelink.com.

22. LIMITED WARRANTY.

Your SafeLink phone is covered by a one year limited warranty, set forth below, administered by SafeLink. A reconditioned SafeLink phone also has a one year limited warranty provided by SafeLink and all SafeLink accessories have a 90-day limited warranty against defects in materials and workmanship under normal use by the purchaser. You may obtain warranty service directly from SafeLink.

How to obtain Warranty Service. To obtain warranty service from SafeLink on a new or reconditioned phone or SafeLink accessories, please contact Technical Support at 1-800-378-1684 from a landline or another phone in

order to avoid using up your minutes. If your problem cannot be resolved over the phone, our SafeLink technicians will provide you with a Ticket Number, which you will use to send your phone and/or accessories to the designated SafeLink Service Center for repair or replacement, at SafeLink's discretion.

Terms of Limited Warranty. SafeLink warrants to you, the Customer, that your SafeLink cellular phone ("Product") is free from defects in material and workmanship that result in Product failure during normal usage, according to the following terms and conditions:

- (1) The limited warranty for the Product extends for one (1) year beginning on the first date of activation of your phone.
- (2) The limited warranty extends only to the original customer ("Consumer") of the Product.
- (3) The limited warranty is not assignable or transferable to any subsequent end-user.
- (4) During the limited warranty period, SafeLink will replace or repair, at SafeLink's sole option, any defective Products or parts (except as excluded below), or any Products or parts that will not properly operate for their intended use (except as excluded below) with new or refurbished replacement Products or parts if such replacement or repair is needed because of Product malfunction or failure during normal usage. SafeLink may, at its sole discretion, replace the Product with a refurbished phone of the same model if available, or if not available, of a comparable model of phone. The limited warranty does not cover loss of personal information, passwords, contacts, music, ringtones, pictures, videos, applications or other content, memory cards, software, defects in appearance, cosmetic, decorative or structural items, including framing, and any non-operative parts. SafeLink's limit of liability under this limited warranty is the actual cash value of the Product at the time the Consumer returns the Product to SafeLink for repair, determined by the price paid by the Consumer for the Product less a reasonable amount for usage. SafeLink shall not be liable for any other losses or damages. These remedies are the Consumer's exclusive remedies for breach of warranty.
- (5) The Consumer shall have no coverage or benefits under this limited warranty if any of the following conditions are applicable:
 - a) The Product has been subjected to abnormal use, abnormal conditions, improper storage, exposure to moisture or dampness, unauthorized modifications, unauthorized connections, unauthorized repair, misuse, neglect, abuse, accident, alteration, improper installation, or other acts which are not the fault of SafeLink, including damage caused by shipping.
 - b) The Product has been damaged from external causes such as collision with an object, or from fire, flooding, sand, dirt, windstorm, lightning, earthquake or damage from exposure to weather conditions, an Act of God, or battery leakage, theft, blown fuse, or improper use of any electrical source, damage caused by computer or internet viruses, bugs, worms, Trojan Horses, cancelbots or damage caused by the connection to other products not recommended for interconnection by SafeLink.
 - c) SafeLink was not advised in writing by the Consumer of the alleged defect or malfunction of the Product within fourteen (14) days after the expiration of the applicable limited warranty period.
 - d) The Product serial number plate or the enhancement data code has been removed, defaced or altered.
 - e) The defect or damage was caused by the defective function of the cellular system or by inadequate signal reception by the external antenna, or viruses or other software problems introduced into the Product.
 - f) The Product is outside of the one (1) year Limited Warranty period.
- (6) SafeLink does not warrant uninterrupted or error-free operation of the Product or service. SafeLink cannot and does not guarantee that your communications will be private or secure; it is illegal for unauthorized people to intercept your communications, but such interceptions can occur.

(7) If a problem develops during the limited warranty period, the Consumer shall contact SafeLink Customer Care for repair or replacement processing of the Product. SafeLink shall, at its discretion, provide a replacement product that may consist of a refurbished phone of the same model if available, or of a comparable model.

(8) You (the Consumer) understand that the product may consist of refurbished equipment that contains used components, some of which have been reprocessed. The used components comply with Product performance and reliability specifications.

(9) SAFELINK EXPRESSLY DISCLAIMS ANY IMPLIED WARRANTY OF MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE OR USE. THE FOREGOING LIMITED WARRANTY IS THE CONSUMER'S SOLE AND EXCLUSIVE REMEDY AND IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED. SAFELINK SHALL NOT BE LIABLE FOR SPECIAL, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES, INCLUDING BUT NOT LIMITED TO LOSS OF ANTICIPATED BENEFITS OR PROFITS, LOSS OF SAVINGS OR REVENUE, LOSS OF DATA, PUNITIVE DAMAGES, LOSS OF USE OF THE PRODUCT OR ANY ASSOCIATED EQUIPMENT, COST OF CAPITAL, COST OF ANY SUBSTITUTE EQUIPMENT OR FACILITIES, DOWNTIME, THE CLAIMS OF ANY THIRD PARTIES, INCLUDING CUSTOMERS, AND INJURY TO PROPERTY, RESULTING FROM THE PURCHASE OR USE OF THE PRODUCT OR ARISING FROM BREACH OF THE WARRANTY, BREACH OF CONTRACT, NEGLIGENCE, STRICT TORT, OR ANY OTHER LEGAL OR EQUITABLE THEORY, EVEN IF SAFELINK KNEW OF THE LIKELIHOOD OF SUCH DAMAGES. SAFELINK SHALL NOT BE LIABLE FOR DELAY IN RENDERING SERVICE UNDER THE LIMITED WARRANTY, LOSS OF USE DURING THE PERIOD THAT THE PRODUCT IS RETURNED FOR REPLACEMENT OR WARRANTY SERVICE OR FOR THE LOSS OR UNAUTHORIZED USE OF CUSTOMER PASSWORDS, PERSONAL INFORMATION, CONTACTS, PICTURES, VIDEOS, APPLICATIONS, MUSIC, RINGTONES OR OTHER CONTENT.

(10) Some states do not allow the exclusion or limitation of incidental and consequential damages, so certain of the above limitations or exclusions may not apply to you (the Consumer). This limited warranty gives the Consumer specific legal rights and the Consumer may also have other rights which vary from state to state.

(11) SafeLink neither assumes nor authorizes any authorized service center or any other person or entity to assume for it any other obligation or liability beyond that which is expressly provided for in this limited warranty including the provider or seller of any extended warranty or service agreement.

(12) This is the entire warranty between SafeLink and the Consumer, and supersedes all prior and contemporaneous agreements or understandings, oral or written, relating to the Product, and no representation, promise or condition not contained herein shall modify these terms.

(13) This limited warranty allocates the risk of failure of the Product between the Consumer and SafeLink. The allocation is recognized by the Consumer and is reflected in the purchase price.

Certain mobile phone features may not be available throughout the entire network or their functionality may be limited. All plan rates, features, functionality and other product specifications are subject to change without notice or obligation. Color of phones may vary. All talk and standby times are quoted in Digital Mode and are approximate.

SafeLink, SafeLink Wireless, TracFone and TracFone Wireless are registered trademarks of TracFone Wireless, Inc. a subsidiary of América Móvil (NYSE: AMX).

Exhibit No. 3
Case No. TFW-T-09-01
J. Fuentes, TracFone Wireless, Inc.

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of)	
)	
Federal-State Joint Board on Universal Service)	CC Docket No. 96-45
)	
Petition of TracFone Wireless, Inc. for)	
Forbearance from 47 U.S.C. § 214(e)(1)(A) and 47)	
C.F.R. § 54.201(i))	

ORDER

Adopted: September 6, 2005

Released: September 8, 2005

By the Commission: Commissioner Abernathy issuing a statement.

I. INTRODUCTION

1. In this Order, we address a petition filed by TracFone Wireless, Inc. (TracFone)¹ pursuant to section 10 of the Communications Act of 1934, as amended by the Telecommunications Act of 1996 (the Act)² requesting that the Commission forbear from the requirement that a carrier designated as an eligible telecommunications carrier (ETC) for purposes of federal universal service support provide services, at least in part, over its own facilities.³ TracFone requests that its eligibility for federal universal service support be limited to Lifeline only. Subject to the conditions that we describe below, we grant TracFone forbearance from the facilities requirement for ETC designation for Lifeline support only.⁴

II. BACKGROUND

2. Procedural History: TracFone is a non-facilities-based commercial mobile radio service (CMRS) provider (*i.e.*, a pure wireless reseller) that provides prepaid wireless telecommunications services. On June 8, 2004, TracFone filed a Petition for Forbearance from section 214(e) of the Act, which requires that an ETC offer service using its own facilities or a combination of its own facilities and resale of another carrier's services (Forbearance Petition or Petition).⁵ Contemporaneously with its Petition, TracFone filed

¹ TracFone Wireless, Inc. Petition for Forbearance, CC Docket No. 96-45, filed June 8, 2004 (Forbearance Petition or Petition). On February 17, 2005, pursuant to section 10(c) of the Act, the Wireline Competition Bureau (Bureau) extended until September 6, 2005, the date on which TracFone's Petition shall be deemed granted in the absence of a Commission decision that the Petition fails to meet the standard for forbearance under section 10(a). *TracFone Wireless, Inc.'s Petition for Forbearance from 47 U.S.C. § 214(e)(1)(A) and 47 C.F.R. § 54.201(i)*, CC Docket No. 96-45, Order, 20 FCC Rcd 3677 (2005).

² Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56 (1996).

³ 47 U.S.C. § 214(e).

⁴ We note that this grant of forbearance does not establish TracFone as an ETC. We will address TracFone's petitions for ETC designations in subsequent orders.

⁵ On June 24, 2004, the Bureau issued a Public Notice seeking comment on TracFone's Petition for Forbearance. *Parties are Invited to Comment on TracFone Wireless' Petition for Designation as an Eligible Telecommunications Carrier in the State of New York and Petition for Forbearance from Application of Section 214*, CC Docket No. 96-45, Public Notice, 19 FCC Rcd 11264 (2004). Comments and replies to the June 24th Public Notice were received

with the Commission petitions for ETC designation for several states.⁶ On August 8, 2004, TracFone, in its reply comments, and shortly thereafter in its applications for ETC designation, amended its Petition and related ETC applications to limit its eligibility for federal universal service support to the Lifeline portion of the low-income program.⁷ TracFone states that it will meet all ETC obligations except for the requirement to “own facilities” and commits to providing its Lifeline customers with access to E911 service, regardless of activation status and availability of prepaid minutes, and to requiring its customers to self-certify they are receiving only one Lifeline-supported service.⁸ On September 24, 2004, TracFone amended its Petition a second time to include a request for forbearance from section 54.201(i) of the Commission’s rules, which provides that state commissions shall not designate as an ETC a carrier that offers services supported by federal universal service support mechanisms exclusively through resale of another carrier’s service.⁹

3. Applicable Statutes and Rules: The Act provides that only an ETC shall be eligible for universal service support.¹⁰ To be eligible for ETC designation, a carrier must meet certain statutory requirements including offering service over its own facilities or a combination of its own facilities and resale of another

on July 26 and August 9, 2004, respectively. In response to certain comments, TracFone limited its Petition to Lifeline support in its August 9th reply comments. Because TracFone modified its Petition in its reply comments, commenters did not provide comment in the Forbearance proceeding on the Lifeline-only limitation. Despite this fact, commenters did address the Lifeline-only limitation in the related TracFone ETC proceedings, which TracFone likewise modified to reflect the request for limited universal service support. *See The Wireline Competition Bureau Seeks Comment on Petitions Concerning Eligible Telecommunications Designations and the Lifeline and Link-up Universal Service Support Mechanism*, CC Docket No. 96-45 and WC Docket No. 03-109, Public Notice, 19 FCC Rcd 20462 (2004).

⁶ TracFone has eight ETC petitions pending before the Commission. *See* TracFone Wireless, Inc. Petition for Designation as an Eligible Telecommunications Carrier in the State of New York, CC Docket No. 96-45, filed June 8, 2004; TracFone Wireless, Inc. Petition for Designation as an Eligible Telecommunications Carrier in the Commonwealth of Virginia, CC Docket No. 96-45, filed June 21, 2004; TracFone Wireless, Inc. Petition for Designation as an Eligible Telecommunications Carrier in the State of Florida, CC Docket No. 96-45, filed June 21, 2004; TracFone Wireless, Inc. Petition for Designation as an Eligible Telecommunications Carrier in the State of Connecticut, CC Docket No. 96-45, filed November 9, 2004; TracFone Wireless, Inc. Petition for Designation as an Eligible Telecommunications Carrier in the Commonwealth of Massachusetts, CC Docket No. 96-45, filed November 9, 2004; TracFone Wireless, Inc. Petition for Designation as an Eligible Telecommunications Carrier in the State of Alabama, CC Docket No. 96-45, filed November 9, 2004; TracFone Wireless, Inc. Petition for Designation as an Eligible Telecommunications Carrier in the State of Tennessee, CC Docket No. 96-45, filed November 9, 2004; TracFone Wireless, Inc. Petition for Designation as an Eligible Telecommunications Carrier in the State of North Carolina, CC Docket No. 96-45, filed November 9, 2004.

⁷ TracFone Reply Comments, filed August 9, at 2-3 (August Reply Comments). *See* TracFone Wireless, Inc. Amendment to Petition for Designation as an Eligible Telecommunications Carrier in the State of Florida, CC Docket No. 96-45, filed Aug. 16, 2004; TracFone Wireless, Inc. Amendment to Petition for Designation as an Eligible Telecommunications Carrier in the State of New York, CC Docket No. 96-45, filed Aug. 16, 2004; TracFone Wireless, Inc. Amendment to Petition for Designation as an Eligible Telecommunications Carrier in the Commonwealth of Virginia, CC Docket No. 96-45, filed Aug. 16, 2004.

⁸ TracFone Reply Comments, filed October 4, 2004, at 3-4 (October Reply Comments); August Reply Comments at 10.

⁹ 47 C.F.R. § 54.201(i); TracFone Wireless, Inc. Clarification of Petition for Forbearance, CC Docket No. 96-45, filed September 24, 2004.

¹⁰ 47 U.S.C. § 254(e).

carrier's service.¹¹ Only ETCs may receive high-cost and low-income support.¹² The low-income support mechanism of the universal service fund consists of the Lifeline and Link-Up programs.¹³

4. Collectively, the Lifeline and Link-Up programs are designed to reduce the monthly cost of telecommunications service and the cost of initial connection, respectively, for qualifying consumers. Lifeline provides low-income consumers with discounts of up to \$10.00 off of the monthly cost of telephone service.¹⁴ Link-Up provides low-income consumers with discounts of up to \$30.00 off of the initial costs of installing telephone service.¹⁵ Recognizing the unique needs and characteristics of tribal communities, enhanced Lifeline and Link-Up provide qualifying low-income individuals living on tribal lands with up to \$25.00 in additional discounts off the monthly costs of telephone service and up to \$70.00 more off the initial costs of installing telephone service.¹⁶ TracFone seeks eligibility to receive support only for the Lifeline portion of the low-income program.¹⁷

¹¹ 47 U.S.C. § 214(e)(1)(A).

¹² A carrier need not be an ETC to participate in the schools and libraries or rural health care programs. 47 U.S.C. § 254(h)(1)(A) and (B)(ii). See *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Report and Order, 12 FCC Rcd 8776, 9015, para. 449 (1997 *Universal Service Order*) (concluding that any telecommunications carrier, not just ETCs, may receive universal service support for providing supported services to schools and libraries); see also *Federal-State Joint Board on Universal Service*, CC Docket No. 96-46, Fourteenth Order on Reconsideration, 14 FCC Rcd 20106, 20114-5, para. 19 (1999) (*Fourteenth Order on Reconsideration*) (finding that although only ETCs may receive universal service support, a non-ETC that provides supported services to eligible rural health care providers may offset the value of the discount provided against its universal service contribution obligation and, to the extent such discount exceeds its contribution obligation, receive a refund).

¹³ 47 C.F.R. §§ 54.401, 54.411.

¹⁴ See 47 C.F.R. § 54.401(a)(2).

¹⁵ See 47 C.F.R. § 54.411(a)(1).

¹⁶ See 47 C.F.R. §§ 54.405(a)(4), 54.411(a)(3). Under the Commission's rules, there are four tiers of federal Lifeline support. All eligible subscribers receive Tier 1 support which provides a discount equal to the ETC's subscriber line charge. Tier 2 support provides an additional \$1.75 per month in federal support, available if all relevant state regulatory authorities approve such a reduction. (All fifty states have approved this reduction.) Tier 3 of federal support provides one half of the subscriber's state Lifeline support, up to a maximum of \$1.75. Only subscribers residing in a state that has established its own Lifeline/Link-Up program may receive Tier 3 support, assuming that the ETC has all necessary approvals to pass on the full amount of this total support in discounts to subscribers. Tier 4 support provides eligible subscribers living on tribal lands up to an additional \$25 per month towards reducing basic local service rates, but this discount cannot bring the subscriber's cost for basic local service to less than \$1. See 47 C.F.R. § 54.403.

¹⁷ August Reply Comments at 3 (requesting eligibility for Lifeline only support); October Reply Comments at 4 (specifying it does not seek eligibility for Link-Up support). TracFone has filed details of two proposed Lifeline plans. TracFone Wireless, Inc. *Ex Parte* Supplement to Petition for Forbearance and Petitions for Designation as an Eligible Telecommunications Carrier, CC Docket No. 96-45, at 3-5, filed July 15, 2005. The first plan, the "Pay-As-You-Go" Lifeline Plan, provides Lifeline customers with access to the network for one year and 30 minutes of airtime each month. Under TracFone's proposal, the cost of this plan would be completely subsidized by the Lifeline support. *Id.* at 3-4. The second plan, the "Net10 Pay-As-You-Go" Lifeline Plan, would require the Lifeline customer to purchase buckets of minutes to be used in an identified period of time that are discounted from TracFone's retail price to reflect the Lifeline subsidy. *Id.* at 4-5. One variation under this plan would require Lifeline customers to redeem coupons monthly. *Id.* TracFone states that, under any plan, the Administrator would provide support to TracFone as it does to all other recipients of Lifeline support; that is, TracFone's Lifeline support will be calculated on a monthly basis and distributed on a quarterly basis. Letter from Mitchell F. Brecher, Counsel for TracFone, to Marlene H. Dortch, FCC, CC Docket No. 96-45, at 3, filed August 22, 2005.

5. The Commission has in the past declined to extend ETC status to pure resellers. In the *1997 Universal Service Order*, the Commission found that the plain language of the statute requires that a carrier seeking ETC designation must own facilities, at least in part, thus precluding a carrier that offers services solely through resale from being designated as eligible.¹⁸ The Commission reasoned, without distinguishing among the various universal service support programs, that it was appropriate to deny pure resellers universal service support because pure resellers could receive the benefit of universal service support by purchasing wholesale services at a price that includes the universal service support received by the incumbent provider.¹⁹ Later in the *1997 Universal Service Order*, the Commission found that although resellers were not eligible to receive universal support directly, they were not precluded from offering Lifeline services. Resellers could offer Lifeline services by purchasing services at wholesale rates pursuant to section 251(c)(4) that reflect the customer-specific Lifeline support amount received by the incumbent local exchange company (LEC) and then passing these discounts through to qualifying low-income customers.²⁰ The Commission, in so finding, considered only that the underlying carrier was an incumbent LEC, subject to price-regulated resale obligations. Further, the Commission declined to forbear from the facilities requirement, finding that the statutory criteria had not been met.²¹ Making no finding with respect to the first two prongs, the Commission concluded that forbearance was not in the public interest because allowing pure resellers to receive universal service support would result in double recovery by the resellers.²² In making this finding, however, the Commission again did not distinguish among the various universal service support programs. Specifically, it did not consider whether providing only Lifeline support directly to a pure wireless reseller would result in double recovery.

III. DISCUSSION

6. For the reasons provided below, we conditionally grant TracFone's Petition and forbear from section 214(e) of the Act and sections 54.201(d)(1) and 54.201(i) of our rules for the purpose of considering its Petitions for ETC Designation for Lifeline support only.²³ If ultimately granted ETC status, TracFone will be eligible only for Lifeline support. As a limited ETC, TracFone would not be eligible to receive support for the other supported services under the low-income program nor would it be eligible, as an ETC, to receive support for services supported by the other universal support mechanisms.²⁴ We will address TracFone's petitions for ETC designation in subsequent orders. In sum, this grant is conditional on TracFone (a) providing its Lifeline customers with 911 and enhanced 911 (E911) access regardless of activation status and availability of prepaid minutes; (b) providing its Lifeline customers with E911-compliant handsets and replacing, at no additional charge to the customer, non-compliant handsets of existing customers who obtain Lifeline-supported service; (c) complying with conditions (a) and (b) as of the date it provides it provides Lifeline service; (d) obtaining a certification from each Public Safety

¹⁸ *Id.* at 8875, para. 178 (adopting Joint Board's analysis and conclusion); see *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Recommended Decision, 12 FCC Rcd 87, 172-73, paras. 160-161 (1996).

¹⁹ *1997 Universal Service Order*, 12 FCC Rcd at 8866, para. 161 and 8875, para. 178.

²⁰ *Id.* at 8972, para. 370. The Commission noted that it would reassess this approach in the future if the Lifeline program appeared to be under-utilized. *Id.*

²¹ *Id.* at 8875-6, para. 179.

²² *Id.*

²³ In addition, and on our own motion, we forbear from section 54.201(d)(1) of the Commission's rules. 47 C.F.R. § 54.201(d)(1). This section mirrors section 214(e) of the Act and requires that ETCs be facility-based, at least in part. We apply the same forbearance analysis we applied to section 214(e) to this section of our rules in determining that forbearance is warranted.

²⁴ See n.16, *supra*, for discussion regarding participation by non-ETCs in the schools and libraries and rural health care programs.

Answering Point (PSAP) where TracFone provides Lifeline service confirming that TracFone complies with condition (a); (e) requiring its customers to self-certify at time of service activation and annually thereafter that they are the head of household and receive Lifeline-supported service only from TracFone; and (f) establishing safeguards to prevent its customers from receiving multiple TracFone Lifeline subsidies at the same address.²⁵ Finally, as explained below, within thirty days of the release of this Order, we require TracFone to file with the Commission a plan outlining the measures it will take to implement these conditions.

7. Section 10 of the Act requires that the Commission forbear from applying any regulation or any provision of the Act to telecommunications services or telecommunications carriers, or classes thereof, in any or some of its or their geographic markets, if the Commission determines that the three conditions set forth in section 10(a) are satisfied. Specifically, section 10(a) provides that the Commission shall forbear from applying such provision or regulation if the Commission determines that:

- (1) enforcement of such regulation or provision is not necessary to ensure that the charges, practices, classifications, or regulations by, for, or in connection with that telecommunications carrier or telecommunications service are just and reasonable and are not unjustly or unreasonably discriminatory;
- (2) enforcement of such regulation or provision is not necessary for the protection of consumers; and
- (3) forbearance from applying such provision or regulation is consistent with the public interest.²⁶

8. In addition, when considering the public interest prong under section 10(a)(3), the Commission must consider “whether forbearance ... will promote competitive market conditions.”²⁷ If the Commission determines that such forbearance will promote competition among providers of telecommunications services, that determination may be the basis for a Commission finding that forbearance is in the public interest.²⁸ Forbearance is warranted, however, only if all three prongs of the test are satisfied. For the reasons explained below, we find that TracFone satisfies all three prongs.

9. This Petition requires that we consider the statutory goals of two related but different provisions of the Act. We first examine the statutory goals of universal service in section 254 specifically in the

²⁵ Commenters have raised concerns about the administrative costs, complexities, and burdens of granting this Petition and presumably the associated ETC designation petitions. See Letter from Robin E. Tuttle, USTelecom, to Marlene Dortch, FCC, CC Docket No. 96-45 (filed August 17, 2005) (USTelecom August 17 *Ex Parte*). We believe that this conditional forbearance will serve to further the statutory goal of the providing telecommunications access to low-income subscribers while establishing the necessary safeguards to protect the universal service fund and the functioning of the low-income support mechanism. To the extent, however, that our predictive judgment proves incorrect and these conditions prove to be inadequate safeguards, the parties can file appropriate petitions with the Commission and the Commission has the option of reconsidering this forbearance ruling. See *Petition for Forbearance of the Verizon Telephone Companies Pursuant to 47 U.S.C. § 160(c)*, WC Docket No. 01-338, Memorandum Opinion and Order, 19 FCC Rcd 21496, 21508-9, para. 26 n.85 (2004); see also *Petition of SBC Communications Inc. for Forbearance from Structural Separations Requirements of Section 272 of the Communications Act of 1934, As Amended, and Request for Relief to Provide International Directory Assistance Services*, CC Docket No. 97-172, Memorandum Opinion and Order, 19 FCC Rcd 5211, 5223-24, para. 19 n.66 (2004); *Cellnet Communications, Inc. v. FCC*, 149 F.3d 429, 442 (6th Cir. 1998). Additionally, we note that the conditions we impose here will be incorporated into any grant of the ETC designation petitions and any violation of such conditions may result in loss of ETC status.

²⁶ 47 U.S.C. § 160(a).

²⁷ 47 U.S.C. § 160(b).

²⁸ *Id.*

context of “low-income consumers.”²⁹ We then consider the statutory purpose underpinning the facilities requirement in section 214(e) as it relates to qualifying for federal low-income universal service support. After careful examination of the regulatory goals of universal service as applied to low-income consumers, we determine that a facilities requirement for ETC designation is not necessary to ensure that a pure wireless reseller’s charges, practices, classifications or regulations are just and reasonable when that carrier seeks such status solely for the purpose of providing Lifeline-supported services. Indeed, for the reasons provided below, we find that the facilities requirement impedes greater utilization of Lifeline-supported services provided by a pure wireless reseller.

10. Universal service has been a fundamental goal of federal telecommunications regulation since the passage of the Communications Act of 1934.³⁰ Congress renewed its concern for low-income consumers in the Telecommunications Act of 1996 when it established the principles that guide the advancement and preservation of universal service.³¹ Specifically, the Act directs the Commission to consider whether “consumers in all regions of the Nation, *including low-income consumers* and those in rural, insular, and high cost areas, ... have access to telecommunications [services] ... at rates that are reasonably comparable to rates charged ... in urban areas.”³² We therefore examine the facilities requirement from which TracFone seeks forbearance in light of the statute’s goal of providing low-income consumers with access to telecommunications services.

11. Just and Reasonable: As an initial matter, we note that a provision or regulation is “necessary” if there is a strong connection between the requirement and regulatory goal.³³ Section 10(a)(1) requires that we consider whether enforcement of the facilities-based requirement of section 214(e) for a pure wireless reseller that seeks ETC designation for Lifeline support only is necessary to ensure that the charges, practices, classifications or regulations are just and reasonable and not unjustly or unreasonably discriminatory.

12. We find that the facilities requirement is not necessary to ensure that TracFone’s charges, practices, and classifications are just and reasonable and not unjustly or unreasonably discriminatory where it is providing Lifeline service only. The Commission has in the past declined to extend ETC status to pure resellers because it was concerned about double recovery of universal service support.³⁴ In making this decision, however, the Commission considered the issue in the context of wireline resellers and without differentiating among the types of universal service support and the basis of distribution. Lifeline support, designed to reduce the monthly cost of telecommunications services for eligible consumers, is distributed on a per-customer basis and is directly reflected in the price that the eligible customer pays.³⁵ Because it is customer-specific, a carrier who loses a Lifeline customer to a reseller would no longer receive the Lifeline support to pass through to that customer. Thus, a wireless reseller who serves a Lifeline-eligible customer and receives Lifeline support directly from the fund does not receive a double recovery. By comparison, where the wholesale carrier is an incumbent LEC subject to price-regulated resale under section 251(c)(4), the rate at which the reseller obtains the wholesale service is based on a state-mandated percentage

²⁹ 47 U.S.C. § 254(b)(3).

³⁰ 47 U.S.C. § 151 (“to make available, so far as possible, to *all the people* of the United States ... a rapid, efficient, Nation-wide, and world-wide wire and communication service with adequate facilities at reasonable rates”) (emphasis added).

³¹ 47 U.S.C. § 254(b); see *1997 Universal Service Order*, 12 FCC Rcd at 8789, para. 21 and 8793, para. 27.

³² 47 U.S.C. § 254(b)(3) (emphasis added).

³³ See *CTIA v. FCC*, 330 F.3d 502, 512 (2003).

³⁴ *1997 Universal Service Order*, 12 FCC Rcd at 8861, 8873, 8875, paras. 151-152, 174, and 178.

³⁵ 47 C.F.R. §§ 54.401, 54.504.

discount off of the incumbent LEC's retail rate for the service, and any Lifeline support received by the incumbent LEC would therefore be reflected in the price charged to the reseller.³⁶ In this scenario, a reseller that also received Lifeline support could recover twice: first because the benefit of the Lifeline support is reflected in the wholesale price and second because the reseller also receives payment directly from the fund for the Lifeline customer. That, however, is not the case before us. TracFone, as a CMRS provider, does not purchase Lifeline-supported services from incumbent LEC providers. Because TracFone's CMRS wholesale providers are not subject to section 251(c)(4) resale obligations, the resold services do not reflect a reduction in price due to Lifeline support. Therefore, we find that allowing TracFone to receive Lifeline support directly from the fund would not result in double recovery to TracFone and that the logic of the 1997 *Universal Service Order* does not apply here.

13. We agree with TracFone that, as a reseller, it is by definition subject to competition and that this competition ensures that its rates are just and reasonable and not unjustly or unreasonably discriminatory.³⁷ We note that TracFone's Lifeline offering will compete with at least one other Lifeline offering whether from the underlying CMRS provider, if an ETC, or from the incumbent wireline carrier.³⁸ We also believe that this competition will spur innovation amongst carriers in their Lifeline offerings, expanding the choice of Lifeline products for eligible consumers. We note that TracFone has created a wireless prepaid product that is neither dependent upon the retail service offerings of its underlying carriers nor simply a rebranding of the underlying carrier's retail service offering which may provide a valuable alternative to eligible consumers.³⁹

14. For the reasons provided above, we find that the requirements of the first prong of section 10(a) are met. Where, as here, the wireless reseller is forgoing all universal service support but Lifeline, which is customer-specific and is designed to make telecommunication service affordable to eligible consumers, the facilities requirement is unnecessary to preserve the integrity of the universal service program or the fund. By limiting TracFone's eligibility to Lifeline support, the facilities requirement is not necessary to ensure that TracFone's charges, practices, and classifications are just and reasonable.

15. Consumer Protection: Section 10(a)(2) requires that we consider whether enforcement of the facilities-based requirement of section 214(e) for a pure wireless reseller that seeks ETC designation only for Lifeline support is necessary for the protection of consumers. We find that imposing a facilities requirement on a pure wireless reseller is not necessary for the protection of consumers subject to the conditions described below. Specifically, we conclude that forbearance from this provision will actually benefit consumers. Indeed, if TracFone is ultimately granted limited ETC status, it would be offering Lifeline-eligible consumers a choice of providers not available to such consumers today for accessing telecommunications services. The prepaid feature may be an attractive alternative for such consumers who need the mobility, security, and convenience of a wireless phone but who are concerned about usage charges or long-term contracts. We also note that TracFone has committed to ensuring that all of its consumers will be able to place enhanced 911 (E911) calls from their handsets even if the consumer's service is not active or does not have prepaid minutes available.⁴⁰

³⁶ See 47 C.F.R. § 251(c)(4).

³⁷ Forbearance Petition at 5.

³⁸ See 47 C.F.R. § 54.405(a) (requiring ETCs to offer Lifeline service).

³⁹ TracFone states that its customers pay in advance for minutes of use, without term contracts or termination fees, other extraneous or pass-through fees, credit checks, or deposits. TracFone also states that its pricing is uniform across its service areas despite the costs associated with any particular underlying carrier. Forbearance Petition at 3-4.

⁴⁰ August Reply Comments at 10.

16. Given the importance of public safety, we condition this grant of forbearance on TracFone's compliance with the E911 requirements applicable to wireless resellers, as modified below, for all Lifeline customers. In light of the condition discussed below, that TracFone ensure its customers receive only one Lifeline-supported service, we find it essential that TracFone's Lifeline-supported service be capable of providing emergency access. Given the possibility that this Lifeline-supported service will be the customers' only means of accessing emergency personnel, we require that TracFone provide its Lifeline customers with access to basic and E911 service immediately upon activation of service.⁴¹ We note that this condition is consistent with TracFone's representation that its Lifeline customers will be able to make emergency calls at any time.⁴² To demonstrate compliance with this condition, TracFone must obtain a certification from each PSAP where it provides Lifeline service confirming that TracFone provides its customers with access to basic and E911 service. TracFone must furnish copies of these certifications to the Commission upon request.⁴³ As an additional condition, TracFone must provide only E911-compliant handsets to its Lifeline customers, and must replace any non-compliant handset of an existing customer that obtains Lifeline-supported service with an E911-compliant handset, at no charge to the customer. The Commission has an obligation to promote "safety of life and property" and to "encourage and facilitate the prompt deployment throughout the United States of a seamless, ubiquitous, and reliable end-to-end infrastructure" for public safety.⁴⁴ The provision of 911 and E911 services is critical to our nation's ability to respond to a host of crises, and this Commission has a longstanding and continuing commitment to a nationwide communications system that promotes the safety and welfare of all Americans, including Lifeline customers.⁴⁵ We believe that these conditions are necessary to ensure that TracFone's Lifeline customers have meaningful access to emergency services. We reiterate that, with the possibility that the Lifeline service will be the customer's only access to emergency services and given the potential gravity of harm if such Lifeline customers cannot obtain such access, we believe that these conditions will further the protection of such Lifeline customers.

17. We are not persuaded by some commenters' concerns regarding the impact on the size of the universal service fund and the associated contribution obligation if we grant this Petition.⁴⁶ Because section 10(a)(2) requires that we consider the welfare of all "consumers," we must consider the effect a grant of this Petition will have on consumers who will likely shoulder the effects of any increased contribution obligation since carriers are permitted to recover their contribution obligations from

⁴¹ Under section 20.18(m) of our rules, wireless resellers have an independent obligation, beginning December 31, 2006, to provide access to basic and E911 service, to the extent that the underlying facilities-based licensee has deployed the facilities necessary to deliver E911 information to the appropriate PSAP. 47 C.F.R. § 20.18(m). Section 20.18(m) further provides that resellers have an independent obligation to ensure that all handsets or other devices offered to their customers for voice communications are location-capable. *Id.* Under our rules, this obligation applies only to new handsets sold after December 31, 2006. *Id.* As a condition of this grant of forbearance, however, we require that TracFone, if granted ETC status, meet the requirements of section 20.18(m) for all of its Lifeline customers as of the date it provides such Lifeline service.

⁴² August Reply Comments at 10 (given E911 capabilities of its service and handsets, TracFone envisions that its service "really will serve as a 'lifeline' for those eligible customers participating in the program").

⁴³ We recognize that, as a practical matter, if TracFone's underlying facilities-based licensee has not deployed the facilities necessary to deliver E911 information to the appropriate PSAP, TracFone will not be able to offer Lifeline-supported service to customers residing in that area.

⁴⁴ *Applications of Nextel Communications, Inc. and Sprint Corporation For Consent to Transfer Control of Licenses and Authorizations*, WT Docket No. 05-63, Memorandum and Order, FCC 05-148, para. 144 (rel. August 8, 2005).

⁴⁵ *Id.*

⁴⁶ See, e.g., Comments of TDS Telecommunications Corp., filed September 20, 2004, at 5-6 (TDS Comments).

customers.⁴⁷ If TracFone is able to obtain ETC designation for Lifeline-only services, we do not expect this to significantly burden the universal service fund and thus negatively affect consumers through increased pass-through charges of the carriers' contribution obligations. The Commission has recognized the potential growth of the fund associated with high-cost support distributed to competitive ETCs.⁴⁸ TracFone, however, would not be eligible for high-cost support. In 2004, low-income support accounted for only 14 percent of the distribution of the total universal service fund; whereas, high-cost support accounted for 64.2 percent.⁴⁹ Any increase in the size of the fund would be minimal and is outweighed by the benefit of increasing eligible participation in the Lifeline program, furthering the statutory goal of providing access to low-income consumers. Significantly, granting TracFone's Petition will not have any effect on the number of persons eligible for Lifeline support.

18. We further safeguard the fund by imposing additional conditions on this grant of forbearance. Specifically, as a further condition of this grant of forbearance and in addition to all other required certifications under the program, we require that TracFone require its Lifeline customers to self-certify under penalty of perjury upon service activation and then annually thereafter that they are the head of household and only receive Lifeline-supported service from TracFone.⁵⁰ The penalties for perjury must be clearly stated on the certification form. Additionally, in order to further strengthen the head of household requirement, we require that TracFone track its Lifeline customer's primary residential address and prohibit more than one supported TracFone service at each residential address.⁵¹ These conditions are consistent with TracFone's representations in the record.⁵² In light of these safeguards, we are not dissuaded from granting forbearance by concerns of double recovery relating to customers receiving Lifeline support for more than one service.⁵³ We recognize, however, that the potential for more than one

⁴⁷ See 47 C.F.R. § 54.712.

⁴⁸ See *Federal-State Joint Board on Universal Service, Virginia Cellular, LLC Petition for Designation as an Eligible Telecommunications Carrier in the Commonwealth of Virginia*, CC Docket No. 96-45, Memorandum Opinion and Order, 19 FCC Rcd 1563, 1577, para. 31 (2004); see also *Federal-State Joint Board on Universal Service, Highland Cellular, Inc. Petition for Designation as an Eligible Telecommunications Carrier in the Commonwealth of Virginia*, CC Docket No. 96-45, Memorandum Opinion and Order, 19 FCC Rcd 6422, 6433-4, para. 25 (2004).

⁴⁹ Wireline Competition Bureau, Federal Communications Commission, *Trends in Telephone Service*, Table 19.1 and Chart 19.1 (June 2005). As of March 2004, the average monthly federal support per non-tribal Lifeline customer was \$8.55. *Id.* at Table 19.7. See 47 C.F.R. § 54.403. Tribal customers are eligible for up to an additional \$25 per month in Lifeline support. 47 C.F.R. § 54.403(a)(4).

⁵⁰ October Reply Comments at 3-4 (commitment to require Lifeline customers to self-certify that they do not receive support from any other carrier). To monitor compliance, we require that TracFone maintain the self-certifications and provide such documentation to the Commission upon request.

⁵¹ See Reply Comments of TracFone Wireless, Inc. to Petition for ETC Designation in Virginia, filed September 7, 2004, at 7-8 (fully capable of fulfilling all record keeping requirements and has the ability to track each consumer's primary residence). See also Letter from Mitchell F. Brecher, Counsel for TracFone, to Marlene H. Dortch, FCC, CC Docket No. 96-45, filed July 13, 2005 (capable of fulfilling certification and verification requirements) (TracFone July 13 *Ex Parte*).

⁵² See n.56 and n.57 above. We point out that these conditions are in addition to, and do not supplant, the certification and verification eligibility already required by our rules for federal default states and any similar state rules for the non-federal default states. See, e.g., 47 C.F.R. § 54.410 (requiring initial certification and annual verification of eligibility).

⁵³ See TDS Comments at 5-6; Reply Comments of the United State Telecom Association, filed October 4, 2004, at 6 and n.18; letter from Katherine O'Hara, Verizon, to Marlene H. Dortch, FCC, CC Docket No. 96-45, at 1, filed August 9, 2005 (Verizon *Ex Parte*); USTelecom August 17 *Ex Parte* at 4.

Lifeline-supported service per eligible consumer is an industry-wide problem.⁵⁴ We are confident that these conditions of this grant of forbearance will eliminate this concern with respect to TracFone's customers. Additionally, we encourage comment on this issue in the *Comprehensive Universal Services Program Management* proceeding to address the potential for abuse throughout the industry.⁵⁵

19. USTelecom raised concerns about the fact that TracFone distributes its service through retail outlets.⁵⁶ USTelecom argues that TracFone will not have the requisite control over the retailer's employees to ensure compliance with Lifeline rules and certifications. We recognize that this may be a problem and thus require that TracFone distribute its Lifeline service directly to its Lifeline customers. Specifically, customers may purchase handsets at TracFone's retail outlets, however, we require that TracFone deal directly with the customer to certify and verify the customer's Lifeline eligibility. Of the two methods for certifying and verifying customer eligibility offered by TracFone, we reject the point of sale procedures that would allow TracFone Lifeline customers to submit qualifying information to the retail vendor.⁵⁷ TracFone must have direct contact with the customer, whether by telephone, fax, Internet, in-person consultation or otherwise, when establishing initial and continued eligibility.

20. Certain commenters argue that the prepaid, resold nature of TracFone's proposed service offering will facilitate fraud, waste, and abuse in the Lifeline program.⁵⁸ We find that this concern is more properly addressed in any order resolving TracFone's petitions for designation as an ETC. In the ETC designation proceedings, if TracFone's petitions are granted, we will address how Lifeline support will be calculated and distributed if the prepaid nature of TracFone's service offering requires such clarification.

21. In light of the conditions we have outlined here, we believe that appropriate safeguards are in place to deter waste, fraud, and abuse. We strive to balance our objective of increasing participation in the low-income program with our objective of preventing and deterring waste, fraud, and abuse. We find that we have struck the appropriate balance here. We are also mindful of the fact that other prepaid pure wireless carriers may similarly seek eligibility for Lifeline-only support. Given the safeguards we put in place aimed at ensuring that only eligible consumers receive such support and that they receive such support only once, we do not believe that similar requests will have a detrimental impact on the fund. We note that to the extent any similarly situated prepaid wireless reseller seeks forbearance from these requirements for the purpose of providing only Lifeline support, it will be expected to comply with all the conditions we impose upon TracFone herein.

22. Accordingly, we find that, subject to the 911 and E911 conditions and the self-certification and address limitation conditions set out above, the ETC facilities-based requirement is not necessary for consumer protection. We thus conclude that the second prong of section 10(a) is satisfied.

23. **Public Interest:** Section 10(a)(3) requires that we consider whether enforcement of the facilities-based requirement of section 214(e) for a pure wireless reseller that seeks ETC designation for Lifeline

⁵⁴ See Verizon *Ex Parte* at 1; USTelecom August 17 *Ex Parte* at 2, 4.

⁵⁵ See *Comprehensive Review of Universal Service Fund Management, Administration, and Oversight, Federal State Joint Board on Universal Service, Schools and Libraries Universal Service Support Mechanism, Rural Health Care Support Mechanism, Lifeline and Link-Up, Changes to the Board of Directors for the National Exchange Carrier Association, Inc.*, WC Docket Nos. 05-195, 02-60, 03-109 and CC Docket Nos. 96-45, 97-21, FCC 05-124, para. 22 (rel. June 14, 2005) (*Comprehensive Universal Services Program Management*).

⁵⁶ See USTelecom August 17 *Ex Parte* at 4.

⁵⁷ TracFone July 13 *Ex Parte* at 2-3.

⁵⁸ Letter from Jeffrey S. Lanning, USTelecom, to Marlene H. Dortch, FCC, CC Docket No. 96-45, at 3-5, filed August 26, 2005; Reply Comments of Verizon, filed October 4, 2004, at 3.

support only is in the public interest. In this instance, based on the record before us, we find that the statutory goal of providing telecommunications access to low-income consumers outweighs the requirement that TracFone own facilities, where TracFone, should it be designated an ETC, will be eligible only for Lifeline support. Thus, we find that requiring TracFone, as a wireless reseller, to own facilities does not necessarily further the statutory goals of the low-income program, which is to provide support to qualifying low-income consumers throughout the nation, regardless of where they live.

24. The Lifeline program is designed to reduce the monthly cost of telecommunications service for qualifying low-income consumers.⁵⁹ Presently only about one-third of households eligible for low-income assistance actually subscribe to the program.⁶⁰ We recently expanded eligibility criteria and outreach guidelines for federal default states in an effort to increase participation.⁶¹ On July 26, 2005, we launched a joint initiative with the National Association of Regulatory Utility Commissioners to raise awareness of our Lifeline and Link-Up programs among low-income consumers.⁶² We believe even more can be done to further expand participation to those subscribers that qualify and thus further the statutory goal of section 254(b). Therefore, consistent with the Commission's assertion in the *1997 Universal Service Order* concerning under-utilization of the program, we conclude it is appropriate to consider the relief requested with the goal of expanding eligible participation in the program.⁶³ With only about one-third of Lifeline-eligible households actually subscribing, we believe that granting TracFone's Petition serves the public interest in that it should expand participation of qualifying consumers. Accordingly, we conclude that forbearing from the facilities requirement for Lifeline support only, subject to the conditions set forth above satisfies the requirements of section 10(a)(3).

25. Within thirty days of this release of this Order, we require that TracFone file with the Commission a plan outlining the measures it will take to implement the conditions outlined in this Order. This plan will be placed on public notice and will be considered by the Commission in TracFone's ETC designation proceedings. For the foregoing reasons and subject to the conditions above, we find that the third prong of section 10(a) is satisfied.

26. Finally, we reject USTelecom's argument that TracFone has not requested forbearance from the facilities requirement in section 254(e) and that without such forbearance TracFone cannot fulfill the obligations of an ETC. Specifically, section 254(e) requires that "a carrier that receives such support shall use that support only for the provision, maintenance, and upgrading of facilities and services for which the support is intended."⁶⁴ USTelecom emphasizes that the words "facilities" and "services" are joined by the conjunctive article "and" and therefore an ETC must use any universal support received for facilities as well as services.⁶⁵ We disagree with USTelecom's interpretation. First, we read this provision together with the sentence that precedes it. The preceding sentence states that only an ETC "shall be eligible to receive *specific* Federal universal service support."⁶⁶ The next sentence, which USTelecom quotes, then

⁵⁹ 47 C.F.R. § 54.401.

⁶⁰ *Lifeline and Link-Up*, WC Docket No. 03-109, Report and Order and Further Notice of Proposed Rulemaking, 19 FCC Rcd 8302, 8305, para. 1 and Appendix K at Table 1.B.

⁶¹ *Id.* at 8305, para 1.

⁶² *FCC and NARUC Launch "Lifeline Across America" to Raise Awareness of Lifeline and Link-Up Programs*, News Release, July 26, 2005.

⁶³ *1997 Universal Service Order*, 12 FCC Rcd at 8972, para. 370.

⁶⁴ 47 U.S.C. § 254(e).

⁶⁵ USTelecom August 17 *Ex Parte* at 5 n.1.

⁶⁶ 47 U.S.C. § 254(e) (emphasis added).

requires that “*such* service”, which we find refers to the specific universal support from the previous sentence, be used only for purposes “for which the support is intended.” Reading these sentences together in their entirety, we find that Congress intended that a carrier must use the universal support received to meet the goals of the specific support mechanism under which it was distributed. For example, a carrier who receives specific Lifeline support must use that support to reduce the price of access to telecommunications services for the eligible customer. Second, we note that not all the nominalized verbs in the sentence quoted by USTelecom, “provision,” “maintenance,” and “upgrading,” can be read to apply to both facilities and services. What for example would it mean to “maintain” a “service” apart from the “facilities”? We also note that the nominalized verbs themselves are joined by the conjunctive article “and”. Therefore, extending USTelecom’s logic, any universal support received by a carrier must always be used for the provision, maintenance, *and* upgrading of *both* facilities and services. The terms maintenance and upgrading as generally associated with a carrier’s network and not with service itself. Thus, USTelecom’s reading of section 254(e) would require us to interpret the term “service” as surplusage – a result that must be avoided when the statute admits to other interpretations.⁶⁷ We find the more appropriate reading is to consider these terms in the disjunctive. Thus, we conclude that an ETC receiving Lifeline support uses this specific universal service support for the purposes for which it was intended when it reduces the price of the Lifeline service by the amount of the support.

IV. ORDERING CLAUSE

27. Accordingly, IT IS ORDERED THAT, pursuant to sections 4(i), 10, 214, and 254 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 154(i), 160, 214, and 254, the Petition for Forbearance filed by TracFone Wireless, Inc. on June 8, 2004, and amended on August 9, 2004 and September 24, 2004, IS GRANTED subject to the conditions set forth above and, on our own motion, we forbear from enforcing 47 C.F.R. § 54.201(1)(d).

FEDERAL COMMUNICATIONS COMMISSION

Marlene H. Dortch
Secretary

⁶⁷ See, e.g., *TRW Inc. v. Andrews*, 534 U.S. 19, 31 (2001); *Duncan v. Walker*, 533 U.S. 167, 174 (2001).

**STATEMENT OF
COMMISSIONER KATHLEEN Q. ABERNATHY**

*Re: Federal-State Joint Board on Universal Service; Petition of TracFone Wireless, Inc. for
Forbearance from 47 U.S.C. § 214(e)(1)(A) and 47 C.F.R. § 54.201(i) (CC Docket No. 96-45).*

I am very pleased to join in today's decision, which will help expand the availability of Lifeline subsidies to low-income users of resold wireless telecommunications services. In the 1996 Act, Congress directed the Commission to ensure that all Americans, "including low-income consumers," have access to telecommunications services and information services. One critical component of the Commission's effort to guarantee such access is the Lifeline program, which provides discounts to monthly telephone service for the less fortunate among us. Unfortunately, however, a 2004 analysis performed by Commission staff indicated that only about a third of households eligible for Lifeline support actually subscribe to the program.

While it is clear that today's action will not close that gap on its own, I believe it is essential that we take all possible steps to ensure that low-income users are not barred from utilizing available support on the basis of the specific technologies they wish to use or the specific business plans pursued by their service providers. By providing support to resold wireless services, we are indeed extending a "line" to customers who might not otherwise make use of the Lifeline program, and thus are helping to fulfill Congress's vision of truly *universal* service.

Exhibit No. 4
Case No. TFW-T-09-01
J. Fuentes, TracFone Wireless, Inc.

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of)
Federal-State Joint Board on Universal Service) CC Docket No. 96-45
TracFone Wireless, Inc.)
Petition for Designation as an Eligible)
Telecommunications Carrier in the State of New)
York)
Petition for Designation as an Eligible)
Telecommunications Carrier in the State of Florida)
Petition for Designation as an Eligible)
Telecommunications Carrier in the)
Commonwealth of Virginia)
Petition for Designation as an Eligible)
Telecommunications Carrier in the State of)
Connecticut)
Petition for Designation as an Eligible)
Telecommunications Carrier in the)
Commonwealth of Massachusetts)
Petition for Designation as an Eligible)
Telecommunications Carrier in the State of)
Alabama)
Petition for Designation as an Eligible)
Telecommunications Carrier in the State of North)
Carolina)
Petition for Designation as an Eligible)
Telecommunications Carrier in the State of)
Tennessee)
Petition for Designation as an Eligible)
Telecommunications Carrier in the State of)
Delaware for the Limited Purpose of Offering)
Lifeline Service to Qualified Households)
Petition for Designation as an Eligible)
Telecommunications Carrier in the State of New)
Hampshire for the Limited Purpose of Offering)
Lifeline Service to Qualified Households)
Petition for Designation as an Eligible)
Telecommunications Carrier in the)
Commonwealth of Pennsylvania for the Limited)

Purpose of Offering Lifeline Service to Qualified)
 Households)
)
 Petition for Designation as an Eligible)
 Telecommunications Carrier in the District of)
 Columbia for the Limited Purpose of Offering)
 Lifeline Service to Qualified Households)

ORDER

Adopted: March 4, 2009

Released: March 5, 2009

By the Commission:

I. INTRODUCTION

1. In this order, we grant a petition for modification filed by TracFone Wireless, Inc. (TracFone). TracFone seeks modification of a condition imposed as part of the Commission’s grant of TracFone’s request for forbearance allowing it to be designated as an eligible telecommunications carrier (ETC) for the purposes of providing low-income universal service support to its customers under the Lifeline program.¹ Specifically, we grant TracFone’s request to modify the requirement that TracFone obtain a certification from each public safety answering point (PSAP) where it provides Lifeline service confirming that TracFone provides its customers with access to basic and E911 service.² TracFone must still request such certification from each PSAP within its service area; however, if, within 90 days of TracFone’s request, a PSAP has not provided the certification and the PSAP has not made an affirmative finding that TracFone does not provide its customers with access to 911 and E911 service within the PSAP’s service area, TracFone may self-certify that it meets the basic and E911 requirements. Grant of this request will allow TracFone to provide Lifeline service to low-income consumers within its service areas in a timely manner, while also ensuring that TracFone’s Lifeline customers have access to necessary 911 services.

¹ See Petition for Modification of Public Safety Answering Point Certification Condition by TracFone Wireless, Inc., CC Docket No. 96-45 (filed Nov. 21, 2008) (TracFone Petition); see also *Petition of TracFone Wireless, Inc. for Forbearance from 47 U.S.C. § 214(e)(1)(A) and 47 C.F.R. § 54.201(i)*, CC Docket No. 96-45, Order, 20 FCC Rcd 15095 (2005) (*TracFone Forbearance Order*); *Federal-State Joint Board on Universal Service, TracFone Wireless, Inc. Petition for Designation as an Eligible Telecommunications Carrier in the State of New York et al.*, CC Docket No. 96-45, Order, 23 FCC Rcd 6206 (2008) (*TracFone ETC Designation Order*) (designating TracFone as an ETC for Lifeline support only in New York, Virginia, Connecticut, Massachusetts, Alabama, North Carolina, Tennessee, Delaware, New Hampshire, Pennsylvania, and the District of Columbia). Under the Lifeline program, low-income consumers receive discounts on their monthly charges for local phone service. 47 C.F.R. § 54.401. In its initial comments on the petition, the Pennsylvania Public Utility Commission (Pennsylvania Commission) sought an extension of the pleading cycle, seeking four additional weeks for comments and two more weeks for reply comments. Pennsylvania Commission Comments at 2. The Pennsylvania Commission filed comments and reply comments, as well as an *ex parte* filing in response to the TracFone Petition. See *infra* note 10; Letter from Joseph K. Witmer, Assistant Counsel, Pennsylvania Commission Law Bureau, to Marlene Dortch, Office of the Secretary, Federal Communications Commission, CC Docket No. 96-45 (dated Jan. 29, 2009) (Pennsylvania Commission January 29th *Ex Parte* Letter). We find that the Pennsylvania Commission was able to provide comment on the TracFone Petition without the need for an extension of the pleading cycle. We therefore deny the Pennsylvania Commission’s request.

² *TracFone Forbearance Order*, 20 FCC Rcd at 15102, para. 16; see also *TracFone ETC Designation Order*, 23 FCC Rcd at 6215, para. 22 (declining TracFone’s request to modify the forbearance condition requiring TracFone to obtain the required certification from each PSAP).

II. BACKGROUND

2. Section 254(e) of the Communications Act of 1934, as amended, (the Act) provides that “only an eligible telecommunications carrier designated under section 214(e) shall be eligible to receive specific Federal universal service support.”³ Pursuant to section 214(e)(1) of the Act, a common carrier designated as an ETC must offer the services supported by the federal universal service mechanisms either using its own facilities, or a combination of its own facilities and resale of another carrier’s services.⁴

3. TracFone provides prepaid wireless services on a resale basis only, rather than providing service over its own facilities.⁵ On September 8, 2005, the Commission conditionally granted TracFone’s request for forbearance from the facilities-based requirement of section 214(e)(1) of the Act.⁶ Among other things, the forbearance grant was conditioned on the requirement that TracFone obtain a certification from each PSAP where it provides Lifeline service confirming that TracFone provides its customers with access to basic and E911 service.⁷ On April 11, 2008, the Commission conditionally designated TracFone an ETC for the purpose of receiving Lifeline support only in its licensed service areas in New York, Virginia, Connecticut, Massachusetts, Alabama, North Carolina, Tennessee, Delaware, New Hampshire, Pennsylvania,⁸ and the District of Columbia.⁹ In the *TracFone ETC*

³ 47 U.S.C. § 254(e).

⁴ 47 U.S.C. § 214(e)(1)(A); *see also* 47 C.F.R. § 54.201(d)(1).

⁵ TracFone Petition at 3-4.

⁶ *TracFone Forbearance Order*, 20 FCC Rcd at 15102, para. 16.

⁷ *Id.* at 15098, para. 6. Grant of forbearance was conditioned on TracFone: (a) providing its Lifeline customers with 911 and E911 access regardless of activation status and availability of prepaid minutes; (b) providing its Lifeline customers with E911-compliant handsets and replacing, at no additional charge to the consumer, non-compliant handsets of customers who obtain Lifeline-supported service; (c) complying with conditions (a) and (b) as of the date it provides Lifeline service; (d) obtaining a certification from each PSAP where TracFone provides Lifeline service confirming that TracFone provides its customers with 911 and E911 access; (e) requiring its customers to self-certify at time of service activation and annually thereafter that they are the head of household and receive Lifeline-supported service only from TracFone; and (f) establishing safeguards to prevent its customers from receiving multiple TracFone Lifeline subsidies at the same address. *Id.*

⁸ At the time the Commission designated TracFone an ETC in Pennsylvania, the Pennsylvania Commission had not exerted jurisdiction over wireless providers for purposes of ETC designation; therefore the Commission granted TracFone ETC designation pursuant to section 214(e)(6) of the Act. *TracFone ETC Designation Order*, 23 FCC Rcd at 6207, 6211, paras. 1, 9; 47 U.S.C. § 214(e)(6). On February 26, 2009, the Pennsylvania Commission announced that it will exert its jurisdiction, effective as of that date, to designate wireless carrier ETCs pursuant to section 214(e)(2) of the Act. *See* Letter from Joseph K. Witmer, Assistant Counsel, Pennsylvania Public Utility Commission, to Marlene H. Dortch, Secretary, Federal Communications Commission, CC Docket No. 96-45 (filed Feb. 26, 2009) (attaching February 26, 2009 Pennsylvania Commission decision); 47 U.S.C. § 214(e)(2).

⁹ *See TracFone ETC Designation Order*, 23 FCC Rcd at 6207-08, para. 1. The Commission conditioned grant of TracFone’s ETC designations on TracFone’s certification that it is in full compliance with any applicable 911/E911 obligations, including obligations relating to the provision and support of 911 and E911 service. *Id.* at 6213, para. 16. The TracFone Petition and this order are limited to the PSAP certification requirement regarding TracFone’s provision of access to 911 and E911 service to its customers. This condition is separate from the certification regarding TracFone’s compliance with any state 911/E911 obligations, including payment of fees into state 911/E911 funds. *See* Pennsylvania Commission January 29th *Ex Parte* Letter at 2 (expressing concern about TracFone’s compliance with the separate condition to certify compliance with Pennsylvania law); Pennsylvania Emergency Management Agency Petition to Reject, CC Docket No. 96-45 (filed Jan. 29, 2009) (asking the Commission to reject TracFone’s certification for compliance with Pennsylvania 911/E911 obligations due to TracFone’s failure to contribute to Pennsylvania’s Wireless E911 Emergency Services Fund).

Designation Order, the Commission declined TracFone's request to eliminate the condition that TracFone obtain the required certification from each PSAP where it will provide Lifeline service.¹⁰

4. On November 21, 2008, TracFone filed the instant petition seeking to modify the PSAP certification requirements. Specifically, TracFone requests that, if a PSAP does not provide the requisite certification within 90 days of a request for such certification from TracFone, TracFone would be allowed to self-certify that its customers will have access to 911 and E911 without regard to activation status or availability of prepaid minutes.¹¹

III. DISCUSSION

5. As the Commission found in the *TracFone ETC Designation Order*, TracFone's universal service Lifeline offering will provide a variety of benefits to Lifeline-eligible consumers, including increased consumer choice, high-quality service offerings, and mobility.¹² In addition, the prepaid feature of TracFone's service, which essentially functions as a toll control feature, may be an attractive alternative to Lifeline-eligible consumers who are concerned about usage charges or long-term contracts. Therefore, we find that the public interest is served by allowing TracFone to offer its Lifeline service to consumers as quickly as possible, while also ensuring that its consumers have access to necessary emergency services.

6. The Commission has twice stressed the importance of ensuring that TracFone's Lifeline customers have access to 911 and E911 services through the PSAP certification process.¹³ We affirm that TracFone must continue to comply with this requirement and seek certification from the PSAPs within its service area. To ensure that the benefits of Lifeline service are made available to TracFone's customers in a timely manner, however, we grant TracFone's request to allow it to self-certify compliance with the 911 and E911 availability condition if, within 90 days of TracFone's request, a PSAP has not provided the certification and the PSAP has not made an affirmative finding that TracFone does not provide its customers with access to 911 and E911 service within the PSAP's service area.¹⁴ In making a request for certification, TracFone must notify the PSAP that TracFone has the option to self-certify within 90 days of the request if the PSAP has not provided the certification and the PSAP has not made an affirmative finding that TracFone does not provide its customers with access to 911 and E911 service. TracFone may not self-certify compliance until 90 days after it has provided a PSAP with notification of the 90-day self-certification period adopted in this order. TracFone also may not make such a self-certification until it has provided a PSAP with all of the information and/or equipment requested by the PSAP in analyzing

¹⁰ *Id.* at 6213, para. 16.

¹¹ TracFone Petition at 1. On December 23, 2008, the Wireline Competition Bureau sought comment on TracFone's petition. *See Comment Sought on TracFone Wireless Inc. Petition for Modification of Public Safety Answering Point Certification Condition*, CC Docket No. 96-45, Public Notice, DA 08-2779 (Wireline Comp. Bur., rel. Dec. 23, 2008). Comments on the petition were due January 6, 2009, and reply comments were due January 13, 2009. Comments were filed by Consumer Action, the National Emergency Number Association, and the Pennsylvania Commission. TracFone and the Pennsylvania Commission filed reply comments.

¹² *See TracFone ETC Designation Order*, 23 FCC Rcd at 6212, para. 15.

¹³ *TracFone Forbearance Order*, 20 FCC Rcd at 15102, para. 16; *see also TracFone ETC Designation Order*, 23 FCC Rcd at 6215, para. 22.

¹⁴ If a PSAP has conducted testing and notified TracFone within the 90-day period of concerns regarding the ability of TracFone customers to access 911 and E911 services, TracFone may not self-certify compliance until it has addressed the PSAP's concerns (for example, issues with TracFone's underlying wireless provider concerning access to 911 and E911 services), such that the PSAP can provide the required certification. In this circumstance, TracFone may self-certify 180 days after requesting certification from the PSAP if the PSAP does not approve or deny the certification within that period.

TracFone's ability to provide 911 and E911 service to its customers. If TracFone makes such a self-certification, TracFone must obtain from each of its underlying carriers that provide service to TracFone in the area served by that PSAP certification that the carriers route 911 and E911 calls from TracFone customers to the PSAP in the same manner that they route 911 and E911 calls from their own customers. TracFone is required to retain such underlying carrier certifications and provide them to the Commission upon request. TracFone must provide PSAPs with copies of any self-certifications at the time they are filed. If after TracFone makes a self-certification a PSAP finds that TracFone does not provide its customers with 911 and E911 access, upon receiving notice of this finding TracFone must immediately notify the Commission of this finding and explain how it plans to come into compliance with this condition.

7. The Pennsylvania Commission opposed TracFone's request for a modification of the PSAP certification requirement, stating that TracFone has refused to comply with the "drive testing" requirements included as part of Pennsylvania's Phase II 911 compliance.¹⁵ It is unclear from the Pennsylvania Commission's filing whether such state "drive testing" requirements apply to resale services, such as those provided by TracFone, or whether a demonstration of successful "drive testing" of the underlying wireless provider's service would comply with the state requirement. As this Commission stated in the *TracFone ETC Designation Order*, TracFone's designation as an ETC eligible for Lifeline support in each state is conditioned upon TracFone's certification that it is in full compliance with any applicable 911/E911 obligations, including obligations relating to the provision and support of 911 and E911 service.¹⁶ Therefore, TracFone must comply with any state requirements that are applicable to carriers providing service on a purely-resale basis. We do not find that the Pennsylvania Commission's claim of TracFone's non-compliance with the state "drive testing" requirement warrants denial of TracFone's request for a 90-day PSAP certification period. As discussed above, TracFone's customers should not be denied the benefits of access to Lifeline support for a prolonged period of time pending PSAP action on TracFone's certification requests. We therefore grant TracFone's request and allow it to self-certify its provision of 911 and E911 services to its customers, and also require it to obtain certification from its underlying carriers, if, within 90 days of TracFone's request for certification, a PSAP has not provided the certification and the PSAP has not made an affirmative finding that TracFone does not provide its customers with access to 911 and E911 service within the PSAP's service area. To the extent an entity disagrees with TracFone's self-certification, it may file a request asking the Commission to examine the issue pursuant to section 1.41 of the Commission's rules.¹⁷

IV. ORDERING CLAUSES

8. Accordingly, IT IS ORDERED that, pursuant to the authority contained in sections 1, 4(i), 4(j), 214(e) and 254 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151, 154(i), 154(j), 214 and 254, the petition for modification filed by TracFone Wireless, Inc. IS GRANTED as discussed herein.

¹⁵ Pennsylvania Commission Reply Comments at 7-8. The Pennsylvania Commission also requests that the Commission revisit the decisions granting TracFone's forbearance request and ETC designation in Pennsylvania. *Id.* at 9, 12-17. Pursuant to section 1.106(f) of the Commission's rules, petitions for reconsideration of Commission actions must be filed within 30 days from the date of public notice of the final Commission action. 47 C.F.R. § 1.106(f). The public notice dates of both the *TracFone Forbearance Order* and the *TracFone ETC Designation Order* were their release dates pursuant to section 1.4(b)(2) of the Commission's rules. 47 C.F.R. § 1.4(b)(2). Those dates were September 8, 2005, and April 11, 2008, respectively. The Pennsylvania Commission's reply comments were filed on January 13, 2009, well outside of the 30-day reconsideration deadlines for both orders. The Pennsylvania Commission's oppositions to those decisions are therefore untimely and will not be considered here.

¹⁶ *TracFone ETC Designation Order*, 23 FCC Rcd at 6213, para. 16.

¹⁷ 47 C.F.R. § 1.41.

9. IT IS FURTHER ORDERED that the Pennsylvania Public Utility Commission's request for an extension of the pleading cycle IS DENIED.

10. IT IS FURTHER ORDERED that, pursuant to section 1.103 of the Commission's rules, 47 C.F.R. § 1.103, this order SHALL BE effective upon release.

FEDERAL COMMUNICATIONS COMMISSION

Marlene H. Dortch
Secretary

Exhibit No. 5
Case No. TFW-T-09-01
J. Fuentes, TracFone Wireless, Inc.

CTIA

Consumer Code *for* Wireless Service

To provide consumers with information to help them make informed choices when selecting wireless service, the CTIA and the wireless carriers that are signatories below have developed the following Consumer Code. The carriers that are signatories to this Code have voluntarily adopted the principles, disclosures, and practices here for wireless service provided to individual consumers, including voice, messaging, and data services sold either on a postpaid or prepaid basis.

THE WIRELESS CARRIERS THAT ARE SIGNATORIES TO THIS CODE WILL:

ONE

DISCLOSE RATES AND TERMS OF SERVICE TO CONSUMERS

For each service plan offered to new consumers, wireless carriers will disclose to consumers at point of sale and on their web sites, at least the following information, as applicable: (a) the coverage area for the service; (b) any activation or initiation fee; (c) the monthly access fee or base charge; (d) the amount and nature of any voice, messaging, or data allowances included in the plan (such as night and weekend minutes); (e) the charges for domestic usage in excess of any included allowances or outside of the coverage area; (f) for prepaid service plans, the period of time during which any balance is available for use; (g) whether there are prohibitions on data service usage and whether there are network management practices that will have a material impact on the customer's wireless data experience; (h) whether any additional taxes, fees or surcharges apply; (i) the amount or range of any such fees or surcharges that are collected and retained by the carrier; (j) the amount or nature of any late payment fee; (k) whether a fixed-term contract is required and its duration; (l) the amount and nature of any early termination fee that may apply; and (m) the trial period during which a consumer may cancel service without any early termination fee, as long as the consumer complies with any applicable return policy.

TWO

MAKE AVAILABLE MAPS SHOWING WHERE SERVICE IS GENERALLY AVAILABLE

Wireless carriers will make available at point of sale and on their web sites maps depicting approximate domestic coverage applicable to each of their service plans currently offered to consumers. To enable consumers to make comparisons among carriers, these maps will be generated using generally accepted

methodologies and standards to depict the carrier's outdoor coverage. All such maps will contain or link to an appropriate legend concerning limitations and/or variations in wireless coverage and map usage, including any geographic limitations on the availability of any services included in the plan. Wireless carriers will periodically update such maps as necessary to keep them reasonably current. If necessary to show the extent of service coverage available to customers from carriers' roaming partners, carriers will request and incorporate coverage maps from roaming partners that are generated using similar industry-accepted criteria, or if such information is not available, incorporate publicly available information regarding roaming partners' coverage areas.

THREE

PROVIDE CONTRACT TERMS TO CUSTOMERS AND CONFIRM CHANGES IN SERVICE

When a customer initiates new service or a change in existing service, the carrier will provide or confirm any new material terms and conditions of the ongoing service with the customer.

FOUR

ALLOW A TRIAL PERIOD FOR NEW SERVICE

When a customer initiates postpaid service with a wireless carrier, the customer will be informed of and given a period of not less than 14 days to try out the service. The carrier will not impose an early termination fee if the customer cancels service within this period, provided that the customer complies with applicable return and/or exchange policies. Other charges, including usage charges, may still apply.

FIVE

PROVIDE SPECIFIC DISCLOSURES IN ADVERTISING

In advertising of prices for wireless service plans or devices, wireless carriers will disclose material charges and conditions related to the advertised prices and services, including if applicable and to the extent the advertising medium reasonably allows: (a) whether activation or initiation fees apply; (b) monthly access fees or base charges; (c) the amount and nature of any voice, messaging, or data service allowances included in the plan; (d) the charges for any domestic usage in excess of any included allowances or outside of the coverage area; (e) for prepaid service plans, the period of time during which any balance is available for use; (f) whether there are network management practices that will have a material impact on the customer's wireless data experience; (g) whether any additional taxes, fees or surcharges apply; (h) the amount or range of any such fees or surcharges that are collected and retained by the carrier; (i) whether a fixed-term contract is required and its duration; (j) early termination fees; (k) the terms and conditions related to receiving a product or service for "free;" (l) for any service plan advertised as "nationwide," (or using similar terms), the carrier will have available substantiation for this claim; and (i) whether prices or benefits apply only for a limited time or promotional period and, if so, whether any different fees or charges will apply for the remainder of the contract term.

SIX

SEPARATELY IDENTIFY CARRIER CHARGES FROM TAXES ON BILLING STATEMENTS

On customers' bills, carriers will distinguish (a) monthly charges for service and features, and other charges collected and retained by the carrier, from (b) taxes, fees and other charges collected by the carrier and remitted to federal state or local governments. Carriers will not label cost recovery fees or charges as taxes.

SEVEN

PROVIDE CUSTOMERS THE RIGHT TO TERMINATE SERVICE FOR CHANGES TO CONTRACT TERMS

Carriers will not modify the material terms of their postpaid customers' contracts in a manner that is materially adverse to those customers without providing a reasonable advance notice of a proposed modification and allowing those customers a time period of not less than 14 days to cancel their contracts with no early termination fee.

EIGHT

PROVIDE READY ACCESS TO CUSTOMER SERVICE

Customers will be provided a toll-free telephone number to access a carrier's customer service during normal business hours. Customer service contact information will be provided to customers online and on billing statements. Each wireless carrier will provide information about how customers can contact the carrier in writing, by toll-free telephone number, via the Internet or otherwise with any inquiries or complaints, and this information will be included, at a minimum, on all billing statements, in written responses to customer inquiries and on carriers' web sites. Each carrier will also make such contact information available, upon request, to any customer calling the carrier's customer service departments.

NINE

PROMPTLY RESPOND TO CONSUMER INQUIRIES AND COMPLAINTS RECEIVED FROM GOVERNMENT AGENCIES

Wireless carriers will respond in writing to state or federal administrative agencies within 30 days of receiving written consumer complaints from any such agency.

TEN

ABIDE BY POLICIES FOR PROTECTION OF CUSTOMER PRIVACY

Each wireless carrier will abide by a policy regarding the privacy of customer information in accordance with applicable federal and state laws, and will make available to the public its privacy policy concerning information collected online. Each wireless carrier will abide by the CTIA Best Practices and Guidelines for Location-Based Services.

Exhibit No. 6
Case No. TFW-T-09-01
J. Fuentes, TracFone Wireless, Inc.

Privacy Policy

SAFELINK WIRELESS® service is U.S. government supported program for Income eligible households provided by TracFone Wireless.

Please read the TRACFONE Privacy Policy.

TRACFONE Wireless has instituted a comprehensive set of privacy policies and procedures to ensure that its Web site visitors' privacy is never compromised. The purpose of this privacy notice is to inform our Web site visitors of the type of information that TRACFONE, or a credit card processing partner acting on its behalf, collects from the Web site, how the information is gathered, how it is utilized, how long it is retained and how visitors can restrict its use or disclosure.

The primary focus of TRACFONE's privacy policy is to ensure that all Web site visitors' customer identification, which we term "customer identifiable information," is kept private at all times. As the term suggests, "customer identifiable information" is information which can be associated with a specific individual or entity, including, for example, a customer's name, address, or telephone number, e-mail address and information about online activities that are directly linked to them.

The collection of customer identifiable information is a critical element in the day-to-day operation of the Web site to allow TRACFONE to maintain the highest level of customer service for all Web site visitors. It is a common practice and often a necessity for companies, governments, or other organizations to collect customer identifiable information in order to conduct business and offer services.

TRACFONE always strives to safeguard the customer identifiable information obtained from its Web site users and visitors (collectively, "customers") from any unauthorized intrusions.

TRACFONE may contact people on the home phone number they enter on our website, input into our automated phone system or give to an agent in case of technical difficulties, promotions and/or reminders.

General

TRACFONE will not sell, trade, or disclose to third parties any customer identifiable information derived from the registration for, or use of, a TRACFONE product or service -- including customer names and addresses -- without the consent of the customer. TRACFONE will, however, disclose customer identifiable information as required by subpoena, search warrant, or other legal process or in the event that such customer is engaging in unlawful use of our Web site.

When TRACFONE uses third parties to perform services on its behalf, TRACFONE will request that such third parties protect your customer identifiable information consistently with this privacy policy. However, we cannot ensure that all of your customer identifiable information will never be disclosed, as regulatory and/or other requirements may make disclosure necessary.

Collection and Use:

In some instances, TRACFONE may collect information that is not "customer identifiable information." Some examples of this type of information include the type of Internet browser you are using, the type of operating

system you have configured on your computer, and the domain name of the Web site and/or Internet Service Provider from which you are linked to our Web site. TRACFONE primarily uses this information for market research and optimizing its systems in order to deliver the best customer experience possible.

TRACFONE may collect and use customer identifiable information for various purposes, including but not limited to, billing purposes, to provide or change service, to anticipate and resolve problems with your service, or to inform you of products and services that better meet your needs. This means that TRACFONE may use your customer identifiable information, in conjunction with information available from other sources, to market new services that may be of interest to you, but TRACFONE will not disclose your customer identifiable information to third parties who want to market products to you.

Declining e-mail offers:

TRACFONE will only send our customers e-mail regarding promotional offers or other news if a customer specifically grants us permission. A customer has the right to choose not to receive TRACFONE e-mail direct marketing communications by simply notifying us of their preference. This process is commonly termed opting-out or unsubscribing. At any time, a customer can unsubscribe from our e-mail list by clicking on the unsubscribe link found at the bottom of every message or promotion delivered electronically to our customers. Upon such choice, TRACFONE (a) will not contact that customer directly with TRACFONE promotional messages, and (b) will not use customer identifiable information obtained from that customer's registration to contact that customer with TRACFONE product or service messages. A customer may also choose not to receive such messages by notifying TRACFONE via fax or mail.

Security:

TRACFONE has gone to great lengths to implement technology and security features to safeguard the privacy of your customer identifiable information from unauthorized access or improper use, and TRACFONE, based on its judgment, will continue to enhance its security procedures as new technology becomes readily available. However, since there is no such thing as "perfect Internet security", TRACFONE cannot provide any guarantees of 100% security compliance.

E-mail Contents:

TRACFONE will not read or disclose to third parties private e-mail communications that are transmitted using TRACFONE services except as required to operate the service or as otherwise authorized by law.

Improper Conduct:

TRACFONE may also use customer identifiable information to investigate and help prevent potentially unlawful activity or activity that threatens the network or otherwise violates the customer agreement for that service.

Account Information:

TRACFONE honors requests from customers for account information and will correct any such information, which may be inaccurate. Customers may contact TRACFONE to verify that appropriate corrections have been made.

Cookies

When you visit our Web site, we may store information on your computer that allows us to identify you immediately. This process is often referred to as "cookie" technology. More specifically, a cookie is a commonly used Internet standard which stores, in a very small text file on the customer's hard disk, information specific to the customer. Our Web site makes limited use of cookies in an effort to improve our level of service to our Web site visitors. Cookies cannot be accessed by any other Web site other than the Web site issuing the cookie. The private features of our Web site are only accessible when cookies are enabled in the customer's browser. If a customer does not wish to utilize cookies, this feature may be disabled within the customer's Web browser. However, by disabling cookies, a customer will not have access to private areas of our Web site through that browser.

Other Web sites

Since TRACFONE's Web site contains links to other Web sites, we are not responsible for the content or privacy practices employed by these other Web sites. It is possible that on some occasions, these third party Web sites may in fact collect personal information from our customers. We recommend that you examine the privacy policies of such third party Web sites prior to submitting any personal information, as they may differ from ours.

In some instances, our Web site content is also featured on other Web sites with differing or non-existent privacy policies. These Web sites may collect personal information from their customers that may or may not be used in conjunction with our Web site information. Prior to supplying any personal information to any third party company linking to our Web site, please read and understand their privacy policy.

Advertisements

Advertisements may appear on pages throughout our Web site. Some advertisements may request information directly from our customers or take our customers to Web sites that may request personal information. TRACFONE has no control over its advertisers' privacy policies; so please examine the privacy policy of any company advertising on our Web site prior to submitting any personal information.

Third Party Advertising Companies

We may use third-party advertising companies to serve ads on our behalf. These companies may employ cookies and action tags (also known as single pixel gifs or web beacons) to measure advertising effectiveness. Any information that these third parties collect via cookies and action tags is completely anonymous. If you would like more information about this practice and your choices, [click here](#). You may also visit the Advertising.com Privacy Policy, [click here](#).

Surveys

Occasionally, we may conduct surveys on our Web site. Surveys are conducted at random and are completely voluntary to our Web site visitors. The survey may require a customer to provide customer identifiable information in exchange for the information or services provided by the survey. We may use this information in an aggregate manner to better tailor the type of services, information, and advertising that are provided on our Web site.

Policy Changes

TRACFONE reserves the right to change its privacy policy by publishing new terms on its Web site at any time and your access and use of the TRACFONE Web site thereafter constitutes your acknowledgment and acceptance of such amended policy. This privacy policy does not create any legal right for you or any third parties.

Children

TRACFONE Web sites are not structured to attract children under the age of 13. TRACFONE believes there is no information on its Web site, which is inappropriate or objectionable for viewing by children.

TRACFONE does not knowingly, directly or passively, collect information from children under the age of 13. If we create offers and products that make it appropriate to collect information from children under the age of 13, we will notify you of the change in this Policy. We also will ask a parent to confirm his/her consent in advance of any collection, use or disclosure of that information. We do not collect any information that is not submitted to us. We only use personally identifiable information so that we may better understand our users' needs and send information to users regarding new services or offerings, including but not limited to any sweepstakes or other offering. We do not sell any personally identifiable information or disclose any personally identifiable information to third parties.

Ordering online products and services from TRACFONE is limited to adults (ages 18+). However you should be aware that wireless devices and services purchased for family use may be used by minors without the knowledge of TRACFONE. If that happens, any information collected from the usage will appear to be the personal information of the actual adult subscriber and treated as such under this Policy.

Questions?

Please direct any questions or comments regarding our privacy policy to information@tracfone.com.