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May 8, 2013

Jean Jewell - Secretary  
Idaho Public Utilities Commission  
472 W Washington St  
Boise ID 83702

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UTILITIES COMMISSION

2013 MAY -8 PM 4:00

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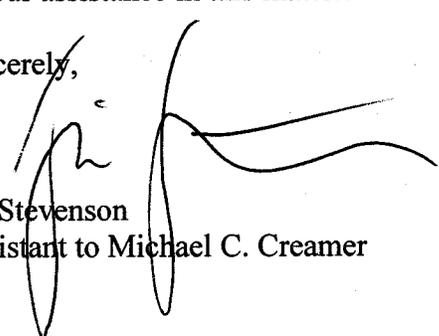
Re: Application of TerraCom Inc., for ETC Designation

Dear Jean:

Please find enclosed for filing with the Idaho Public Utilities Commission the *Application of TerraCom, Inc. for ETC Dedication* dated May 8, 2013. I am enclosing seven copies for the Commission and one additional copy to be conformed and provided to our runner.

Should you have any questions concerning the attached Application, please contact Michael Creamer at 388-1247. Thank you for your assistance in this matter.

Sincerely,

  
Jill Stevenson  
Assistant to Michael C. Creamer

:jss  
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ORIGINAL

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2013 MAY -8 PM 4: 00  
IDAHO PUBLIC  
UTILITIES COMMISSION

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSISON**

**IN THE MATTER OF THE APPLICATION )  
OF TERRACOM, INC. FOR DESIGNATION )  
AS AN ELIGIBLE TELECOMMUNICATIONS ) CASE NO. TRA-T-1301  
CARRIER ON A WIRELESS BASIS (LOW )  
INCOME ONLY) )**

**APPLICATION FOR DESIGNATION AS AN ELIGIBLE  
TELECOMMUNICATIONS CARRIER ON A WIRELESS BASIS**

TerraCom, Inc. (“TerraCom” or the “Company”) through its attorneys Givens Pursley LLP, and, pursuant to the Federal Communications Act of 1934, as amended (the “1996 Act”), 47 U.S.C. § 214(e) the Federal Communications Commission (“FCC”) Universal Service Regulations, 47 C.F.R. §§ 54.101 *et seq.* (the “FCC Rules”) and Idaho Public Utilities Commission (“Commission”) Eligible Telecommunications Carrier (“ETC”) requirements<sup>1</sup>, hereby requests that the Commission designate TerraCom as an ETC in the State of Idaho (the

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<sup>1</sup> In the Matter of the Application of WWC Holding Co., Inc. DBA CellularOne Seeking Designation as an Eligible Telecommunications Carrier that May Receive Federal Universal Service Support, Case No. WST-T-05-1, Order No. 29841, App. § A. 4 (Aug. 4, 2005) (the “Idaho ETC Order”).

“Service Area”) for the purpose of receiving federal universal service support for wireless services that will be offered to customers on a prepaid basis. At this time TerraCom does not seek designation as an ETC on a wireline basis. A list of each wire center for which TerraCom is requesting ETC status in the State of Idaho is attached hereto as **Exhibit “A.”** TerraCom will collect and remit all applicable 911 and ITSAP surcharges. The Commission’s grant of this request for wireless ETC designation would be consistent with the Commission’s designation of other carriers as wireless ETCs, including, but not limited to, TracFone Wireless, Inc., Budget Prepay and Cricket Communications, Inc., all of whom received ETC designation for rural and urban areas. TerraCom also meets the applicable requirements of Idaho law, including those required by the Idaho ETC Order.

In further support of this Application, TerraCom states as follows:

1. TerraCom is an Oklahoma corporation with its principal offices located at 401 E Memorial Road, Suite 400, Oklahoma City, OK 73114. TerraCom is authorized to transact business in Idaho. TerraCom’s Articles of Incorporation, Certificates of Authority to Transact Business in Idaho and Good Standing are attached hereto as **Exhibit “B”** and **Exhibit “C,”** respectively.

2. Correspondence or communications pertaining to this Application should be directed to TerraCom’s attorney of record:

Michael C. Creamer  
Givens Pursley LLP  
601 W. Bannock St.  
Boise, ID 83702  
Direct: 208-388-1247  
Main: 208-388-1200  
Fax: 208-388-1300  
Email: [mcc@givenspursley.com](mailto:mcc@givenspursley.com)

3. Questions concerning the ongoing operations of TerraCom following certification should be directed to:

Dale R. Schmick  
TerraCom, Inc.  
401 E Memorial Road  
Suite 400  
Oklahoma City, OK 73114  
Telephone: 405-241-9571  
Email: [dschmick@terracominc.com](mailto:dschmick@terracominc.com)

4. As a result of the work and cooperation of federal and state regulators, the FCC has adopted a number of cost recovery policies and mechanisms designed to promote and maintain universal service (the “Universal Service Fund” or “USF”). The Universal Service Fund was established, in part, to provide support to qualifying low-income communications end-users such as those serviced by TerraCom. Mechanisms were also established in an effort to moderate the amount of costs to be recovered through basic, recurring charges to low-income users, thereby assisting efforts to maintain reasonable basic rate levels. The FCC’s Rules related to Lifeline and Link Up were modified most recently in the FCC’s *Report and Order and Further Notice of Proposed Rulemaking* in FCC 11-161; 26 FCC Rcd 17663; 2011 WL 5844975 (rel’d November 18, 2011) (“*USF/ICC Transformation Order*”) and in *In re Lifeline and Link Up Reform and Modernization*, 2012 WL 387742 (rel’d February 6, 2012) (“*Lifeline/Link Up Reform Order*”), as clarified and modified in subsequent FCC orders.

5. Since January 1, 1998, a competitive local exchange carrier qualifies to receive the universal service support set forth above only if it has been designated by a state regulatory agency as an ETC. The Universal Service Fund therefore represents significant additional resources which could greatly benefit the consumers and businesses of the State of Idaho upon the designation of TerraCom as an ETC.

6. TerraCom requests that the Commission, by order, designate the company as an ETC throughout its requested Service Area. As described below, TerraCom seeks ETC status on a wireless basis beginning as soon as possible upon approval by the Commission. TerraCom is not seeking ETC designation on a wireline basis.

7. Pursuant to this Application, TerraCom requests ETC status solely for the purpose of providing the services supported by, and participating in the Low Income Programs of, the Universal Service Fund. TerraCom does not request ETC status for the purpose of participating in any High Cost programs of the Universal Service Fund. Such action is entirely consistent with both the 1996 Act and the public interest of the State of Idaho.

8. TerraCom will provide consumer-oriented wireless services throughout its requested Service Area in the State of Idaho. TerraCom's communications services include the provision of wireless services through a combination of its own facilities and resold services. As an ETC, TerraCom will also be permitted to participate in the Low Income cost recovery mechanisms established by the FCC.

9. Over the past nine years TerraCom has actively reached out to consumers in underserved markets and has been an ETC since 2004. TerraCom is currently a wireline ETC in Oklahoma and Texas, as well as a wireless ETC in Maryland, Arkansas, Oklahoma, Texas, West Virginia, Nevada, Indiana, Arizona, Puerto Rico, the Virgin Islands, Colorado, Iowa, Louisiana, Minnesota, Wisconsin and Nebraska. ETC designation in Idaho will enhance TerraCom's ability to provide service to low income consumers within the Service Area, and will bring unique benefits to Idaho consumers.

10. TerraCom has a long history of investment in its facilities, as well as the neighborhoods it serves. TerraCom has and will continue this investment and will provide the

supported services using a combination of its own facilities and resale of other carriers' services. During the past nine years TerraCom has also invested in advertising the availability of those services in the markets served by it using media of general distribution. TerraCom is committed to continue this investment, both in the markets it currently serves, and in Idaho, through locally oriented product and service distribution, including such face-to-face methods as door-to-door contact with consumers, and the use of neighborhood sales representatives. Under TerraCom's proposed low income wireless offerings, each eligible wireless customer will receive a new or refurbished basic voice, texting and E911 compatible handset at no cost to the subscriber or have the option of purchasing a E911 compatible higher end model if they choose to do so. Each handset comes with a one-year warranty. Should a customer require replacement, he or she will be able to call a TerraCom toll-free help line, contact a local sales representative, or visit a TerraCom-authorized retail outlet and receive assistance.

11. The 1996 Act, 47 U.S.C. 214(e)(6), generally requires that an ETC provide supported services "either using its own facilities or a combination of its own facilities and resale of another carrier's services (including the services offered by another eligible telecommunications carrier)." 47 U.S.C. 214(e)(1)(A). By virtue of the *USF/ICC Transformation Order*, the single supported service is now "voice telephony service."<sup>2</sup> TerraCom will provide voice telephony service as defined in amended 47 C.F.R. § 54.101(a). In

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<sup>2</sup> *USF/ICC Transformation Order*, ¶ 62. "Voice telephony services" must provide: (i) voice grade access to the public switched network or its functional equivalent; (ii) minutes of use for local service provided at no additional charge to end users; (iii) access to the emergency services provided by local government or other public safety organizations, such as 911 and enhanced 911, to the extent the local government in an eligible carrier's service area has implemented 911 or enhanced 911 systems; and (iv) toll limitation services to qualifying low-income consumers. 47 C.F.R. § 54.101(a).

the *Lifeline/Link Up Reform Order*, the FCC decided to forbear, on its own motion, from applying the 47 U.S.C. 214(e)(1)(A) “own facilities” requirement:

[T]he Commission will forbear from the “own-facilities” requirement contained in section 214(e)(1)(A) for carriers that are, or seek to become, Lifeline-only ETCs, subject to the following conditions: (1) the carrier must comply with certain 911 requirements, as explained below; and (2) the carrier must file, and the Bureau must approve, a compliance plan providing specific information regarding the carrier’s service offerings and outlining the measures the carrier will take to implement the obligations contained in this Order as well as further safeguards against waste, fraud and abuse the Bureau may deem necessary. [*Id.*, ¶ 368 (footnote omitted).]

As a result of *Lifeline/Link Up Reform Order*, carriers requesting ETC designation from the Idaho Commission, and whose compliance plan the FCC has approved, are not required to meet the “own facilities” language of 47 U.S.C. 214(e)(1)(A). While TerraCom meets the minimum facilities requirements, out of an abundance of caution, TerraCom filed its Compliance Plan with the FCC. TerraCom’s Second Revised Compliance Plan, hereby provided as **Exhibit “D”** (along with its associated Exhibits 1-4) was approved by the FCC on May 25th, 2012. A copy of the FCC’s Grant of Compliance is hereby provided as **Exhibit “E.”**

As is pertinent under the Communications Act of 1934, as amended by the Telecommunications Act of 1996<sup>3</sup> and as this status recently became relevant for purposes of new reporting requirements imposed by the FCC in its *Lifeline Reform Order*,<sup>4</sup> TerraCom hereby informs the Commission that YourTel America, Inc. (“YourTel”) is an affiliate of TerraCom,

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<sup>3</sup> Pub. LA. No. 104-104, 110 Stat. 56 (1996). 47 U.S.C. § 1, *et seq.*

<sup>4</sup> *Federal-State Joint Commission on Universal Service; Advancing Broadband Availability Through Digital Literacy Training*, WC Docket Nos. 11-42, 03-109, CC Docket No. 96-45, WC Docket No. 12-23, Report and Order and Further Notice of Proposed Rulemaking, FCC 12-11 (rel. Feb. 6, 2012) (*Lifeline Reform Order*).

Inc. Both TerraCom and YourTel have explained this relationship in the current versions of their Compliance Plans on file with the FCC.<sup>5</sup>

Only TerraCom seeks to provide wireless service as an ETC in Idaho. While TerraCom is the only service provider (between TerraCom and YourTel) with a petition for ETC status in the State of Idaho, it should be made clear that TerraCom and YourTel have the necessary systems in place to ensure that neither company will enroll a customer already receiving Lifeline service from the other. This ability to cross-check customer service records between companies is company-wide.

As discussed above, for ETC applicants that take advantage of the FCC's forbearance by obtaining FCC approval of a compliance plan, the Idaho Commission need require no further showing regarding facilities ownership. Nevertheless, TerraCom would meet the "own facilities" requirement of 47 U.S.C. 214(e)(1)(A) even without its FCC Compliance approval. TerraCom, in its provision of wireless services, obtains services through its contracts with two commercial mobile radio service ("CMRS") providers, Sprint Spectrum, LLC and Cellco Partnership d/b/a Verizon Wireless. Through these arrangements, TerraCom is able to offer all of the services and functionalities supported by the universal service program, as detailed in Section 54.101(a) of the FCC Rules<sup>6</sup>, throughout its requested Service Area.

Designation of TerraCom as an ETC on a wireless basis is in the public interest of the State of Idaho and its low-income telecommunications end-users. Under the 1996 Act, "[u]pon

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<sup>5</sup> See, *Third Revised Compliance Plan of TerraCom, Inc.* Available at <http://apps.fcc.gov/ecfs/document/view?id=7021923780>

<sup>6</sup> See 47 C.F.R. § 54.101(a).

request and consistent with the public interest, convenience and necessity”<sup>7</sup> the Commission shall “designate more than one common carrier as an eligible telecommunications carrier for a service area designated”<sup>8</sup> by the Commission. In doing so, the Commission “shall find that the designation is in the public interest.”<sup>9</sup> The FCC Rules require that an ETC application demonstrate that designation would be consistent with the public interest.<sup>10</sup> Pursuant to this requirement, TerraCom provides the following information which clearly demonstrates that TerraCom’s designation as an ETC on a wireless basis is consistent with the public interest below.

**(a) Increased Consumer Choice.** The FCC has determined that while designation of competitive ETCs promotes and benefits consumers by increasing customer choice, designation must include “an affirmative determination that such designation is in the public interest regardless of whether the applicant seeks designation in an area served by a rural or non-rural carrier.”<sup>11</sup> TerraCom is seeking ETC designation on a wireless basis which will provide an additional valuable alternative to the existing telecommunications services currently available in these areas and will promote availability and facilitate the provision of advanced communications services to low-income residents of Idaho.

TerraCom knows from its experience in other markets that there are significant areas within its proposed ETC Service Area in which its target market, low income subscribers, are

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<sup>7</sup> 47 C.F.R. § 54.201(c).

<sup>8</sup> *Id.*

<sup>9</sup> *Id.*

<sup>10</sup> 47 C.F.R. § 54.202(b).

<sup>11</sup> See Federal-State Joint Commission on Universal Service, 20 FCC Rcd 6371, ¶ 42 (2005)

underserved by wireless and wireline telephone facilities. This is underscored by the fact that while the latest Universal Service Monitoring report shows an Idaho Lifeline subscribership of just over 27,000, the latest American Community Survey 5-Year Estimates Census figures for Idaho show almost 139,000 households with an annual income of less than \$25,000.<sup>12</sup> Additionally, TerraCom knows from experience that there are pockets of consumers who still do not have basic communications. TerraCom's mission is to identify and reach out to these disparate groups in Idaho as it has done in the other jurisdictions where it provides Lifeline service, to bring the benefit of communications to these unserved consumers. The mobility of TerraCom's prepaid wireless service will assist low income consumers who often are dependent on public transit or others for their own mobility. Without a wireless connection our customers typically would not be able to contact transportation sources, friends or family, or have timely access to emergency services when needed.

The public interest benefits of inclusion of the Company's wireless service include larger local calling areas (as compared to traditional wireline carriers), the convenience and security afforded by mobile telephone service, the opportunity for customers to control cost by receiving a preset amount of monthly airtime at no charge, the ability to purchase additional usage at flexible and affordable amounts in the event that included usage has been exhausted, 9-1-1 service and, where available, E 9-1-1 service in accordance with current FCC requirements.

The inclusion of toll calling as a part of TerraCom's wireless offering, along with the fact that service is provided without a monthly recurring charge, will allow consumers to avoid the

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<sup>12</sup> [http://factfinder2.census.gov/bkmk/table/1.0/en/ACS/11\\_5YR/DP03/0400000US16](http://factfinder2.census.gov/bkmk/table/1.0/en/ACS/11_5YR/DP03/0400000US16)

risk of becoming burdened with large and/or unexpected charges for domestic toll calling and unexpected overage charges while remaining in touch with friends and family in other parts of the country.

Designation of the Company as an ETC on a wireless basis will also provide other carriers serving the same area an incentive to improve their existing networks and service offerings in order to remain customer focused, which will result in improved consumer services and will also benefit consumers by allowing TerraCom to offer the services designated for support at rates that are “just, reasonable, and affordable.”<sup>13</sup>

As provided by the 1996 Act, the availability of basic telecommunications services to low-income consumers is critical to the provision of public health, safety, and other services. In addition, the FCC has long acknowledged the benefits to consumers of being able to choose from a variety of telecommunications providers and the resulting variety of telecommunications services they provide.<sup>14</sup> This is of particular interest in cases where wireless providers, such as TerraCom, seek to provide services as alternatives to those of the traditional ILEC. In the *Highland Cellular*<sup>15</sup> case, the FCC recognized and affirmed that some households may not have access to the public switched network as provided by the incumbent local exchange carrier. The availability of a wireless competitor benefits consumers who routinely rely on alternative transportation to attend work or school or to accomplish everyday tasks such as shopping or attending community and social events. The wireless service offered by TerraCom will provide

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<sup>13</sup> See 47 U.S.C. § 254(b)(1).

<sup>14</sup> See e.g., *Specialized Common Carrier Services*, 29 FCC 2d 870 (1971).

<sup>15</sup> Federal-State Joint Bd. on Universal Serv., *Highland Cellular, Inc., Memorandum Opinion and Order*, 19 F.C.C.R. 6422 (2004).

these consumers with a convenient and affordable alternative to traditional telecommunications service that can be used while at home and away from home.

The Lifeline service offered by TerraCom also provides important benefits that are especially needed by low-income Idaho residents in these continuing times of economic uncertainty. Savings accounts, upon which many depend for emergencies and retirement, have significantly eroded. Since the recession began, millions of jobs have been lost nationally.<sup>16</sup> By the end of 2012, the number of unemployed persons is just over twelve and half million with the unemployment rate at 7.9 percent. As of December, 2012 Idaho's unemployment rate stood at 6.6 percent<sup>17</sup>, which, while below the national rate, continues to represent a significant group of unemployed persons. While there have been scattered signs of improvement, it is yet too early to claim that the economic recovery is behind us, all of which has a significant impact on many Idaho residents. The availability of a no cost mobile telephone and wireless service will be critical to the efforts of the unemployed as they search for other employment opportunities. Without a regular paycheck, wireless telephone service becomes a luxury beyond the means of many of those persons.

TerraCom's Lifeline programs will thus enable thousands of residents to obtain wireless service which would otherwise be unavailable to them. The economic circumstances indicate that low-income individuals, now more than ever, can greatly benefit from the advantages offered by TerraCom's Lifeline service, allowing those adversely impacted by the current

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<sup>16</sup> *Source* United States Department of Labor Bureau of Labor Statistics.

<sup>17</sup> *Id.*

economy or by job loss to have access to a free wireless service to assist in emergency situations, facilitate job search efforts, and to maintain contact with family members.

It is also a commonly accepted fact that in today's market all consumers, including, qualified Lifeline customers, view the portability and convenience of wireless service not as a luxury, but as a necessity. Mobile service allows children to reach their parents, wherever they may be, allows a person seeking employment the ability to be contacted by potential employers, and provides end users with the ability to contact emergency service providers, regardless of location. Added together, TerraCom expects these additional advantages to create an atmosphere that will cause many qualified consumers, at their option, to select the Company's low income wireless Lifeline service in lieu of the more traditional wireline or wireless services.

**(b) The Unique Advantages of TerraCom's Service Offerings.** As it has in other markets it serves, TerraCom will continue its business strategy of offering unique, customer-friendly, flexible and competitively affordable wireless telecommunications service, which it will make available to qualified consumers who either have no other service alternatives or who choose a prepaid wireless solution. As stated, TerraCom will constantly challenge the marketplace with new and innovative offerings designed to meet the needs of our customers.

TerraCom will publicize the availability of Lifeline services in a manner reasonably designed to reach those likely to qualify for those services. TerraCom has used many mediums for outreach, including mass media, outreach events, and community and charitable involvement. Accordingly, more low-income Idaho residents will be made aware of the opportunities afforded to them under the federal Lifeline program and will be able to take advantage of those opportunities by subscribing to TerraCom's service. An example of TerraCom's planned

advertising is included hereto as **Exhibit “F”**. TerraCom’s marketing will comply with 47 C.F.R. § 54.405(c) and the Idaho ETC Order.

TerraCom will offer Lifeline service as an ETC in all of its Service Area.

TerraCom is willing to accept carrier of last resort obligations throughout the universal service areas in which TerraCom is designated as an ETC by the Commission.

TerraCom will provide equal access to long distance carriers, to the extent to which it is able to do so.

**(c) TerraCom’s Lifeline Plan.** Lifeline is a component of one of four separate federal universal service fund mechanisms<sup>18</sup> known as the “low-income support mechanism”<sup>19</sup> and is defined in 47 C.F.R. § 54.401 as “a non-transferable retail service offering,” “[f]or which qualifying low-income consumers pay reduced charges as a result of application of the Lifeline support amount” for “voice telephony service.” With regard to service standards and monthly usage for wireless pre-paid ETCs, the *Lifeline/Link Up Reform Order* found:

While we applaud the work the states have done to require pre-paid ETCs to offer a minimum set of monthly minutes, we do not find it necessary to impose minimum federal service standards. To the extent possible, service standards should be determined by the communications marketplace. . . . While we do not adopt minimum service requirements for any ETCs offering Lifeline service, we expect all ETCs to continue to offer low-income subscribers innovative and sufficient service plans. [*Id.*, ¶ 50 (emphasis added; footnotes omitted)]

Consistent with the FCC’s findings above, TerraCom submits that the Idaho Commission should likewise allow minimum service plan standards to be determined by the communications

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<sup>18</sup> 47 C.F.R. § 54.8(a)(1); See “Definitions” at second sentence.

<sup>19</sup> 47 C.F.R. § 54.8(a)(1); See “Definitions” at first sentence.

marketplace. The Company will offer a suite of Lifeline plans with a range of voice/text/data options for both Tribal and Non-Tribal customers. TerraCom's plans will range from a basic free voice or text minute plan for both tribal and non-tribal areas to plans that include options for larger amounts of voice and data options. Additional voice and data 'top ups" will also be made available. Plans that will be initially available are set out in TerraCom's statement of terms and conditions attached as **Exhibit "J"** hereto.

The wireless plans also include the following Custom Calling features, consistent with 47 C.F.R. § 54.401(b):

- (1) Caller ID;
- (2) Call Waiting;
- (3) Call Forwarding;
- (4) 3-Way Calling
- (5) Voicemail.

Wireless handsets will be delivered at no charge to qualifying customers, service will be activated, and the requisite number of minutes will be added upon certification of the customer for Lifeline.

The above-described local usage plans are comparable to those offered by the ILECs in the Service Areas for which TerraCom seeks designation. In the FCC's March 17th, 2005 Report and Order, the FCC concluded: "we require an ETC applicant to demonstrate that it offers a local usage plan comparable to the one offered by the incumbent LEC in the service areas for which the applicant seeks designation. As in past orders, however, we decline to adopt a specific local usage threshold."<sup>20</sup>

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<sup>20</sup> Report and Order, *In the Matter of Federal-Joint Commission on Universal Service*, CC Docket No. 96, 45, FCC 05-46, para. 32 (rel'd March 17, 2005).

For a typical Lifeline customer with average normal usage of 769 minutes per month, the monthly cost under the Company's Lifeline Free Plan 250 is \$25.95 (769 minutes less 250 included minutes, times \$0.05 per minute), inclusive of the Custom Calling features stated above and no additional charges for domestic long distance calling. TerraCom submits that its local usage plans are either comparable to or more economic than those offered by the ILECs in TerraCom's requested Service Areas for ETC designation in Idaho.

Qwest/Centurylink is advertising several options including a Home Phone Plus Plan that starts at \$35.00 per month for unbundled residential telephone service that included unlimited local calling, a variety of calling features and long distance calling at \$0.05 per minute. Their Home Phone Unlimited Plan at \$45.00 per month includes unlimited local and domestic long distance in addition to the variety of calling features. Bundling the telephone plans with high-speed internet starts at \$54.95. Activation fees appear to be around \$30.00.

TerraCom commits to submit annual reports describing its local usage plan(s) in accordance with the Idaho ETC Order.

**(d) Designation of TerraCom as an ETC Will Benefit Low Income Consumers in the State of Idaho.** Under the FCC Rules and the Idaho ETC Order, an ETC applicant must demonstrate that it will satisfy applicable consumer protection and service quality standards<sup>21</sup>; TerraCom will satisfy all such standards. As required by 47 C.F.R. § 54.202(a)(3) and the Idaho ETC Order, TerraCom is committed to complying with the Cellular Telecommunications and Internet Association's ("CTIA's") Consumer Code for Wireless

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<sup>21</sup> 47 C.F.R. § 54.202(a)(3).

Service. In addition, TerraCom commits to reporting information on consumer complaints per 1,000 lines on an annual basis consistent with 47 C.F.R. § 54.422(b)(2) and the Idaho ETC order as well as the number of unfilled service requests, also in compliance with the Idaho ETC Order. TerraCom in general commits to satisfying all such applicable state and federal requirements related to consumer protection and service quality standards.

Under the FCC Rules and the Idaho ETC Order, an ETC applicant must demonstrate its ability to remain functional in emergency situations<sup>22</sup>. Since TerraCom is providing service to its customers through the use of facilities obtained from other carriers, this arrangement allows TerraCom to provide to its customers the same ability to remain functional in emergency situations as currently provided by the carriers to their own customers, including access to a reasonable amount of back-up power to ensure functionality without an external power source, rerouting of traffic around damaged facilities, and the capability of managing traffic spikes resulting from emergency situations. Facilities owned by TerraCom are collocated in a Tier 1 carrier's switching center, which is capable of remaining fully functional with both generator and battery back-up.

In addition, designation of TerraCom as an ETC on a wireless basis will make Lifeline discounts available to many more Idaho residents. This provision of Lifeline discounts is particularly valuable to low-income customers in the wireless field where, to TerraCom's knowledge, there are a limited number of wireless providers offering USF supported service and even fewer offering the same with absolutely no monthly recurring charge to the end-user.

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<sup>22</sup> 47 C.F.R. § 54.202(a)(2).

Furthermore, in keeping with TerraCom's long history, it will continue to adjust its offering to benefit Idaho consumers by presenting new and unique plans as TerraCom expands and invests in Idaho. As such, the service for which TerraCom seeks ETC status is unique; TerraCom will not only enter the market, it will lead the market.

Inclusion of TerraCom wireless service will serve the public interest by increasing participation of qualified consumers in the Lifeline program, thereby contributing to an overall increase in the number of Idaho residents receiving Lifeline and an increase to the amount of federal USF dollars benefiting Idaho residents.

Finally, inclusion of TerraCom wireless service will serve the public interest by furthering the extensive role that TerraCom believes it will play in the provision of communications service to low-income consumers, transient users, and other consumers who, due to the restrictive credit criteria, deposit requirements, and long-term commitments of traditional service providers, are off network and, without any viable alternative, are likely to remain so.

**(e) Designation of TerraCom on a Wireless Basis Will Impose a Negligible Burden on the USF.** TerraCom reiterates that it is applying for ETC designation solely for the purpose to provide Lifeline discounts to qualified low-income consumers and to seek reimbursement for the same and will not seek or accept High Cost support. Since Lifeline support is designed to reduce the monthly cost of telecommunication services for eligible consumers, is distributed on a per-customer basis, and is directly reflected in the price that the eligible customer pays, it is assured that all support received by the carrier is used to provide Lifeline services to consumers, thus promoting Lifeline and the availability of telephone service to low-income users, which is clearly in the public interest. In addition, designation of the

Company as an ETC will not pose any adverse effect in the growth in the high cost portions of the USF, nor will it create or contribute to an erosion of high cost funding from any rural or non-rural telephone company.

The FCC reaffirmed this position when it stated that “the potential growth of the fund associated with high-cost support distributed to competitive ETCs” is not relevant to carriers seeking support associated with the low-income program.<sup>23</sup> Accordingly, total low-income support for 2011 accounted for only 21.6 percent of the total distribution of the USF, with high-cost accounting for over 49 percent of the total.<sup>24</sup>

The FCC also recognized that the total effect of additional low-income-only ETC designations would have a minimal impact on the fund when it stated that “any increase in the size of the fund would be minimal and would be outweighed by the benefit of increasing eligible participation in the Lifeline and Link-Up programs, furthering the statutory goal of providing access to low-income consumers.”<sup>25</sup>

It is also vital to recognize that in the case of Lifeline support, an ETC receives Federal USF support *only* for the customers it obtains and, by virtue of the *Lifeline/Link Up Reform Order*,<sup>26</sup> a single subscription per household. In the scenario where a competitive ETC obtains a Lifeline customer from another ETC, only the “capturing” ETC provides Lifeline discounts and as a result, only the “capturing” ETC receives support reimbursement.

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<sup>23</sup> 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) at ¶ 17.

<sup>24</sup> <http://www.usac.org/about/about/universal-service/fast-facts.aspx>

<sup>25</sup> TracFone Forbearance Order, at ¶ 17.

<sup>26</sup> *Lifeline/Linkup Reform Order*, ¶ 69.

In addition, all providers are required to contribute a portion of the interstate revenues received from their customers to the Federal Universal Service Fund. In accordance with current federal regulations, TerraCom will make contributions based on that portion of its revenue that is determined to be interstate. As such, approving TerraCom as an ETC could be expected to actually create contributions to the FUSF that previously did not exist, since in TerraCom's experience in other markets, its customers traditionally do not have telephone service at the time they sign up for service with TerraCom.

**(f) TerraCom Has Internal Controls in Place to Prevent Subscribers from Receiving More Than One Lifeline Discount, and Internal Policies in Place to Handle Inactive Accounts.** Consistent with federal requirements, TerraCom requires customers to certify at the time of service activation and annually thereafter that they will comply with Appendix C: Certification Requirements for Lifeline Subscribers, included on pages 240-242 of the FCC's recent *Lifeline/Link Up Reform Order*. Said Appendix is attached as **Exhibit "G."** A certification form specific to the State of Idaho is attached as **Exhibit "H."** Verification of continued eligibility is accomplished on a yearly basis in accordance with federal and state-specific procedures. TerraCom actively worked on the federal level to advance a national database to prevent more than one discount. Until the new FCC-approved National Lifeline Accountability Database is operational, TerraCom believes that its controls represent best practices available today.

12. The *Lifeline/Link Up Reform Order* (§ 387) amended §§ 54.201 and 54.202 to require a carrier seeking designation as a Lifeline-only ETC to demonstrate that it is financially and technically capable of providing the supported Lifeline service in compliance with all of the low-income program rules. In support of this, TerraCom would like to direct the Commission's

attention to **Exhibit 4 to TerraCom's Compliance Plan**; a declaration submitted by TerraCom with its FCC Compliance Plan, which directly speaks to this requirement.

13. In order to be designated as an ETC, the FCC Rules require that carriers offer the list of services supported by the federal universal service mechanisms. Although no longer strictly required following the *USF/ICC Transformation Order's* establishment of "voice telephony service" as the sole supported service, TerraCom will continue to offer the following services:

- a) Voice grade access to the public switched network;
- b) Access to free-of-charge "local usage" defined as an amount of minutes of use of exchange service;
- c) Dual tone multi-frequency signaling or its functional equivalent;
- d) Single-party service or its functional equivalent;
- e) Access to emergency services;
- f) Access to operator services;
- g) Access to interexchange services;
- h) Access to directory assistance; and
- i) Toll limitations services for qualifying low-income customers.

14. TerraCom will utilize all Federal universal service support for the provision, maintenance, and upgrading of the supported services.

15. TerraCom attaches as **Exhibit "I"** the current list of its officers, along with biographical information for each.

16. Attached hereto as **Exhibit "J"** are TerraCom's standard customer terms and conditions in connection with its wireless service offering.

17. TerraCom also commits that it will remit directly all applicable 911 charges to the appropriate Idaho jurisdictions in accordance with the Idaho Emergency Communications Act Fund. TerraCom's underlying carriers will route 911 calls for TerraCom customers in the same manner as they do for its own end user customers.

18. To the extent not otherwise addressed above, TerraCom will comply with the reforms set forth in the *USF/ICC Transformation Order* and the *Lifeline/Link Up Reform Order*, as clarified and modified in subsequent FCC orders, including (but not limited to):

a. TerraCom certifies that it will comply with the service requirements applicable to the support that it receives (47 C.F.R. § 202(a)(1)(i));

b. TerraCom wireless subscribers who exceed sixty days without any utilization (defined below), will be de-enrolled from the TerraCom wireless Lifeline program. According to the Lifeline Reform Order, "Utilization" is defined as an account being active if the customer "...does at least one of the following: makes a monthly payment; purchases minutes...to add to an existing pre-paid Lifeline account; completes an outbound call; answers an incoming call from anyone other than the ETC, its representative, or agent; or affirmatively responds to a direct contact from the ETC confirming that he or she wants to continue receiving the Lifeline supported service."<sup>27</sup> Upon de-enrollment for non-usage, the TerraCom wireless subscriber will have up to thirty days to re-enroll by contacting TerraCom. If a customer does not re-enroll or call a TerraCom customer service representative within thirty days of the de-enrollment, the

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<sup>27</sup> *Id.*, para. 261.

phone service will be deactivated and any airtime will be lost. A subscriber must provide proof of eligibility to re-enroll in the TerraCom wireless Lifeline program.

Additionally, and in accordance with the Lifeline Reform Order, TerraCom will notify Lifeline applicants at the time of service initiation about the usage requirements, and the de-enrollment and deactivation that will result following non-usage in any 60-day period of time. As is its current practice, TerraCom will not seek or receive USF support for a qualifying low-income customer until that individual subscriber has used the supported service to either personally activate the service or complete an outgoing call;

c. Upon having reasonable basis to believe that a Lifeline subscriber no longer meets the Lifeline eligibility criteria, TerraCom will notify the subscriber of impending termination in writing and in compliance with 47 C.F.R. § 54.405(e)(1);

d. TerraCom will report, on an annual basis, its outages as required by 47 C.F.R. § 54.422(b)(1);

e. TerraCom will annually certify its continuing compliance with all applicable service quality standards and consumer protection rules (47 C.F.R. § 54.422(b)(3));

f. TerraCom will annually certify its continued ability to remain functional in emergency situations (47 C.F.R. § 54.422(b)(4)); and

g. TerraCom will annually provide information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers, including (i) the number of minutes provided, (ii) additional charges, if any, for toll calls, and (iii) rates for each plan (47 C.F.R. § 54.422(b)(5)).

Please note that because TerraCom is seeking ETC designation only to provide low income support services, submission of a five-year plan is not required under 47 C.F.R. § 54.202(a)(1)(ii). TerraCom also respectfully requests that the Commission find that the two-year service improvement plan in the Idaho ETC Order be found inapplicable to TerraCom or waive the requirements.

19. TerraCom also commits that it will remit directly all applicable ITSAP surcharges to the Idaho Telecommunications Service Assistance Program.

20. TerraCom has reviewed, and will comply with all applicable requirements of, the Idaho Commission's Telephone Customer Relations Rules, IDAPA 31.41.01 *et seq.*

21. As required by the Idaho ETC Order, TerraCom has, contemporaneously with the filing of this Application, provided a copy of this Application to affected tribal government or tribal regulatory authority, addressed as follows:

Chief James Allan, Chairman  
Tribal Council  
Coeur d'Alene Tribe  
850 A Street  
P. O. Box 408  
Plummer, ID 83851  
Cc: IT Director, Valerie Fast Horse

Nathan Small, Chairman  
Fort Hall Business Council  
Shoshone-Bannock Tribes  
P.O. 306  
Ft. Hall, ID 83203

Joe Durglo, Chairman  
Tribal Council  
Confederated Salish & Kootenai Tribes  
42487 Complex Blvd.  
PO Box 278  
Pablo, Montana 59855

Silas C. Whitman, Chairman  
Nez Perce Tribal Executive Committee  
P.O. Box 305  
Lapwai, ID 83540

### CONCLUSION

Having demonstrated that TerraCom satisfies the conditions necessary for designation as an ETC in Idaho, including the reforms set forth in the *USF/ICC Transformation Order* and the *Lifeline/Link Up Reform Order*, and having shown that the public and universal service interests of the telecommunications consumers of the State of Idaho will be properly served, TerraCom respectfully requests that the Commission designate TerraCom, Inc. as an ETC for the provision of low income support on a wireless basis throughout TerraCom's requested Service Area.

DATED this 8<sup>th</sup> day of May, 2013.

GIVENS PURSLEY LLP



Michael C. Creamer

*Attorneys for TerraCom, Inc.*

## EXHIBITS

- Exhibit A - Wire Centers
- Exhibit B - Articles of Incorporation and Certificates - Oklahoma
- Exhibit C - Idaho Secretary of State Certificates
- Exhibit D - TerraCom Second Revised Compliance Plan
- Exhibit E - FCC Grant of Compliance Plan
- Exhibit F - Sample TerraCom Lifeline Services Advertising
- Exhibit G - FCC Lifeline and Link Up Reform Order Appendix C
- Exhibit H - Lifeline Certification Form
- Exhibit I - TerraCom Officers Biographies
- Exhibit J - TerraCom Services, Terms and Conditions

**BEFORE THE**  
**IDAHO PUBLIC UTILITIES COMMISSION**

**CASE NO. TRA-T-1301**

**TERRACOM, INC.**

**EXHIBIT A**

**TERRACOM SERVICE AREA**

**RURAL WIRE CENTERS**

**COMPANY**

ALBION TELEPHONE CO. DBA ATC COMMUNICATIONS  
CAMBRIDGE TELEPHONE COMPANY  
CAMBRIDGE TELEPHONE COMPANY  
CAMBRIDGE TELEPHONE COMPANY  
CAMBRIDGE TELEPHONE COMPANY  
COLUMBINE TELCO DBA SILVER STAR COMMUNICATIPMS  
DIRECT COMMUNICATIONS ROCKLAND, INC.  
DIRECT COMMUNICATIONS ROCKLAND, INC.  
DIRECT COMMUNICATIONS ROCKLAND, INC.  
FARMERS MUTUAL TELEPHONE CO.  
FARMERS MUTUAL TELEPHONE CO.  
FILER MUTUAL TELEPHONE CO.  
FILER MUTUAL TELEPHONE CO.  
FREMONT TELCOM CO  
INLAND TELEPHONE CO.  
MUD LAKE TELEPHONE COOPERATIVE ASSOICATION, INC.  
OREGON - IDAHO UTILITIES, INC.  
POTLATCH TELEPHONE CO., INC.  
POTLATCH TELEPHONE CO., INC.  
POTLATCH TELEPHONE CO., INC.  
PROJECT MUTUAL TELEPHONE COOP. ASSOCIATION, INC.  
PROJECT MUTUAL TELEPHONE COOP. ASSOCIATION, INC.  
PROJECT MUTUAL TELEPHONE COOP. ASSOCIATION, INC.

**WIRE CENTER**

ALBNIDXC  
ALMOIDXC  
ARCOIDXC  
ELBAIDXC  
RLBKIDXC  
HOWEIDXC  
MALTIDXC  
MCKYIDXC  
MLCYIDXC  
MOORIDXC  
RFRVIDXC  
CMBRIDXC  
CNCLIDXC  
CPRMIDXC  
LWMNIDXC  
DRGSIDMA  
ARBNDIDXC  
PARSIDXC  
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STATIDMA  
LENRIDXA  
DUBSIDXC  
HAMRIDXC  
KLG1UDXC  
MNVWIDXC  
TRTNIDXC  
SOMTIDXC  
JLTTIDXA  
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TROYIDXX  
MNDKIDXC  
NRLDIDXC  
OKLYIDXC



QWEST CORPORATION	LAPWIDO1
QWEST CORPORATION	LHSPIDMA
QWEST CORPORATION	LSMNIDMA
QWEST CORPORATION	LSTNIDSH
QWEST CORPORATION	MCCMIDMA
QWEST CORPORATION	MDTNIDMA
QWEST CORPORATION	MELBIDMA
QWEST CORPORATION	MRDNIDMA
QWEST CORPORATION	MRTGIDMA
QWEST CORPORATION	MTHOIDMA
QWEST CORPORATION	MTHOIDSO
QWEST CORPORATION	MTPLIDMA
QWEST CORPORATION	NMPAIDMA
QWEST CORPORATION	NPMOIDMA
QWEST CORPORATION	NZPRID01
QWEST CORPORATION	PCTLIDMA
QWEST CORPORATION	PCTLIDNO
QWEST CORPORATION	PSTNIDMA
QWEST CORPORATION	PY1TIDMA
QWEST CORPORATION	RBRTIDMA
QWEST CORPORATION	RGBYIDMA
QWEST CORPORATION	RIRIIDMA
QWEST CORPORATION	RYSIDDMA
QWEST CORPORATION	RXBGIDMA
QWEST CORPORATION	SDSPIDMA
QWEST CORPORATION	SHLYIDMA
QWEST CORPORATION	SHSHIDMA
QWEST CORPORATION	STARIDNM
QWEST CORPORATION	THTCIDMA
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QWEST CORPORATION	WNDLIDMA
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FRONTIER COMMUNICATIONS NORTHWEST, INC. - ID	GENSIDXX
FRONTIER COMMUNICATIONS NORTHWEST, INC. - ID	HOPEIDXX
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FRONTIER COMMUNICATIONS NORTHWEST, INC. - ID	MSCWIDXX
FRONTIER COMMUNICATIONS NORTHWEST, INC. - ID	WLLCIDXX
FRONTIER COMMUNICATIONS NORTHWEST INC. - WA	RCFRWAXB
FRONTIER COMMUNICATIONS NORTHWEST INC. - WA	FRTNWAXX
FRONTIER COMMUNICATIONS NORTHWEST INC. - WA	FRFDWAXA
FRONTIER COMMUNICATIONS NORTHWEST INC. - WA	GRFDWAXX
FRONTIER COMMUNICATIONS NORTHWEST INC. - WA	PALSWAXX
FRONTIER COMMUNICATIONS NORTHWEST INC. - WA	NWPTWAXX

**BEFORE THE**  
**IDAHO PUBLIC UTILITIES COMMISSION**

**CASE NO. TRA-T-1301**

**TERRACOM, INC.**

**EXHIBIT B**

ATTACHMENT "B"

FILED

APR 10 2003

OKLAHOMA SECRETARY OF STATE

Articles of Incorporation

THE UNDERSIGNED, acting as incorporator of a corporation, adopt the following articles of incorporation for such corporation:

1. The name of the corporation is TerraCom Inc.
2. The period of its duration is perpetual.
3. The purpose is to engage in any activities or business permitted under the laws of the United States and the state of Oklahoma.
4. The corporation shall have authority to issue 50000 shares of common stock, \$1.00 par value.
5. The address of the corporate office is 5375 Horseshoe Ln, Guthrie, OK 73044
6. The name and address of its registered agent is- Janson Hirtzel, 5375 Horseshoe Ln, Guthrie, OK 73044
7. The number of directors constituting its initial Board of Directors is 1, whose name and address is:

Name:	Address:
Janson Hirtzel	5375 Horseshoe Ln, Guthrie, OK 73044

8. The name and address of the incorporator is:

Name:	Address:
Janson Hirtzel	5375 Horseshoe Ln, Guthrie, OK 73044

Signature of Incorporator

State of Oklahoma

County of Oklahoma

Before me, the undersigned authority, personally appeared Jason Hirtzel, who to me well known to be the person described in and who subscribed the above articles of incorporation, and did freely and voluntarily acknowledge before me according to law that they made and subscribed the same for the uses and purposes therein mentioned and set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and my official seal, at Oklahoma City in said county and state this 10 day of April, 2003.

Notary Public, state of OK

Printed Notary Name K Brunw

My Commission Expires: 11-28-2004  
Comm# 00017478

RECEIVED  
OK SEC. OF STATE

APR 10 2003

B-712-018

OFFICE OF THE SECRETARY OF STATE

**STATE OF OKLAHOMA**

**CERTIFICATE OF INCORPORATION**

WHEREAS the Certificate of Incorporation of  
**TERRACOM INC.**  
 has been filed in the office of the Secretary of State as provided by the laws of the State of Oklahoma.

NOW THEREFORE, I, the undersigned, Secretary of State of the State of Oklahoma, by virtue of the powers vested in me by law, do hereby issue this certificate evidencing such filing.

IN TESTIMONY WHEREOF, I hereunto set my hand and cause to be affixed the Great Seal of the State of Oklahoma.

Filed in the City of Oklahoma City this 10th  
 day of April, 2003.

  
 Secretary of State

By: \_\_\_\_\_



3676228 #19680 36314

FIRST AMENDMENT TO CERTIFICATE OF INCORPORATION  
OF TERRACOM INC.

(#1900712018)

TO THE SECRETARY OF STATE OF THE STATE OF OKLAHOMA, 101 State Capitol  
Building, Oklahoma City, Oklahoma 73105:

The Corporation filed its Certificate of Incorporation with the Secretary of State of the  
State of Oklahoma on April 10, 2003.

The Corporation, for the purpose of amending its Certificate of Incorporation pursuant to  
Section 1077 of the Oklahoma General Corporation Act, hereby files this First Amendment and  
certifies as follows:

ARTICLE ONE

No change, as filed.

02/07/2012 02:08 PM  
OKLAHOMA SECRETARY OF STATE



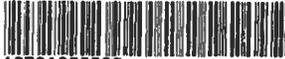
SOS

ARTICLE TWO (but previously not numbered)

No change, as filed.

ARTICLE THREE

No change, as filed.



18531900002

ARTICLE FOUR

As amended, Article Four shall state in full, as follows:

The total number of shares of capital stock that the Corporation has authority to issue is  
55,000 shares, divided into 45,000 shares of Nonvoting Common Stock, par value \$.01 per share,  
and 10,000 shares of Voting Common Stock, par value \$.01 per share. The following is a  
description of the stock of the Corporation:

1. With respect to any matter that is subject to a vote of the shareholders of the  
Corporation, except as otherwise required by law, the holders of Voting Common Stock shall  
possess all voting powers for all purposes, and the holders of Nonvoting Common Stock shall  
have no voting power whatsoever.

2. Except as provided above, the Voting Common Stock and the Nonvoting  
Common Stock shall be identical in all respects.

At any time and from time to time when authorized by resolution of the Board of  
Directors and without any action by its shareholders, the Corporation may issue or sell shares of  
its capital stock of any class or series, whether out of the unissued shares thereof authorized by  
the Certificate of Incorporation of the Corporation or out of shares acquired by it after the issue  
thereof. When similarly authorized, but without necessity for any action by its shareholders, the  
Corporation may issue or grant rights, warrants or options, in such form as the Board of

Directors may determine, for the purchase of shares of the capital stock of any class or series of the Corporation within such period of time, or without limit as to time, to such aggregate number of shares, and at such price per share, as the Board of Directors may determine.

**ARTICLE FIVE**

The street address of the principal office, wherever located is:

401 E. Memorial, Suite 400, Oklahoma City, Oklahoma 73114

**ARTICLE SIX**

The name and address of the registered agent for service of process in the State of Oklahoma is:

Len Cason of Hartzog Conger Cason & Neville

201 Robert S. Kerr Ave., 1600 Bank of Oklahoma Plaza, Oklahoma City, Oklahoma 73102

**ARTICLE SEVEN**

No change, as filed.

**ARTICLE EIGHT**

No change, as filed.

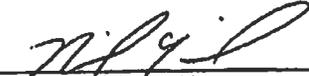
Except as amended by this First Amendment, the Certificate of Incorporation of Corporation shall continue in effect and be unchanged.

[Signature Page Follows]

ct11366.9002\ART\First Amendment to COI (TerraCom) (416173).DOC

IN WITNESS WHEREOF, the Corporation has caused this First Amendment to be signed by its President and attested by its Secretary this 1<sup>st</sup> day of January, 2012.

TERRACOM INC.

By:   
Richard Yurich, President

ATTEST:

  
Jason Hirzel, Secretary

Signature Page  
To  
First Amendment to Certificate  
of Incorporation TerraCom Inc.

OFFICE OF THE SECRETARY OF STATE



**CERTIFICATE OF GOOD STANDING  
DOMESTIC FOR PROFIT BUSINESS CORPORATION**

I, **THE UNDERSIGNED**, Secretary of State of the State of Oklahoma, do hereby certify that I am, by the laws of said state, the custodian of the records of the state of Oklahoma relating to the right of certain business entities to transact business in this state and am the proper officer to execute this certificate.

I FURTHER CERTIFY that **TERRACOM INC.**, whose registered agent is **IEN CASON**, with its registered office at **HARTZOG CONGER CASON & NEVILLE 201 ROBERT S KERR, 1600 BANK OF OKLAHOMA PLAZA OKLAHOMA CITY 73102 USA** Oklahoma is a Domestic For Profit Business Corporation duly organized and existing under and by virtue of the laws of the state of Oklahoma and is in good standing according to the records of this office. This certificate is not to be construed as an endorsement, recommendation or notice of approval of the entity's financial condition or business activities and practices. Such information is not available from this office.



IN TESTIMONY WHEREOF, I hereunto set my hand and affixed the Great Seal of the State of Oklahoma, done at the City of Oklahoma City, this 22nd, day of January, 2013.

*V. Glenn Coffey*

Secretary Of State

**BEFORE THE**  
**IDAHO PUBLIC UTILITIES COMMISSION**

**CASE NO. TRA-T-1301**

**TERRACOM, INC.**

**EXHIBIT C**

# State of Idaho

Office of the Secretary of State

**CERTIFICATE OF AUTHORITY  
OF  
TERRACOM INC.**

File Number C 197237

I, BEN YSURSA, Secretary of State of the State of Idaho, hereby certify that an Application for Certificate of Authority, duly executed pursuant to the provisions of the Idaho Business Corporation Act, has been received in this office and is found to conform to law.

ACCORDINGLY and by virtue of the authority vested in me by law, I issue this Certificate of Authority to transact business in this State and attach hereto a duplicate of the application for such certificate.

Dated: January 23, 2013



*Ben Yursa*  
SECRETARY OF STATE

By \_\_\_\_\_

*John Loring*



**BEFORE THE**  
**IDAHO PUBLIC UTILITIES COMMISSION**

**CASE NO. TRA-T-1301**

**TERRACOM, INC.**

**EXHIBIT D**

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

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In the Matter of	)	
	)	
Telecommunications Carriers Eligible for	)	WC Docket No. 09-197
Universal Service Support	)	
	)	
Lifeline and Link Up Reform and Modernization	)	WC Docket No. 11-42
	)	
TerraCom, Inc. Second Revised Blanket	)	
Forbearance Compliance Plan	)	
	)	
Amended Petition of TerraCom, Inc. for Limited	)	
Designation as an Eligible Telecommunications	)	
Carrier for Purposes of Receiving Low Income	)	
Support Only	)	
_____	)	

**SECOND REVISED COMPLIANCE PLAN OF TERRACOM, INC.**

**TERRACOM, INC.**

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May 1, 2012

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## SUMMARY

TerraCom, Inc. (“TerraCom”) submits this Second Revised Compliance Plan in place of its earlier filed Revised Compliance Plan (March 16, 2012), in order to demonstrate how it plans to comply with the new obligations imposed on Lifeline-only ETCs as part of the Commission’s recently released *Lifeline Reform Order*. In submitting this Second Revised Compliance Plan, TerraCom seeks to benefit from the Commission’s grant of “blanket forbearance” from Section 214(e)(1)(A) of the Communications Act of 1934, as amended (the “Act”), to telecommunications carriers seeking limited ETC designation to offer Lifeline services, regardless of the facilities used to provide the services. Accordingly, TerraCom also seeks the Commission’s approval of its Petition for ETC Designation, as amended, for the states of Alabama, Connecticut, Delaware, Florida, New Hampshire, New York, North Carolina, Tennessee, the Commonwealth of Virginia, and the District of Columbia.

In this submission, TerraCom explains that in many instances, it is already operating largely in compliance with the Commission’s new rules. Nonetheless, TerraCom will describe (for all the major rule changes the Commission adopted in the *Order*) how it plans to comply with the Commission’s new rules.

TerraCom has considerable experience operating as both a wireline and wireless Lifeline-only ETC. It is currently in compliance with all federal and state rules in the states of Arkansas, Indiana, Iowa, Louisiana, Maryland, Nevada, Oklahoma, Texas, West Virginia, Wisconsin, and the Commonwealth of Puerto Rico, where it has been designated an ETC by the state or territory commissions. As a Lifeline-only ETC, operating successfully within the Commission’s existing rules, TerraCom has given considerable thought towards how it will comply with the Commission’s recently-adopted new rules for Lifeline-only ETCs.

In its *Lifeline Reform Order*, the FCC imposed a number of changes to its existing rules in order to ensure that Lifeline consumers receive all the same public safety benefits that are available to other telecommunications services consumers, and to ensure that carriers operate in a manner that facilitates prudent Fund administration by the USAC. Among other obligations imposed, the Commission explicitly requires all Lifeline-only ETCs to 1) provide 911/E911-compliant handsets to all their customers, 2) describe their service offerings and the areas in which these services are available, and 3) explain how the ETC plans to comply with the other major rule changes adopted in this *Order*.

TerraCom believes that it is already in compliance with the 911/E911 handset obligations imposed by the *Order*, and it will continue to comply with these obligations. Moreover, TerraCom also describes its company-wide, and state-specific, Lifeline service offerings in this document.

The most significant information provided in this Second Revised Compliance Plan explains how TerraCom will implement the many major rule changes in this *Order*. Among these rule changes, one of the largest involves how TerraCom enrolls customers, specifically how it plans to obtain customer information, customer consent to use this information pre-enrollment for the purposes of determining that the customer's household does not already receive any other Lifeline-supported services, and to verify whether the customer is eligible for Lifeline enrollment under either a supported program, or by virtue of income qualification.

To this end, TerraCom has adopted a new customer certification form, a copy of which is attached as Exhibit 1. This new customer certification form will be the focus of all initial customer contact, regardless of how the customer chooses to initiate contact with TerraCom—whether through a TerraCom retail store, online, or over the phone. Additionally, TerraCom has

adopted a new eligibility certification practice in order to comply with the Commission's new rules designed to protect the integrity of the Fund. TerraCom will, as the Commission's new rules require, first check the National Lifeline Accountability Database to determine that the customer's household is not already receiving a Lifeline-supported service. TerraCom will then continue to use (where available) state eligibility databases or employee verification of the customer's program/income-based eligibility.

For successfully enrolled customers, and for all its existing customers, TerraCom has adopted new procedures to ensure that a customer re-certifies eligibility as required (either every 90 days for customers enrolling using a temporary address, after 60 consecutive days of non-usage, or annually), by contacting TerraCom through a number of convenient channels (in-person, over the phone, via return text, email, or online, using TerraCom's website). Correspondingly, TerraCom has also developed procedures to promptly de-enroll Lifeline customers when notified by the Administrator that the customer's household is receiving duplicative supported services, or when a customer fails to timely recertify ongoing eligibility.

TerraCom is also modifying its internal data collection/customer account databases in order to be able to comply with the many new record keeping requirements imposed by the Commission's *Order*. The Commission has specified a number of new requirements that will better facilitate an ETC's ability to respond to an audit request, or to conduct its own internal audits periodically. TerraCom is also modifying its customer-specific, and company-wide, databases so as to facilitate quicker and easier retrieval of the information necessary to comply with the Commission's new reporting requirements.

The Commission's new rules also impose several other "new" requirements on ETCs, which TerraCom is already in compliance with, or with which TerraCom can easily comply.

These new requirements include providing additional information on Lifeline eligibility and terms of receiving the federal assistance on all new advertising materials. To demonstrate compliance with this new obligation, TerraCom has included a sample of the information it will include on all new marketing materials.

The Commission, in its *Order* and new rules, also changed and standardized the Lifeline reimbursement procedures for all ETCs. Under the new rules, all carriers must limit requests for reimbursement to those customers that they actually served in the past month—also known as “actual” reimbursement (vs. the previously-acceptable scheme of allowing carriers to receive advance reimbursement for “projected” customers). TerraCom will move to operating on an “actual” reimbursement schedule in accordance with the process set forth in the *Order*.

Finally, the Commission also imposes a requirement that service providers seeking to receive Lifeline subsidies be able to demonstrate that they are technically and financially capable of providing Lifeline-supported service. TerraCom has been providing service to, primarily, low income customers since first being designated an ETC in 2004. TerraCom is a profitable firm, is in good standing with all its vendors so as to ensure its ability to provide customers with safe and reliable service, and has been providing telecommunications services to its customers, in compliance with applicable federal and state regulations for 8 years.

Accordingly, upon the demonstrated intent and ability to comply with the Commission’s newly-adopted Lifeline obligations described in the foregoing Second Revised Compliance Plan, TerraCom asks that the Commission promptly approve this Plan and allow TerraCom to operate as a beneficiary of the “blanket forbearance” grant extended to all qualifying providers under the *Lifeline Reform Order*. Upon approval of this Second Revised Compliance Plan, TerraCom also asks that the Commission grant its pending Amended Petition for Limited ETC Designation.

**Before the  
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Universal Service Support	)	
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TerraCom, Inc. Revised Blanket Forbearance	)	
Second Revised Compliance Plan	)	
	)	
Amended Petition of TerraCom, Inc. for Limited	)	
Designation as an Eligible Telecommunications	)	
Carrier for Purposes of Receiving Low Income	)	
Support Only	)	
_____	)	

**SECOND REVISED COMPLIANCE PLAN OF TERRACOM, INC.**

**I. INTRODUCTION**

TerraCom, Inc. (“TerraCom”), by its undersigned counsel, hereby submits this revised plan<sup>1</sup> to comply with the new legal obligations imposed on telecommunications carriers by the Federal Communications Commission (“FCC” or the “Commission”) in its Order reforming and modernizing the Lifeline and Link Up programs of the Universal Service Fund (“USF”).<sup>2</sup> In its

<sup>1</sup> TerraCom previously filed a Revised Compliance Plan in the above-referenced dockets on March 16, 2012. It now seeks to replace its Revised Compliance Plan with this Second Revised Compliance Plan. Thus, TerraCom is withdrawing its previous Revised Compliance Plan.

<sup>2</sup> *In the Matter of Lifeline and Link Up Reform and Modernization; Lifeline and Link Up; Federal-State Joint Board on Universal Service; Advancing Broadband Availability Through Digital Literacy Training, Report and Order and Further Notice of Proposed Rulemaking*, Docket Nos. 96-45, 03-109, 11-42, and 12-23, January 31, 2012 [rel. February 6, 2012]. (“*Lifeline Reform Order*” or “*Order*”).

*Lifeline Reform Order*, the Commission granted “blanket forbearance” from Section 214(e)(1)(A) of the Communications Act of 1934, as amended (the “Act”), to all telecommunications carriers seeking limited ETC designation to offer Lifeline services.<sup>3</sup> TerraCom has a Petition for Limited ETC Designation pending at the Commission, and requests that, concordant with Commission grant of this Second Revised Compliance Plan, the Commission also approve its Pending Amended ETC Petition.<sup>4</sup>

All telecommunications carriers are eligible to receive blanket forbearance on the condition that the carriers seeking the blanket forbearance agree to submit a compliance plan, subject to the approval of the Wireline Competition Bureau (“the Bureau”), describing how they intend to comply with the Commission’s new requirements for participating in the Lifeline program.<sup>5</sup> As explained below, TerraCom will fully comply with the conditions imposed in the *Lifeline Reform Order* to ensure that the Commission’s concerns regarding consumer safety and the fiscal integrity of the Universal Service Fund (“the Fund”) are completely satisfied. Accordingly, and because TerraCom has several state Lifeline-only ETC applications pending (and which are now dependent on the Commission’s approval of TerraCom’s Second Revised

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<sup>3</sup> See, *Lifeline Reform Order*, ¶¶ 368-391.

<sup>4</sup> See, *Petition of TerraCom, Inc. for Limited Designation as an Eligible Telecommunications Carrier in the States of Alabama, Connecticut, Delaware, New Hampshire, New York, North Carolina, Tennessee, the Commonwealth of Virginia, and the District of Columbia*, WC Docket No. 09-197, filed June 13, 2011. This *Petition* was subsequently amended on June 28, 2011 to include the state of Florida, and again on April 18, 2012 to update it in light of the Commission’s recent rule changes affecting Lifeline-only ETCs. While TerraCom’s Petition for Limited ETC Designation originally sought Link Up support, in addition to Lifeline support, this portion of its request has been rendered moot by the *Lifeline Reform Order*, and is hereby withdrawn. TerraCom still seeks Lifeline-only designation in the above-mentioned jurisdictions for which the Commission is the proper designating authority, because the states lack the authority to perform such designation for wireless telecommunications service providers seeking designation.

<sup>5</sup> See, *Lifeline Reform Order*, ¶¶ 368-391.

Compliance Plan<sup>6</sup>), it is TerraCom's sincere desire that the Commission act expeditiously to approve its Second Revised Compliance Plan.

## **II. TERRACOM BACKGROUND AND CORPORATE STRUCTURE**

TerraCom began providing retail landline telecommunications service in 2004. TerraCom is a corporation, based in Oklahoma City, Oklahoma, and incorporated under the laws of Oklahoma. In 2010, TerraCom's shareholders became investors in another competitive wireline/wireless service provider called YourTel America, Inc. ("YourTel"), which was based in Kansas City, Missouri. TerraCom and YourTel are separate companies with some common shareholders. TerraCom and YourTel are not owned wholly in common. Neither TerraCom, nor YourTel, operates as a holding company, and neither firm has affiliate companies.

With TerraCom's years of experience focusing on providing high quality telecommunications services to low income consumers, TerraCom became one of the first competitive ETCs in 2004. Today, TerraCom provides both landline and wireless service to well over 200,000 customers as an ETC in Arkansas, Indiana, Maryland, Nevada, Oklahoma, Texas, West Virginia, Iowa, Louisiana, Puerto Rico and Wisconsin. While TerraCom specializes in providing superior service at affordable rates to low income consumers, and is a "Lifeline-only" ETC, its customers are not exclusively Lifeline-supported. In most states, TerraCom's service territory is limited to the area served by the large incumbent LECs (which are required under the Act to lease pieces of their networks to competitive carriers at cost-based rates).

TerraCom prefers direct contact with consumers and will use outreach events, direct sales, neighborhood agents, and TerraCom branded or authorized retail outlets. TerraCom's specialty is in identifying underserved customers through serving communities by local outreach.

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<sup>6</sup> *Lifeline Reform Order*, at ¶ 380.

and by becoming part of the communities it serves. To this end, TerraCom does not offer its services through “chain” stores, but rather through its own store, and locally-owned stores familiar with the underserved consumers in the communities TerraCom serves. TerraCom sells the remainder of its service through Internet sales/inbound telemarketing (where a customer is seeking to initiate service with TerraCom).

Consistent with Commission and industry trend data, TerraCom has found that consumers—including low income consumers—are migrating away from wireline telecommunications service and towards mobile wireless services. In its existing service territories, TerraCom offers wireless service to consumers by using a combination of its own facilities, leased wireline facilities, and the wholesale wireless services of Sprint Spectrum, LLC and Cellco Partnership d/b/a Verizon Wireless.

As an ETC, and provider of telecommunications services to its customers, TerraCom has an impeccable reputation. It has never been subject to sanctions by a state or the FCC, and—while no carrier is without its mistakes or errors—TerraCom has auditing systems in place, has been diligent in performing its obligations as an ETC, and has caught its few errors before they were ever submitted to USAC for reimbursement. This information, coupled with certain other detailed demonstrations made, *infra*, helps to establish TerraCom’s financial and technical capability to provide the supported service.<sup>7</sup>

Moreover, as part of the overall carrier certifications required by the *Order* and its rules, TerraCom commits to comply with the Cellular Telecommunications and Internet Industry

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<sup>7</sup> See, e.g., *Lifeline Reform Order*, ¶388 (whether a carrier has been the subject of an enforcement action is relevant to financial/technical capability to provide Lifeline service under new rule §54.202(a)(4).)

Association's Code for Wireless Service.<sup>8</sup> Thus, TerraCom has the intention and demonstrated ability to fastidiously comply with the Commission's new requirements for Lifeline-only ETCs.

### III. OBLIGATIONS IMPOSED ON ETCs BY THE *LIFELINE REFORM ORDER*

In order to continue to offer low income service and qualify for future state and/or federal Lifeline-only ETC designations, TerraCom wishes to avail itself of the Commission's conditional grant of blanket forbearance and obtain approval of its Second Revised Compliance Plan. In its *Lifeline Reform Order*, the Commission explains that carriers seeking Lifeline-only ETC designation must, as part of their compliance plans, describe how they intend to implement certain conditions specified in the *Order*, as well as explain how the carrier plans to comply with the new rules, generally. The conditions (both broadly and specifically) established by the Commission tend to focus on ensuring that consumers are protected, and that carriers will do their best to ensure that they (and their customers) cooperate fully in assisting with prudent, efficient administration of the Low Income Fund by the Universal Service Administrative Company.

In paragraphs 368 through 391, the FCC sets forth the conditions that carriers must satisfy in order to receive approval of their compliance plans, and the corresponding blanket forbearance allowing them to be granted Lifeline-only ETC designation by the states or the Commission. The conditions established by the Commission range from the very specific, such as requiring carriers to provide all customers receiving Lifeline-supported service with access to 911 and E911 service (regardless of activation status or available minutes) as well as E911-

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<sup>8</sup> See, 47 C.F.R. § 54.202(a)(3).

compliant handsets<sup>9</sup>, to the ubiquitously general (requiring compliance plans to describe “the measures the carrier will take to implement the obligations contained in this *Order*”).<sup>10</sup>

In this Second Revised Compliance Plan, TerraCom will describe in detail how it plans to comply with the rule changes made in the *Lifeline Reform Order*. Specifically, TerraCom will address the Commission’s concerns regarding how it intends to comply with: 1) the Commission’s 911/E911 service requirements<sup>11</sup>, 2) providing a detailed description of its Lifeline-supported service offerings<sup>12</sup>, and 3) outlining the measures it will take to implement the more significant changes in the *Order*.<sup>13</sup> The large majority of changes imposed by the *Order*, and the Commission’s new rules implementing the *Order*, are addressed in this Second Revised Compliance Plan, which will describe the way TerraCom plans to: a.) enroll customers, including a description of how TerraCom will: i) initially qualify customers’ eligibility to prevent duplicate subsidies being awarded to the same household, ii) initially qualify customers’ eligibility to make sure that only program, or income, eligible customers are able to receive service; iii) how TerraCom intends to annually certify its customers continued eligibility, including procedures for annual re-certification<sup>14</sup>, b) TerraCom’s procedures to de-enroll customers who no longer meet the eligibility requirements to receive Lifeline service, customers who have failed to use a free service within a continuous 60 day period, and customers who have

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<sup>9</sup> See, e.g., *Lifeline Reform Order*, ¶ 373.

<sup>10</sup> *Id.* at ¶ 379.

<sup>11</sup> *Id.* at ¶ 373.

<sup>12</sup> *Id.* at ¶368.

<sup>13</sup> *Id.*

<sup>14</sup> *Id.* at ¶¶379, 383, n.1004. TerraCom will, of course, also re-certify those customers that enrolled using temporary addresses every 90 days.

failed to re-certify their continued Lifeline eligibility as part of an annual (or 90 day, for customers initially enrolling with temporary addresses) re-certification process<sup>15</sup>, c) the records that TerraCom will keep to facilitate efficient audits of TerraCom’s customer base<sup>16</sup>, as well as the customer data TerraCom will collect to satisfy its reporting requirements to USAC (and to allow it to further cooperate with USAC should additional information be needed); d) TerraCom’s proposed procedures for submitting and collecting reimbursements from USAC; e) providing copies of its marketing materials that describe the customer eligibility requirements for Lifeline (both income and one per household), the continued obligation of customers to notify TerraCom of changes in their address, changes effecting eligibility, the customer’s obligation to initially certify eligibility and to annually re-certify eligibility under penalty of perjury; and f) TerraCom’s technical and financial capability to provide Lifeline-supported services to low income customers.<sup>17</sup>

**A. Customers of TerraCom Lifeline-Supported Services Will Have Access to 911/E911 Service and Will Receive E911 Compatible Handsets**

In its *Lifeline Reform Order*, the Commission (as it has in all of its previous forbearance grants) requires carriers seeking “blanket forbearance” to provide—as a condition to the forbearance grant—911 and (where available) E911 service to customers regardless of the activation status of their service plans.<sup>18</sup> Thus, regardless of whether the customer has any remaining minutes on their monthly service plan, the customer must be able to use emergency services.

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<sup>15</sup> See, 47 C.F.R. § 54.405(e)

<sup>16</sup> *Lifeline Reform Order* at ¶379.

<sup>17</sup> *Id.* at ¶¶379, 383, and 390.

<sup>18</sup> *Id.* at ¶373.

TerraCom supports the Commission’s reasoning in requiring this condition, and, is aware that this requirement—that customers always have access to the technologically-mandated emergency access on all active mobile phones—is a current obligation the Commission imposes on all wireless providers for their customers.<sup>19</sup> TerraCom understands that mobile wireless service is much less valuable to its customers if the customer cannot rely on their TerraCom mobile service for emergency situations, and TerraCom already complies with this obligation.

Another public safety-related condition, routinely required by the Commission, is for carriers receiving forbearance to ensure that all Lifeline-only customers have access to E911-capable handsets.<sup>20</sup> This is another condition that is already a TerraCom policy, and comes with all TerraCom mobile wireless services (both Lifeline-supported, and non-Lifeline-supported). TerraCom currently complies with this condition and automatically provides each new customer with an E911-capable handset. In fact, TerraCom has no non-E911-compliant handsets in its inventory. Nonetheless, if TerraCom discovers any Lifeline-supported customers that do not have a handset that is E911-capable, TerraCom will promptly replace that handset with a compliant handset. Similarly, if TerraCom has any non-Lifeline-supported customers that are eligible for, and wish to convert their service to, mobile wireless Lifeline service, TerraCom will provide these customers with E911-capable handsets.

Finally, the Commission requires Lifeline-supported carriers to comply with both of these conditions as of the effective date of the *Order*. TerraCom is currently in compliance with both 911/E911-related conditions, and will still be in compliance when the *Order* becomes effective.

**B. Description of TerraCom’s Lifeline Service Offerings**

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<sup>19</sup> See, generally, 47 C.F.R. § 20.18.

<sup>20</sup> *Lifeline Reform Order* at ¶373.

The Commission requires that every carrier seeking blanket forbearance submit a compliance plan containing detailed information regarding its Lifeline-supported service offerings, including terms of service and the geographic areas where the services are available<sup>21</sup> TerraCom offers all supported services, throughout the Sprint Wireless Service Area footprint and that of Verizon Wireless, in Arkansas, Indiana, Iowa, Louisiana, Maryland, Nevada, Oklahoma, Texas, Puerto Rico, West Virginia, and Wisconsin. All 611 and 911 calls are free, and do not count against the customer's airtime. Directory assistance calls (411) are "free"; however, applicable airtime charges are assessed as minutes of usage.

TerraCom offers three basic Lifeline service packages throughout all of its service territories, except Oklahoma. In addition, TerraCom offers two plans that are only available to Oklahoma residents. TerraCom's basic Lifeline programs are listed below. These plans are taken directly from the TerraCom Wireless website.<sup>22</sup>

**Lifeline Free Plan 68**

Each month you will receive 68 free voice minutes. Text messaging will be assessed at a rate of 0.3 minutes per text message for sending and 0.3 minutes per text message for receiving text messages. Unused minutes will rollover from month to month, see [terms and conditions](#) for more information. This plan is not available to new subscribers and existing subscribers may change to any plan they choose.

**Lifeline Free Plan 125**

Each month you will receive 125 free voice minutes. Text messaging will be assessed at a rate of 1 minute per text message for sending and 1 minute per text message for receiving text

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<sup>21</sup> *Lifeline Reform Order*, at ¶368.

<sup>22</sup> [www.terracomwireless.com/plans/lifeline-free-plans/](http://www.terracomwireless.com/plans/lifeline-free-plans/)

messages. Unused minutes will rollover from month to month, see terms and conditions for more information. This plan is not available to new subscribers and existing subscribers may change to any plan they choose.

**Lifeline Free Plan 250**

Each month you will receive 250 free voice minutes. Text messaging will be assessed at a rate of 1 minute per text message for sending and 1 minute per text message for receiving text messages. There are no rollover minutes with this plan. Unused minutes will expire each month on the service expiration date. This plan is available in all states where TerraCom Wireless offers service except in tribal areas of Oklahoma.

**Oklahoma Lifeline Unlimited Plan**

Each month you will receive unlimited voice minutes for \$6.20 per month plus fees and taxes. Text messaging will not be available with the unlimited talk plan. There are no rollover minutes with this plan. Unused minutes will expire each month on the service expiration date. This plan is only available to Oklahoma residents.

**Oklahoma Lifeline 1000 Plan**

Each month you will receive 1000 voice minutes or 1000 text messages for \$1.00 per month plus fees and taxes. Text messaging will be assessed at a rate of 1 minute per text message for sending and 1 minute per text message for receiving text messages. There are no rollover minutes with this plan. Unused minutes will expire each month on the service expiration date. This plan is only available to Oklahoma residents.

With all TerraCom Lifeline service plans, additional minutes are available for as low as \$.05/minute. This low per minute rate does not require the customer to purchase an

unreasonably large amount of minute, but can be obtained with a purchase of only 200 additional minutes for \$10.00. The lowest incremental purchase of minutes is 60 minutes for \$5.00.

Moreover, each TerraCom subscriber can select a phone—either a free phone (choices include refurbished phones, as well as refurbished smartphones such as the Blackberry Curve® and in the future new phones), or purchase an upgraded phone from a wide inventory. For those customers choosing the smartphone, data can be added to any phone plan starting at \$1.25/megabyte—a price that can be reduced on a “per/megabyte” basis when the customer purchases multiple megabytes of data.

Thus, TerraCom has demonstrated that it offers a number of “no contract” plans for Lifeline users that provide for flexibility based on the particular consumer’s usage pattern. TerraCom also allows low income customers to add affordable data usage to these free voice/text minutes—facilitating greater smartphone utilization, consistent with the Commission’s goal of promoting broadband access to all Americans.

**C. TerraCom’s Plans To Implement New Lifeline Provider Obligations**

As previously noted, one of the Commission’s requirements for all compliance plans it requires to be submitted in order to benefit from the grant of “blanket forbearance” in the *Order* is for the carrier to describe how it will comply with the remainder of the new obligations imposed on Lifeline participants in the *Order*. In this section, TerraCom will explain how it plans to implement the new obligations in the *Order*, and incorporate those obligations into TerraCom’s existing processes for enrollment, de-enrollment, record keeping/re-certification, seeking reimbursement from USAC, and marketing service to eligible consumers. TerraCom will also demonstrate that it is technically and financially capable of providing Lifeline service to consumers.

## 1. Enrollment

By way of background, the *Order* requires each prospective customer to apply for Lifeline service. The Commission has changed its procedures for how carriers must qualify customers for enrollment in the Lifeline program, and how customers must certify their eligibility. The Commission, for the first time, has established uniform eligibility and application criteria for enrolling low-income customers in the Lifeline program. In the *Lifeline Reform Order*, the FCC integrated and standardized the eligibility and certification criteria through the establishment of what may be called a uniform application process. Each new prospective customer will have to provide certain information and eligibility certifications as part of an overall application to receive benefits under the Lifeline program.

However, before submitting an application to receive Lifeline-supported service under the Commission's new rules, the ETC providing the Lifeline service must obtain consent from each of its new and existing subscribers to transmit the subscriber's information to the program Administrator. The carrier must explain in clear, and easy-to-understand, language the information that the carrier will have to transmit to the Administrator.<sup>23</sup> If the subscriber refuses to grant the carrier permission to transmit this information to the Administrator, the subscriber will not be eligible to receive Lifeline service.

The application will require each prospective customer to provide all of the information required in revised rule 47 C.F.R. § 54.410(d)(2): the subscriber's full name; the subscriber's residential address; whether the subscriber's residential address is permanent or temporary; the subscriber's billing address (if different from the residential address); the subscriber's date of birth; the last four digits of the subscriber's social security number, or the subscriber's tribal identification number in lieu of a social security number; whether the subscriber is seeking to

<sup>23</sup> See 47 C.F.R. § 54.404(b)(9).

demonstrate eligibility to receive Lifeline service under the program-based criteria, or based on income.

Moreover, as part of the application (and pursuant to revised rule 47 C.F.R. § 410(d)(3)) the prospective subscriber will have to certify under penalty of perjury that: the subscriber meets the income-based or program-based eligibility criteria for receiving Lifeline, explained in § 54.409; the subscriber will notify the carrier within 30 days if for any reason the subscriber no longer satisfies the eligibility criteria, or if the subscriber no longer satisfies the “one subsidy per household” qualification; if the subscriber is seeking to qualify for Lifeline as an eligible resident of Tribal lands, that they actually live on Tribal lands; if the subscriber moves to a new address, they will notify the carrier of their address change within 30 days; if the subscriber provided a temporary address upon sign-up, the subscriber will verify their correct address every 90 days or face de-enrollment; the subscriber’s household will receive only one Lifeline service and, to the best of the subscriber’s knowledge, their household is not already receiving a Lifeline service; the subscriber’s information on their application is true and accurate to the best of their knowledge; the subscriber understands that providing false information to obtain Lifeline benefits is punishable by law; and the subscriber acknowledges that they may be required to re-certify continued eligibility for Lifeline at any time, and that the subscriber’s failure to re-certify will result in de-enrollment and termination of the subscriber’s Lifeline benefits pursuant to § 54.405(e)(4).

#### TerraCom-Specific Enrollment

As an initial matter, in those few states that have a state administrator, TerraCom will fully cooperate with the state Lifeline administrators to ensure that it does everything necessary to ensure it is in compliance with both state and federal enrollment, verification, and re-

certification procedures. For all states that do not have a Lifeline administrator, TerraCom will perform the same first step in the process of enrollment. Regardless of how the customer applies—whether in a retail store, online, or over the phone, each customer will end up supplying the same information via TerraCom’s standard customer certification form. (Attached as **Exhibit 1.**) This form contains all relevant information required by the Commission’s new rules, and requires the customer to certify, under penalty of perjury, that to the best of the customer’s knowledge all of the information supplied is correct. The customer will also agree to contact TerraCom in the event any information regarding the customer’s ongoing eligibility, or household information, should change.

TerraCom enrolls Lifeline customers through several different marketing channels: 1) in person, through company-owned and affiliated retail stores, 2) in person, through company employees that are retail sales representatives, and 3) through customer-initiated contact, either through inbound telemarketing or (more frequently) through online sales over the Internet. The large majority of TerraCom’s sales are through its “in person” channels.

What is significant is that all of TerraCom’s retail sales are the result of direct contact with the potential Lifeline consumer. The manner in which the sales will be made will be slightly different, but the obligations imposed by the new rules will be addressed directly by TerraCom. Before examining each new enrollment obligation, it will be helpful to explain how TerraCom will interact directly with its customers through each sales channel.

**Retail Store.** These sales are the most “direct” and easiest to explain how TerraCom will comply with the Commission’s new Lifeline obligations. The prospective customer comes into the store, and is asked the basis for his or her claim to Lifeline eligibility: participation in a qualifying program, or earning household income below 135% of the Federal Poverty

Guidelines. The store employee can verify the customer's program, or income, based eligibility in person. TerraCom provides excellent training/reference materials to its employees—an example of which is attached as **Exhibit 2**—which allows the employees to verify the most common forms of proof for each eligible program and/or income verification (based on the Commission's definition of "income" in §54.400(f)). The store employee will then ask the prospective customer for additional documentation proving identity, and/or address verification. The final program/income eligibility-specific step is for the customer to provide the required information and make the certifications required by new rule §54.410(d)(3).

If the customer appears to be eligible, the employee will explain the Commission's definition of "household", defined in new rule §54.400(h), as an "economic unit" where related or unrelated people share income and expenses. In the case of multiple applicants at the same mailing address, the customer will then make the "one per household" certification required by §54.410(d)(1). Finally, TerraCom will collect the necessary customer-specific information required by new rule §54.401(d)(2) so that TerraCom can report the information to USAC to be used to populate the National Lifeline Accountability Database ("duplicates database"), defined in §54.400(i) of the Commission's new rules.

The retail store employee then enters the customer's information into TerraCom's OSS systems, where the information is checked against available databases (the duplicates database, and TerraCom's own list of existing customers). The retail store rep quickly determines whether the customer is eligible to receive Lifeline service. In cases where a state program eligibility database exists, the retail store personnel will contact TerraCom's internal group dedicated to verifying eligibility who will query the state database and either approve or deny the applicant. Where proof of eligibility is needed, the retail personnel, who are trained on what is eligible

documentation will witness the documentation and sign the application demonstrating they have witnessed the documentation.

Upon successful completion of the certification process, the customer is allowed to choose a service plan, and, as mentioned earlier, select a phone—either a free phone (choices include refurbished phones, as well as refurbished smartphones such as the Blackberry Curve® and in the future new phones), or purchase an upgraded phone from a wide inventory. The customer then receives their phone right at the store, upon payment of a TerraCom’s customary activation fee. The customer’s account is activated upon completion of an outbound call.<sup>24</sup> For purposes of “enrollment” in the Lifeline program, TerraCom will use the date of this first completed outbound call from its call records as the customer’s effective start date.

**Field Representatives.** Frequently, TerraCom will dispatch employees as “field representatives” to underserved communities, where the “field rep” focuses on traditionally underserved low income customers. Opportunities for field reps to reach those customers not on the network range from educational sessions at low income housing, or nursing homes, to sponsoring booths at community events.

The protocol for signing up customers in the field is similar to that of signing up customers in a store, in the sense that the field rep can personally see whether the customer is eligible based on program participation or income qualification. The customer can also provide the requisite information, and sign the required eligibility verifications, from the field. Should a customer in the field be determined to be ineligible but feels that the determination is incorrect, the order can be submitted to TerraCom for review and investigation. In such a case the phone would be mailed to the customers upon approval and the customer can personally activate their service – as in the manner of all TerraCom phones – by completing an outbound call.

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<sup>24</sup> See, 47 C.F.R. § 54.407(c)(2)(i).

**Inbound Channel Marketing.** Prospective customers can also apply for, and obtain, Lifeline service from TerraCom either over the phone or through the Internet. Customers choosing to obtain service through inbound channels must either fill out an application online, or provide the relevant information to the customer sales rep over the telephone. In these cases, TerraCom will verify eligibility via a state database, state administrator, or by reviewing documentation of eligibility submitted by the applicant in advance of receiving service. TerraCom will not ship a phone to a customer until it has verified the customer's eligibility. The customer's account is activated upon completion of an outbound call.<sup>25</sup> For purposes of "enrollment" in the Lifeline program, TerraCom will use the date of this first completed outbound call from its call records as the customer's effective start date.

**Online Sales.** To apply for TerraCom Lifeline service online, a customer will fill out an application, provide the necessary information that all prospective Lifeline customers must provide, and be taken through successive screens, which clearly explain all relevant legal eligibility requirements. If the customer is seeking to qualify for Lifeline service based on their participation in a particular program (or income level), the prospective customer may be able to be qualified by an inbound sales rep who inputs the prospective customer's information into an eligibility database (if available for the relevant state). However, in most cases, the prospective customer will fill out the relevant eligibility forms on the computer, and then send in copies of the records needed by TerraCom to verify the customer's eligibility to participate in Lifeline. Once the prospective customer is successfully verified by TerraCom, the customer can be enrolled in the service plan they have chosen, and then mailed their handset. As in all cases, the customer's Lifeline service is not activated until a customer first completes an outbound call using their handset.

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<sup>25</sup> See, 47 C.F.R. § 54.407(c)(2)(i).

Assuming the customer has successfully completed the online application process, TerraCom will have all the information it needs to verify the customer is only receiving one Lifeline subsidy for their household, to verify eligibility, to satisfy its record-keeping obligations, and to send to USAC in order to populate the duplicates database. The requisite certifications needed by TerraCom to establish service with the prospective customer can be obtained as electronic signatures.<sup>26</sup>

TerraCom's proposed method of accepting electronic signatures—on all of its online certifications and re-certifications—is to allow the customer to create a unique electronic signature by typing their name, and providing their date of birth and their social security number. The customer's name, combined with their date of birth and their social security number, is sufficiently unique to satisfy the Commission's new rules for accepting electronic signatures. *Inbound Telemarketing*. To obtain TerraCom Lifeline service, a customer can call TerraCom to initiate service. The process is very similar to online enrollment, except that instead of being taken through successive screens, the customer is asked a series of qualifying questions by a customer service representative. The questions will all be designed to elicit true and accurate information that is necessary for TerraCom to obtain a complete standard certification form. See Exhibit 1. If, at any time during the conversation, it becomes apparent to the customer service rep that the prospective customer is unlikely to qualify for TerraCom Lifeline service, the customer service rep will explain the issue to the customer and offer to allow the customer to sign up for one of TerraCom's non-Lifeline service plans.

On the other hand, if the customer provides information indicating that the customer would be eligible to obtain Lifeline service, the customer service rep will take the customer as far as possible in trying to qualify the customer. For example, if there are no other Lifeline

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<sup>26</sup> See, 47 C.F.R. § 54.419.

subscribers in the customer's household, and the customer participates in a Lifeline-eligible program (or is income-qualified), the customer service rep will try to verify the customer's information through a state database (if available). If the customer seems to qualify (through a database query), then the customer service rep will open a file for the customer, take the customer's information that is required to be collected from each customer, send the customer the requisite certification forms for verification of eligibility (or allow the customer to certify eligibility through an IVR recorded and associated with the customer's account), and request copies of the evidence that would prove eligibility in cases where a state database is not available.

As always, if the prospective customer fails to qualify for Lifeline service, TerraCom will explain to the customer why the request was rejected. On the other hand, if the prospective customer sends in sufficient evidence to qualify for Lifeline eligibility, and adequately certifies eligibility, TerraCom will notify the customer, and enroll the customer in their requested service plan, and send the customer the phone they have requested/purchased (if the customer has expressed a handset preference). The customer's account is activated upon completion of an outbound call.<sup>27</sup> For purposes of "enrollment" in the Lifeline program, TerraCom will use the date of this first completed outbound call from its call records as the customer's effective start date.

## **2. De-Enrollment**

In order to most efficiently use funds set aside for Lifeline customers, the FCC has adopted rules to ensure that only customers eligible to participate in the Lifeline program receive the benefit of the Lifeline subsidy. These rules require that Lifeline ETCs "de-enroll" customers

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<sup>27</sup> See, 47 C.F.R. § 54.407(c)(2)(i).

who are no longer eligible to receive Lifeline benefits from the carrier's list of customers for whom Lifeline reimbursement is sought from USAC.<sup>28</sup>

The Commission's new rule requires carriers to "de-enroll" customers from Lifeline enrollment for several reasons: the carrier has reason to believe that the customer no longer participates in a Lifeline-eligible program, or no longer meets the income-based criteria for Lifeline eligibility, and the customer fails to prove eligibility within 30 days<sup>29</sup>; the Fund Administrator notifies the ETC that either the customer is receiving Lifeline support from more than one carrier, or that more than one person in the customer's household is receiving a Lifeline subsidy<sup>30</sup>, the customer has failed to "use" a free service for more than 60 consecutive days<sup>31</sup>; or, the customer has either failed to perform their required annual recertification of continued eligibility, the annual re-certification that the customer is not in violation of the one-per-household rule, or (for customers who provided a temporary address upon enrollment) the customer has failed to re-certify their temporary address within the 90 day window (or failed to provide the carrier with a permanent address within the same time period).<sup>32</sup>

With the exception of the situation where an ETC is notified by the Administrator that a customer/customer's household is receiving duplicate support, each basis for de-enrollment requires the carrier to notify the customer that their support is in jeopardy, and provide the customer with 30 days to either refute or cure their apparent ineligibility to receive Lifeline

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<sup>28</sup> *Id.* at § 54.405(e)(1)-(4).

<sup>29</sup> *Id.* at § 54.405(e)(1).

<sup>30</sup> *Id.* at § 54.405(e)(2).

<sup>31</sup> *Id.* at § 54.405(e)(3).

<sup>32</sup> 47 C.F.R. § 54.405(e)(4).

support.<sup>33</sup> When an ETC *is* notified that they are receiving duplicative support for a customer that has been confirmed to be ineligible by the Administrator, the ETC has 5 days to remove the ineligible Lifeline recipient from its reimbursement list.

Customers receiving duplicative subsidies not only present a risk to the Fund, but they present a financial risk to TerraCom if customers not eligible for reimbursement are allowed to continue to use their phones, and thereby raise TerraCom's unrecoverable costs. Because it is in TerraCom's self-interest to immediately remove from its Lifeline roles those customers identified by the Administrator as disqualified from receiving Lifeline service, TerraCom will further explain how it will comply with this new obligation.

Putting aside those subscribers recovering duplicative support, *every* qualifying Lifeline subscriber is subject to de-enrollment for reasons both completely outside the ETC's control (*e.g.*, customers failing to use service and customers no longer qualifying for the subsidy), and for reasons that can be avoided if the customer has sufficient notice to comply with the rules. For this reason, TerraCom has adopted procedures to help deserving customers to avoid undeserved de-enrollment, and procedures for quickly removing subscribers that the Administrator has determined to be wasting Lifeline funds.

When TerraCom establishes a customer account, it also places a Lifeline start date on the account consistent with the date of the customer's first outbound call, based on the potential vulnerabilities of the customer to undeserved de-enrollment. For example, every Lifeline account is subject to recertification on an annual basis that: the subscriber still meets the criteria to be considered a qualifying low-income customer under §54.409, and that the subscriber's household is not receiving more than one Lifeline subsidy. Thus, every Lifeline subscriber

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<sup>33</sup> *Id.* at § 54.405(e)(1).

should receive (through multiple channels) an advance reminder that they must re-certify annually, along with an explanation of the many convenient ways that TerraCom offers customers to re-certify. TerraCom allows customers to re-certify via dialing a toll free number (IVR), return text, email, regular mail, and online through TerraCom's website.

Moreover, once the duplicate database is up and working, TerraCom will be able to perform certifications for its customers that have qualified through a database query. Regardless, though, it is clear that TerraCom, and many other Lifeline-only ETCs, will be sending out annual re-certification requests on a daily basis.

Annual re-certifications are required for all customers, but TerraCom also creates an advance reminder for customers that have established their accounts using a temporary address. Customers establishing service with a temporary address are potentially difficult to remain in contact with, so TerraCom sends out text notifications to these customers on a monthly basis.

Similarly, since many—if not most—of TerraCom's Lifeline customers do not pay a regular monthly bill, TerraCom has tracking software to notify the customer if the customer has not used their service for more than 60 consecutive days. These notifications are not only helpful to ensure that the customer does not risk losing their phone by failing to use their phone, but the notifications also help the customer become more aware of their own usage patterns, which might cause the customer to choose a different plan (for example, a plan with less monthly minutes, but minutes that "rollover" to the next month). After notification, if the customer fails to use the phone, it is automatically disconnected by the system.

### **3. Recordkeeping Requirements**

In adopting the *Lifeline Reform Order* the Commission, to paraphrase Commissioner McDowell's separate statement, takes the large step of imposing accountability on a government

entitlement program. In its directives for what should be included in a carrier's compliance plan, as described in Paragraphs 368-391, the Commission frequently states that it would like carriers to explain and describe how they will comply with the rule changes in the *Order*. If accountability equals recordkeeping, then this section is perhaps the most challenging and comprehensive of this entire Second Revised Compliance Plan.

While only one section of the new rules, §54.417 is specifically entitled "record keeping", most of the rule changes either create new records and/or create new recordkeeping requirements. For purposes of organizing TerraCom's explanation of how it intends to comply with the new recordkeeping obligations imposed under the *Order*, TerraCom will divide records into "individual account records" and "company-wide records". The theory behind this organization of TerraCom's explanation of how it will meet the Order's recordkeeping requirements is that, for reporting purposes, TerraCom is required to report on both individual account compliance (on a company-wide basis), company wholesale compliance, and company-wide performance compliance.

i. Individual Account Records

For each individual Lifeline account, TerraCom will keep customer records for the entire length of time the customer remains in the Lifeline program, and for certain records within the individual accounts, TerraCom will keep customer records for 10 years following customer de-enrollment from the Lifeline program.<sup>34</sup> TerraCom will keep the following records for each subscriber's individual Lifeline account:

--date that TerraCom queried the duplicates database<sup>35</sup>;

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<sup>34</sup> See generally, 47 C.F.R. § 54.417, and *Lifeline Reform Order*, Appendix B, proposed rule § 54.417.

<sup>35</sup> 47 C.F.R. § 54.404(b)(1).

- date and information that TerraCom transmitted to Database<sup>36</sup>;
- date of transmission of updated customer information to Database<sup>37</sup>;
- date of transmission of customer de-enrollment to Database<sup>38</sup>;
- date of customer service activation and method of activation<sup>39</sup>;
- certification and re-certification forms for each subscriber<sup>40</sup>;
- per customer records of revenues forgone by providing Lifeline services in the form requested by the Administrator for periodic reporting to the Administrator upon request<sup>41</sup>;
- date and database upon which the ETC determined income-based eligibility<sup>42</sup>;
- date and documentation/data source used to determine income-based eligibility when no database was available to determine subscriber eligibility<sup>43</sup> which include the following forms of acceptable documentation:
  - prior year's state, federal, or Tribal tax return
  - current income statement from an employer or paycheck stub
  - a Social Security statement of benefits
  - a Veterans Administration statement of benefits
  - a retirement/pension statement of benefits
  - an Unemployment/Workers' Compensation statement of benefit
  - federal or Tribal notice letter of participation in General Assistance
  - a divorce decree
  - child support award
  - other official document containing income information;

<sup>36</sup> *Id.* at § 54.404(b)(6).

<sup>37</sup> *Id.*, § 54.404(b)(8).

<sup>38</sup> *Id.*, § 54.404(b)(10).

<sup>39</sup> See generally, *Id.*, § 54.407(c).

<sup>40</sup> *Id.*, § 54.407(d).

<sup>41</sup> 47 C.F.R. § 54.407(e).

<sup>42</sup> *Id.*, § 54.410(b)(1)(A).

<sup>43</sup> *Id.*, § 54.410(b)(1)(B)(iii).

--state Lifeline administrator documentation of customer eligibility, and subscriber's certification of eligibility<sup>44</sup>;

--date, database, and program on which ETC determined subscriber eligibility<sup>45</sup>;

--keep and maintain accurate records detailing data source a carrier used to determine a subscriber's program-based eligibility or the documentation a subscriber provided to demonstrate Lifeline eligibility<sup>46</sup>;

--notice of program-certification and customer self-certification, when performed by a state agency or state Lifeline administrator<sup>47</sup>;

--prospective subscriber certification, where subscriber acknowledges 1) Lifeline qualifications in terms of one benefit per household and the requirement that a violation of the rules could result in de-enrollment, 2) require each prospective subscriber to provide certain information with which to populate the duplicates database, 3) require each prospective subscriber to certify, under penalty of perjury, that the subscriber meets the income-based, program-based, or Tribal Lands criteria for receiving Lifeline, and the subscriber knows the Lifeline program rules, and will notify the carrier if the subscriber ceases to qualify<sup>48</sup>;

--maintain records re-certifying all subscribers remain Lifeline eligible under a qualifying program or income eligibility, and re-certification by the subscriber that they can confirm their original certification under §54.410(d), except those subscribers that are required to be re-certified by state agencies or administrators<sup>49</sup>;

--where a state administrator or agency is responsible for re-certification, the carrier has to: 1) maintain re-certification results from the state, 2) maintain the results of each state administrator's certification efforts for each subscriber in that state, and 3) where a state has been unable to re-certify a subscriber, the ETC must keep the record and comply with the relevant de-enrollment procedures<sup>50</sup>;

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<sup>44</sup> *Id.*, § 54.410(b)(2).

<sup>45</sup> *Id.*, at § 54.410(c)(1)(A).

<sup>46</sup> *Id.*, at §54.410(c)(1)(iii).

<sup>47</sup> *Id.*, at §54.410(c)(2).

<sup>48</sup> 47 C.F.R. § 54.410(d).

<sup>49</sup> *Id.*, at § 54.410(f)(1)-(2).

<sup>50</sup> *Id.*, at § 54.410(f)(3)-(5).

--maintain a record of each subscriber's re-certification (or failure to re-certify) a temporary address every 90 days<sup>51</sup>;

ii. Company-wide Records

The Commission requires ETCs to maintain some "company" records, but it also requires the ETC to make annual reports, certified by an officer of the company, to the Commission. The company reporting obligations require company officers to certify company procedures for maintaining compliance with the rules regarding ETCs participating in the Lifeline program. The records, on an aggregate basis, that companies have to collect are primarily required to be collected for reporting purposes. TerraCom will collect the following data, and report it to the requisite authorities.

--provide, on an annual basis, the results of the ETC's annual re-certification efforts to the Commission and the Administrator. For states where the TerraCom has been granted state ETC designation, it must report the results of its annual re-certification efforts to the proper state regulators, and, for Tribal Lands<sup>52</sup>, the ETC must collect and report the results of its Tribal re-certification process to the appropriate tribal government officials<sup>53</sup>;

--if the ETC provides Lifeline discounted services to a reseller, it must obtain a certification from the reseller that it is complying with all relevant Lifeline rules<sup>54</sup>;

--collect certain outage information for areas in which the carrier owns facilities, the failure of which, results in an outage lasting greater than 30 minutes in any calendar year and which affects critical services<sup>55</sup>;

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<sup>51</sup> *Id.*, at § 54.410(g).

<sup>52</sup> TerraCom will report to the appropriate governing body with respect to Tribal Lands re-certification efforts/results. In some states, like Oklahoma, the type of tribal government officials (which would regulate service providers) do not exist. In these states TerraCom will file its results with the proper local regulator such as the state commission.

<sup>53</sup> 47 U.S.C. § 54.416(b).

<sup>54</sup> *Id.*, at § 54.417(b).

--collect data on the number of complaints per 1,000 connections in the prior calendar year<sup>56</sup>;

--certification of compliance with applicable service quality standards and consumer protection rules<sup>57</sup>;

--certification that the carrier is able to function in emergency situations<sup>58</sup>;

--information regarding the terms and conditions of any service plans, and the terms and conditions of any non-Lifeline plans available to the public<sup>59</sup>.

#### **4. Reimbursement from USAC**

In the *Lifeline Reform Order*, the FCC eliminated Lifeline reimbursement based on “projected” lines for which the carrier expects to be compensated based on past growth. Instead, in the *Order*, the Commission changed the method of Lifeline reimbursements to “actual” lines served.<sup>60</sup> As explained previously, TerraCom considers a customer “enrolled”, for Lifeline reimbursement purposes, as of the date the customer completes their first outbound call. To the degree it has not already done so, TerraCom will modify its reimbursement requests to comply with the Commission’s new reimbursement scheme, based on actual lines served.

#### **5. Marketing Materials**

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<sup>55</sup> *Id.*, at § 54.422(b)(1).

<sup>56</sup> *Id.*, at § 54.422(b)(2).

<sup>57</sup> *Id.*, at § 54.422(b)(3).

<sup>58</sup> *Id.*, at § 54.422(b)(4).

<sup>59</sup> 47 C.F.R. § 54.422(b)(5).

<sup>60</sup> *Id.* at § 54.407.

In its *Lifeline Reform Order*, the FCC imposed certain obligations on ETCs to clearly disclose on all of their marketing and advertising materials that the service they are offering is a Lifeline service, that Lifeline is a government assistance program, that it is only available to qualifying eligible customers, it is not transferable, and the program is limited to one discount per household.<sup>61</sup> Moreover, all materials describing the service must disclose the name of the ETC providing the service.

TerraCom will include all of this required information on all of its ads describing its service. TerraCom is in the process of changing its marketing materials to comply with the new rules. Since TerraCom will not change its existing advertisements until it is sure it is in compliance with the Commission's rules, it has supplied proposed advertising copy. See **Exhibit 3**, attached.

#### **6. Financial and Technical Capability to Provide Service**

In its *Order*, the FCC includes a new qualification for carriers seeking to become ETCs: that they demonstrate they are financially and technically capable of providing the supported Lifeline service in compliance with the Commission's rules.<sup>62</sup> Because TerraCom is seeking to have its pending ETC Petition, as amended, granted in tandem with the Commission's grant of this Second Revised Compliance Plan, TerraCom will demonstrate that it is financially, and technically, able to completely comply with all of the new Commission rules governing Lifeline ETCs.

TerraCom can demonstrate that it is financially and technically capable of providing both wireless and wireline Lifeline service, because it is already successfully providing both services

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<sup>61</sup> *Id.*, at § 54.405(a)-(d).

<sup>62</sup> 47 C.F.R. at § 54.201(h), and § 54.202(a)(4).

as a designated Lifeline ETC in nine states and one Commonwealth, serving over 200,000 lines. TerraCom is not only capable of providing Lifeline-supported service; it is successfully providing Lifeline-supported services in the states where it is designated an ETC. In these states, TerraCom is growing its customer base, has no disproportionate consumer complaints, and offers high quality service at affordable rates to all its customers.

Nonetheless, TerraCom will demonstrate, through Exhibit 4 (Declaration of Dale Schmick) that it is financially capable of providing Lifeline-only service. TerraCom's business model is to serve low-income customers, who may, or may not, be eligible to receive Lifeline-supported service. So, TerraCom does not, and does not intend to, offer exclusively Lifeline-supported services—and is therefore not exclusively dependent on USAC for its revenue. TerraCom will also explain that it is on good terms with all of its wholesale vendors, and can afford to keep a customer's service active without depending upon immediate reimbursement from USAC in order to continue to provide service to its customers.<sup>63</sup> Thus, it is clear that TerraCom—with its years as a Lifeline-only service provider in good standing since first being designated an ETC in 2004—has only become a more capable and qualified provider of Lifeline-supported services.

\* \* \*

As required by the *Lifeline Reform Order*, in order to take advantage of the Commission's conditional grant of blanket forbearance, TerraCom has hereby submitted a Second Revised Compliance Plan that effectively outlines the measures it will take to address each specific concern elaborated by the Commission, and every significant rule change to the Lifeline program addressed in its *Order*. The Commission should find that this plan addresses

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<sup>63</sup> See, *Lifeline Reform Order*, at ¶388.

all of its concerns and that the public interest is best served by granting TerraCom the conditional “blanket forbearance” from Section 214(e)(1)(A) of the Act and approve the instant Second Revised Compliance Plan, as well as TerraCom’s pending Amended Petition for Limited ETC Designation. For these reasons, TerraCom respectfully requests that the FCC approve this Second Revised Compliance Plan, and at the same time grant its pending Amended Petition for Limited ETC Designation in the subject states of Alabama, Connecticut, Delaware, Florida, New Hampshire, New York, North Carolina, Tennessee, the Commonwealth of Virginia, and the District of Columbia.

Respectfully submitted,

**TERRACOM, INC.**



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*Its Attorney*

May 1, 2012

EXHIBIT 1: TERRACOM LIFELINE COMPLIANCE PLAN



**SECTION 1 – RULES**

**IMPORTANT:** Please read all of this form carefully and fill it out completely. If you have questions, please ask for help. Forms that are not completed accurately will be rejected resulting in a delay in your service or rejection of your application.

Lifeline is a Federal government benefit program that offers a discount from your monthly phone service. Lifeline service is available for only one line per household; a household is defined as any individual or group of individuals who live together at the same address and share income and expenses. Households are not permitted to receive benefits from multiple providers and you may not receive multiple Lifeline discounts. You may apply your Lifeline discount to either one landline or one wireless number, but you cannot have the discount on both.

Violation of the one per household requirement is a violation of Federal Rules will result in your removal from the program and potential prosecution by the United States government. Applicants who willfully make false statements in order to obtain Lifeline benefits can be punished by fine or imprisonment or can be barred from the Lifeline program.

You will be required to annually re-certify that you continue to qualify for Lifeline benefits.

**SECTION 2 – ELIGIBILITY BY PROGRAM** (complete either Section 2 or 3)

If you or a dependent residing in your household are receiving benefits from one or more of the programs listed below, please check all that apply. You must show proof of eligibility unless we are able to certify your participation through a state database.

Temporary Assistance for Needy Families   
  State Supplemental Security Income (S50)   
  Medicaid   
  Federal Public Housing Assistance  
 Supplemental Nutrition Assistance Program (SNAP) / WIC Food Stamps   
  Low Income Home Energy Assistance Program (LIHEAP)   
  National School Lunch Program's Free Lunch Program  
 State Program 1   
  State Program 2   
  State Program 3   
  State Program 4  
 Bureau of Indian Affairs General Assistance   
  Head Start (must meet income qualifying standard)   
  Tribally Administered Temporary Assistance for Needy Families   
  Food Distribution Program on Indian Reservations

**SECTION 3 – ELIGIBILITY BY INCOME** (complete either Section 2 or 3)

If your income is at or below 135% of the federal poverty guidelines, as shown below, you can qualify for Lifeline.

How many people are in your Household?

Number of people in household	Total Annual Income at:	Number of people in household	Total Annual Income at:	Number of people in household	Total Annual Income at:
1 person	\$14,702	3 people	\$25,016	5 people	\$35,330
2 people	\$19,859	4 people	\$30,173	Each additional person	\$5,157

TO QUALIFY FOR INCOME ELIGIBILITY, YOU MUST PROVIDE COPIES OF ONE OR MORE OF THE DOCUMENTS LISTED BELOW. IF YOU PROVIDE DOCUMENTATION THAT DOES NOT COVER A FULL YEAR (SUCH AS CURRENT PAY STUBS), YOU MUST SUBMIT THREE (3) CONSECUTIVE MONTHS OF THE SAME TYPE OF DOCUMENT WITHIN THE CURRENT CALENDAR YEAR.

- Prior year's state, federal or tribal tax return
- Retirement/Pension benefit statement
- Unemployment/Workers Compensation benefits statement
- Divorce decree or child support document
- Social Security benefits statement
- Current income statement from employer or paycheck stub
- Federal or tribal notice letter of participation in Bureau of Indian Affairs General Assistance
- Veterans Administration benefits statement

**SECTION 4 – CUSTOMER INFORMATION**

FIRST NAME  MIDDLE INITIAL  LAST NAME

RESIDENTIAL/PERMANENT ADDRESS (PO BOX NOT ACCEPTABLE)  
 STREET  CITY  STATE  ZIP

TEMPORARY ADDRESS (IF NO PERMANENT ADDRESS/PO BOX NOT ACCEPTABLE)  
 STREET  CITY  STATE  ZIP

BILLING ADDRESS (IF DIFFERENT FROM RESIDENTIAL/PERMANENT ADDRESS)  
 STREET  CITY  STATE  ZIP

LAST 4 DIGITS OF YOUR SOCIAL SECURITY NUMBER  TRIBAL ID NUMBER  DATE OF BIRTH  /  /

CONTACT TELEPHONE NUMBER  -  -  EMAIL ADDRESS

**SECTION 5 – QUALIFYING BENEFICIARY** (Complete if Section 2 benefits are in a name other than applicant - ie Free Lunch Program)

First Name: \_\_\_\_\_ MI \_\_\_\_\_ Last Name \_\_\_\_\_

**SECTION 6 – STATE REQUIRED CUSTOMER INFORMATION**

[State Specific Required ID Number \_\_\_\_\_]



**SECTION 7 – ONE PER HOUSEHOLD**

\_\_\_\_\_ I acknowledge that, to the best of my knowledge, no one at my household is receiving a Lifeline-supported service from any other provider.  
(Customer Initials)

**SECTION 8 – CUSTOMER SIGNATURE**

PLEASE READ AND INITIAL THE FOLLOWING. BY SIGNING & INITIALING BELOW, YOU ARE AGREEING TO THE FOLLOWING PROGRAM RULES :

\_\_\_\_\_ I certify under penalty of perjury that I either participate in the indicated qualifying federal program or I meet the income qualification to establish my eligibility for Lifeline. If required to do so, I have provided accurate documentation of my eligibility.

\_\_\_\_\_ I certify I am head of the household, I am not listed as a dependent on another person's tax return (unless over the age of 60) and the address listed is my primary residence.

\_\_\_\_\_ I confirm local voice service discounts under the low income programs are limited to one per household and that my household is receiving no more than one Lifeline supported service. If I am participating in another Lifeline program at the time I apply for TerraCom, Inc. Lifeline service, I agree to cancel that Lifeline service with any other provider. I certify that I will only receive one Lifeline connection, will not have simultaneous or multiple Lifeline discounts with another provider. I understand that I must inform TerraCom, Inc. within 30 days if I (1) no longer participate in a federal qualifying program or programs or my annual household income exceeds 135% of the Federal Poverty Guidelines; (2) I am receiving more than one Lifeline supported service per household; or (3) I, for any other reason, no longer satisfy the criteria for receiving Lifeline support. I attest under penalty of perjury that I understand this notification requirement, and that I may be subject to penalties if I fail to follow this rule.

\_\_\_\_\_ I acknowledge that I may be required to re-certify my continued eligibility for Lifeline at any time, and that failure to do so will result in the termination of the my Lifeline benefits.

\_\_\_\_\_ I understand that Lifeline service is a non-transferable benefit, and that I may not transfer my service to any other individual, including another eligible low-income consumer.

\_\_\_\_\_ I acknowledge and consent to the use of my name, telephone number, and address to be given to the Universal Service Administrative Company (USAC) (the administrator of the program) and/or its agents for the purpose of verifying that I do not receive more than one Lifeline benefit. I understand that refusal to grant this permission will mean I am not eligible for Lifeline service. I also authorize TerraCom, Inc. to access any records required to verify my statements herein and to confirm my continued eligibility for Lifeline assistance.

\_\_\_\_\_ I understand that if I move, I must provide a new address to TerraCom, Inc. within 30 days of my move. I understand that if I provided a Temporary Address, I must verify with TerraCom, Inc. every 90 days that I am using the same address. I understand that if I fail to do so, I will lose my Lifeline discount.

By my signature below, I certify under penalty of perjury that I have read and understood this form and that I attest that the information contained in this application that I have provided is true and correct to the best of my knowledge and that I acknowledge that providing false or fraudulent information to receive Lifeline benefits is punishable by law.

Signature \_\_\_\_\_ Today's Date \_\_\_\_\_

**SECTION 9 – TRIBAL CERTIFICATION**

\_\_\_\_\_ BY CHECKING HERE AND MY SIGNATURE ABOVE I CERTIFY THAT MY ADDRESS IS ON FEDERALLY RECOGNIZED TRIBAL LANDS

**SECTION 10 – INSTRUCTIONS**

Mail or Fax completed form to:  
Fac: 1-877-221-0011

TerraCom, Inc.  
Attention: Lifeline Department  
401 E Memorial Road, Suite 500, Oklahoma City, OK 73114-2287

**COMPANY USE ONLY**

I hereby certify that I have reviewed and verified the required documentation for the program(s) indicated by the applicant for the use of Lifeline eligibility or verified the applicants eligibility via the available state database. I also certify that I have reviewed the necessary documentation to verify identity and address of the applicant, and I am aware that falsification of this is subject to termination or legal action by the company.

\_\_\_\_\_  
Company Representative - Print Full Name (No Initials)

\_\_\_\_\_  
Company Representative Signature

\_\_\_\_\_  
ESN

\_\_\_\_\_  
Account Number

\_\_\_\_\_  
Mobile Number

\_\_\_\_\_  
Date

# Supplemental Lifeline Training

TerraCom, Inc.

TerraCom, Inc.



## **TerraCom, Inc.**

### **Supplemental Lifeline Training**

In addition to your standard Lifeline training documents please refer to this information, which will be updated as needed as we expand our markets. If you have any questions about this material or Lifeline policies and procedures please see your supervisor. In addition the audit and compliance departments are always available for questions and clarifications. Remember however that TerraCom maintains an open door policy and should you have any concerns you are always welcome to bring them to any member of management, senior management or executive management.

#### **Customer Eligibility**

To help you discuss and explain the Lifeline/Link Up application with the applicant, we have put together a checklist of items which can be used to help determine a customer's eligibility as outlined below. Please go through this checklist with each applicant.

##### **Potential applicants:**

- can only qualify for one Lifeline assistance program per household
- cannot receive Lifeline service from more than one company
- cannot receive both Lifeline wireline and Lifeline wireless service
  - At the same time
  - At the same address
  - From more than one company at the same time
- can only qualify if they participate in one of the eligible low income programs listed on the application for Lifeline/Linkup
- must certify that they are the head of household
- must notify TerraCom immediately if they are no longer eligible for discounted service.

*As a TerraCom representative, you are the first line of responsibility to ensure that the customer is an eligible participant and that applications are filled in accurately.*

**Important Things to Remember:**

Social Security Numbers

Some states will require a social security number or another customer identifying number (i.e., DSHS number). These are listed in each state mandated form and must be obtained. Please refer to the matrix below for the correct way to handle a social security number in a particular state.

Duplicate Address

The rules of the Lifeline program only allow one Lifeline service per household. For example, this means the customer can have either a Lifeline discount on one wireless or one wireline service, but not both.

In the case where multiple households may be using the same address (i.e., a group home) you are responsible for informing the customer of the rule. In most cases there will be a unit number, bed number or apartment number. These must be included in the address. Should an applicant claim they are separate households it is your responsibility to know your neighborhoods and customers and reject an applicant where you believe they are not properly meeting the rules. Similarly, applicants with the same name and address must also be rejected.

Beneficiary Name

An applicant may use the benefits of a dependent to qualify for the Lifeline program should the dependent reside in the household. In many states the state mandated form has a field for name of the Qualifying Beneficiary and should be completed if the situation applies.

## LIFELINE POLICIES

### Usage Non - Activity Policy

A customer will no longer be eligible for a Lifeline discount if they do not use the service for a specified period of time, usually 60 or 90 days.

Once an account has been moved to a non-usage status, the subscriber has up to 30 days to re-enroll by contacting the company. If a customer does not re-enroll or call a customer service representative within 30 days of the de-enrollment, the phone service will be deactivated (any airtime will be lost). Note: A subscribers must provide proof of eligibility and pay an activation fee to re-enroll in the wireless Lifeline program. Usage can be: making or receiving a call, making or receiving a text message, checking a voicemail message, checking airtime balance, downloading content, data usage, or adding airtime.

### Link Up Discount

A customer may only receive the Link Up discount once at any address. For example, should a customer receive a Link Up discount for Lifeline wireline service then disconnect that service and subsequently sign up for a Lifeline wireless account at the same address, they are responsible for paying the full amount of the service activation fee.

They can only receive the Link Up discount again if they have moved and are starting new service and that new address.

Please note that subscribers are responsible to pay any remaining portion of the activation fee not covered by Link-Up. Subscribers are solely responsible to pay for the entire activation fee if they are not eligible for Link-Up. Activation fees due by the subscriber may be deferred over a period of 12 months (balance at time of activation divided by 12 and billed monthly).

*The matrix below is to be used as a quick reference guide for the applicable rules by state:*

State	In Service Date	Tribal Areas Served/Rate Plan	Rate Plan	Certification	Social Security Number Required	Verification	Usage Non-Activity Policy (defined below)	Notes
Arkansas	2/28/2011	No	250	5	9	Annually contact the customer for re-certification	60 days without usage	
Iowa	8/5/2011	No	68,125,250, unlimited	5	9	Annual sample/Annually contact the customer for re-certification	90 days without usage	
Louisiana	10/11/2011	No	250	5	NR	Annual sample/Annually contact the customer for re-certification	60 days without usage	Can request a SS in this State but can not deny service if customer chooses not to provide.
Maryland	3/4/2011	No	250	5	9	Required to use the Maryland list for annual verification only	90 days without usage	
Nevada	5/13/2011	No	250	0	NR	Annually contact the customer for re-certification if signed up via income based certification <a href="#">See Notes</a>	90 days without usage	Certifications: If applicant is on the state list they are approved, otherwise KP. If they are on the list, keep the list as proof, otherwise keep program proof. Verifications: If signed up via a low-income program, review the list provided every 6 months by the Nevada Department of Health and Human Services. If customer name is not on the list, contact customer and ask them for documentation. Customer has 60 days to provide documentation or will no longer receive Lifeline service.
Oklahoma	8/18/2011	Yes	Unlimited - \$6.23 1000- \$1	SP	NR	Annually contact the customer for re-certification	Not applicable as we are billing customers	
Puerto Rico	12/21/2011	No	250	5	9	Annually contact the customer for re-certification	90 days without usage	MARKET NOT OPEN YET
Texas	10/31/2011	No	250	KP, 0	9	See Notes	90 days without usage	Certifications: Via a Solix/UDA approved form supported by copies of proof documentation. We will do an initial approval ("soft approval") and send in documentation in hard copy to Solix weekly. File of Texas customers is sent to Solix on the 24th of each month and they will send back a file by the end of the month that will include matches. Those not on the list that we approved will have been determined by Solix to be ineligible. We can hold aside forms we are unable to verify eligibility on and, after they verify, send to them with TN. NOTE: THERE IS A CERTIFICATION FORM VERSION WE CAN USE FOR MAILING. THE SPACE UNDER THE FIRST SENTENCE UNDER SECTION 1 SHOULD BE USED FOR A PRE-PRINTED CUSTOMER NAME AND ADDRESS. Verifications: Via the ongoing certification process.
West Virginia	4/11/2011	No	250	5	NR	Annually contact the customer for re-certification	90 days without usage	
Wisconsin	1/16/2012	No	250	KP	9	See Notes	60 days without usage	Certification/Verification: Via CARES database or DOR

5 = Self-Certification    NR = Not Required  
 SP = State Proof        5+ = Full 5 Digits  
 KP = Kiosk Proof        4+ = Last 4 Digits  
 0 = Other (see notes)    0+ = Other (see notes)

## STATE ELIGIBLE PROGRAMS

The following is a current list of eligible programs by state:

### ARKANSAS

HUD/Federal Public Housing/Section 8

Medicaid

Low Income Home Energy Assistance Program (LIHEAP)

National School Lunch Program

Supplemental Nutrition Assistance Program (SNAP) f/ka Food Stamps

Supplemental Security Income

Temporary Assistance for Needy Families

Transitional Employment Assistance (TEA)

Income Based - 135% of the Federal Poverty Guidelines

### IOWA

Low Income Home Energy Assistance Program (LIHEAP)

Medicaid

National School Lunch Program's Free Lunch Program

Supplemental Nutrition Assistance Program (SNAP) Food Stamps

Temporary Assistance for Needy Families

Federal Public Housing Section 8 Housing Assistance

Supplemental Security Income

Income Based - 135% of the Federal Poverty Guidelines

### LOUISIANA

Medicaid

Supplemental Nutrition Assistance Program (SNAP) Food Stamps

Supplemental Security Income (SSI)

Temporary Assistance for Families (TANF)

Low Income Home Energy Assistance Program (LIHEAP)

National School Lunch Program's Free Lunch Program

Federal Public Housing Section 8 Housing Assistance

Income Based - 135% of the Federal Poverty Guidelines

MARYLAND

Supplemental Security Income  
Medicaid  
Temporary Assistance for Needy Families (TANF)  
Supplemental Nutrition Assistance Program (SNAP) Food Stamps  
National School Lunch Program  
Federal Housing Assistance or Section 8  
Maryland Energy Assistance Program (MEAP)  
Temporary Disability Program (TDAP)  
Public Assistance to Adults (PAA)  
Electrical Universal Service Program (EUSP)

NEVADA

Supplemental Security Income  
Medicaid  
Temporary Assistance for Needy Families (TANF)  
Supplemental Nutrition Assistance Program (SNAP) Food Stamps  
National School Lunch Program  
Federal Housing Assistance or Section 8  
Low Income Home Energy Assistance Program (LIHEAP)

OKLAHOMA

Supplemental Security Income (SSI)  
Food Distribution Program on Indian Reservations  
Vocational Rehabilitation (including aid to the hearing impaired)  
Tribal Administered Temporary Assistance for Needy Families  
Temporary Assistance for Needy Families  
Oklahoma Sales Tax Relief  
National School Lunch Program's Free Lunch Program  
Medical Assistance (Medicaid/Sooner Care)  
Low Income Home Energy Assistance Program  
Head Start (must meet income qualifying standard)  
Food Stamps / SNAP  
Federal Public Housing Assistance  
Bureau of Indian Affairs General Assistance

PUERTO RICO

Supplemental Nutrition Assistance Program (SNAP) f/k/a Food Stamps  
Supplemental Security Income (SSI)  
Low Income Home Energy Assistance Program (LIHEAP)  
Medicaid  
Federal Public Housing Assistance  
Temporary Assistance for Needy Families  
National School Lunch Program's Free Lunch Program  
Income Based - 100% of the Federal Poverty Guidelines

TEXAS

Supplemental Security Income (SSI)  
Supplemental Nutrition Assistance Program (SNAP) f/k/a Food Stamps  
Low Income Home Energy Assistance Program (LIHEAP)  
Medicaid  
Federal Public Housing Assistance  
Health Benefit Coverage under Child Health Plan (CHIP)  
Income Based - 150% of the Federal Poverty Guidelines

WEST VIRGINIA

Temporary Assistance for Needy Families  
Supplemental Security Income  
Supplemental Nutrition Assistance Program (SNAP) Food Stamps  
School Clothing Allowance  
Medicaid  
Low-Income Home Energy Assistance Program (LIHEAP)  
Federal Public Housing Assistance  
National School Lunch Program's Free Lunch Program

WISCONSIN

Homestead Tax Credit  
Badger Care  
State Supplemental Security Income  
Medical Assistance/Medicaid  
Supplemental Nutrition Assistance Program (SNAP) f/k/a Food Stamps  
Low Income Home Energy Assistance Program (LIHEAP)  
Wisconsin Works

WIRELESS SERVICE

TerraCom



DO YOU RECEIVE  
**FOOD STAMPS**  
OR OTHER  
**GOVERNMENT ASSISTANCE?**

THEN YOU MAY QUALIFY FOR DISCOUNTED  
WIRELESS PHONE SERVICE THROUGH LIFELINE  
A GOVERNMENT BENEFIT PROGRAM.

PARTICIPATION IS LIMITED TO ONE BENEFIT PER HOUSEHOLD

Sign up online at

[WWW.TERRACOMWIRELESS.COM](http://WWW.TERRACOMWIRELESS.COM)

**FREE WIRELESS PHONE**



- Free Wireless Phone\*
- Free Voicemail\*
- Free Long Distance\*
- Free 411\*

Lifeline is a government benefit program. Only eligible customers may participate in the Lifeline program and participation is limited to one benefit per household consisting of either wireline or wireless service. Documented proof of participation in a government assisted program or income qualification is required for enrollment. Lifeline service is non-transferable.

- No Deposit
- No Credit Check
- No Contract

**250 FREE MINUTES EVERY MONTH**

<b>WIRELESS</b>	<b>\$5</b>	<b>\$10</b>	<b>\$15</b>	<b>\$20</b>	<b>\$25</b>	<b>\$30</b>	<b>\$50</b>
<b>REFILLS AVAILABLE</b>	60	200	300	400	500	600	1300

1.855.221.9445

[WWW.TERRACOMWIRELESS.COM](http://WWW.TERRACOMWIRELESS.COM)

\* Wireless coverage and availability not guaranteed. Service not available in all areas. Free wireless devices may require activation at the time of receiving equipment. Deferred activation fees may apply. Includes 411 service where available but not guaranteed. Wireless refills expire in 30 days from activation. Other terms, conditions & restrictions apply. Service provided by TerraCom, Inc. For complete wireless terms & conditions, please visit [terra.com/wireless](http://terra.com/wireless).

EXHIBIT 4 : TERRACOM LIFELINE COMPLIANCE PLAN

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

_____	)	
In the Matter of	)	
	)	
Telecommunications Carriers Eligible for	)	WC Docket No. 09-197
Universal Service Support	)	
	)	
Lifeline and Link Up Reform and Modernization	)	WC Docket No. 11-42
	)	
TerraCom, Inc. Blanket Forbearance	)	
Compliance Plan	)	
	)	
Petition of TerraCom, Inc. for Limited Designation	)	
as an Eligible Telecommunications Carrier for	)	
Purposes of Receiving Low Income Support Only	)	
_____	)	

**Exhibit 4**

**DECLARATION OF DALE SCHMICK**

**VP, TerraCom, Inc.**

1). My name is Dale Schmick. I am the Vice President of TerraCom, Inc. ("TerraCom"). As part of my duties, I am in charge of ensuring that TerraCom is in compliance with all applicable regulations and laws. My business address is 401E Memorial Road, Suite 400, Oklahoma City, OK 73114. TerraCom provides over 200,000 combined wireless and wireline lines to low income subscribers through the Universal Service Administrative Company's ("USAC's") Lifeline program. TerraCom sells its wireless and wireline services through 1 wholly-owned retail store and through inbound online sales. TerraCom has been in business for over almost 8 years and employs approximately 73 people.

*PS*

2.) The purpose of my declaration is to satisfy the requirements of new rule §54.202(a)(4), which requires carriers seeking “blanket forbearance” to provide Lifeline-only service to demonstrate, with detailed information, that they are financially and technically capable of providing Lifeline-only wireless services. Consistent with the *Lifeline Reform Order*, and the rule implementing this obligation, I will provide more than sufficient information to satisfy the Commission that TerraCom meets these requirements.

3.) I will first address TerraCom’s technical capability to provide Lifeline-only service. While a fair amount of TerraCom’s total wireless service offering is satisfied by its underlying carriers’ existing certifications that they have sufficient back up power to remain functional in an emergency, there are portions of TerraCom’s wireless service—as consumed by TerraCom’s customers—that are provided over TerraCom owned, or controlled, facilities. In compliance with rule §54.202(a)(3), TerraCom certifies that it does maintain sufficient back up power for its own facilities to ensure that the total TerraCom customer experience will be preserved in the case of an emergency situation. In other words, TerraCom has sufficient power to keep its facilities running in tandem with its wireless wholesale partners in the case of an emergency.

4.) With respect to the detailed financial information the Commission has requested in the *Lifeline Reform Order*,<sup>1</sup> the Commission explained that a carrier seeking “blanket forbearance” (from the Act’s facilities requirement) could prove that it is financially and technically capable of becoming a Lifeline-only ETC by addressing certain factors. Specifically, in order to demonstrate its financial ability to provide service, TerraCom can certify that: 1) it offers service to low-income customers—all low income customers, and not just those customers that are

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<sup>1</sup> *Lifeline Reform Order*, ¶388.

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eligible to receive reimbursements from the Lifeline program; 2) TerraCom has been in business for almost 8 years; 3) TerraCom has never been exclusively dependent on receiving Lifeline subsidies to operate, and to ensure that all its consumers will receive the service they have been promised; 4) TerraCom has never been subject to state or federal enforcement sanctions, and TerraCom has never been the subject of a state revocation proceeding. Thus, TerraCom has almost 8 years of successfully providing valuable customer service (wireline and wireless) and growing its business as a Lifeline-only ETC.

5.) Finally, while not specifically requested, TerraCom has decided to offer up a little more financial information designed to assure the Commission that it is financially capable of providing good quality, reliable service to customers. First, TerraCom is a financially stable and liquid service provider. This fact is relevant in assessing TerraCom's lack of reliance on Universal Service Fund reimbursements in order to continue providing service to end users.

6.) Finally, the most significant piece of information that TerraCom can possibly convey to assure the Commission of its ability to successfully provide service (aside from TerraCom's long track record of successfully providing Lifeline service) is its good commercial relationship with all of its vendor partners. I can certify that TerraCom is current in all of its accounts with all relevant vendors who contribute to the provision of TerraCom's wireless service. This provides the Commission with the additional assurance that other market participants—parties who will lose money if TerraCom is not financially capable of providing wireless service—are confident in TerraCom's ability to continue to provide service to its customers.

7.) Taking all certifications together, TerraCom has more than demonstrated—within the financial and technical capability requirement—that it has addressed all of the questions raised in

the Order, and provided additional assurances to the Commission regarding TerraCom's ability to satisfy this requirement. Then, of course, there is the simpler demonstration contained herein, which shows that TerraCom's long history of providing service in compliance with all relevant state and federal rules—and at no cost to the Fund (to the best of TerraCom's knowledge)—for the past 8 years is more than ample demonstration that TerraCom meets the Commission's new requirements for demonstrating financial and technical capability to be a service provider.

8.) This concludes my declaration.



Dale Schmick

Dated: 3/2/12

**BEFORE THE**  
**IDAHO PUBLIC UTILITIES COMMISSION**

**CASE NO. TRA-T-1301**

**TERRACOM, INC.**

**EXHIBIT E**



# PUBLIC NOTICE

Federal Communications Commission  
445 12<sup>th</sup> St., S.W.  
Washington, D.C. 20554

News Media Information 202 / 418-0500  
Internet: <http://www.fcc.gov>  
TTY: 1-888-835-5322

DA 12-828

Release Date: May 25, 2012

## WIRESHIP COMPETITION BUREAU APPROVES THE COMPLIANCE PLANS OF AMERICAN BROADBAND & TELECOMMUNICATIONS, BUDGET PREPAY, CONSUMER CELLULAR, GLOBAL CONNECTION, TERRACOM AND TOTAL CALL

WC Docket Nos. 09-197 and 11-42

The Wireline Competition Bureau (Bureau) approves compliance plans of six telecommunications carriers: American Broadband & Telecommunications; Budget Prepay, Inc.; Consumer Cellular, Inc.; Global Connection, Inc. of America; TerraCom, Inc.; and Total Call Mobile, Inc. filed pursuant to the *Lifeline Reform Order* as a condition of obtaining forbearance from the facilities requirement of the Communications Act of 1934, as amended (the Act), for the provision of Lifeline service.<sup>1</sup>

The Act provides that in order to be designated as an eligible telecommunications carrier for the purpose of universal service support, a carrier must "offer the services that are supported by Federal universal service support mechanisms . . . either using its own facilities or a combination of its own facilities and resale of another carrier's services . . ." <sup>2</sup> The Commission recently amended its rules to define voice telephony as the supported service and removed directory assistance and operator services, among other things, from the list of supported services.<sup>3</sup> As a result of these amendments, many Lifeline-only ETCs that previously met the facilities requirement by relying on operator services, directory assistance or other previously supported services no longer meet the facilities requirement of the Act.<sup>4</sup> In the *Lifeline Reform Order*, the Commission found that a grant of blanket forbearance of the facilities

<sup>1</sup> See *Lifeline and Link Up Reform and Modernization et al*, WC Docket No. 11-42 et al., Report and Order and Further Notice of Proposed Rulemaking, FCC 12-11, at paras. 379-380 (rel. Feb. 6, 2012) (*Lifeline Reform Order*). A list of the compliance plans approved through this Public Notice can be found in the Appendix to this Public Notice.

<sup>2</sup> 47 U.S.C. § 214(e)(1)(A).

<sup>3</sup> See *Connect America Fund*, WC Docket No. 10-90 et al., Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 17663, 17692-93, paras. 77-78, 80 (2011) (*USF/ICC Transformation Order*), *pets. for review pending sub nom. In re: FCC 11-161*, No. 11-9900 (10th Cir. filed Dec. 8, 2011); *Connect America Fund*, WC Docket No. 10-90 et al., Order on Reconsideration, 26 FCC Rcd 17633, 17634-35, para. 4 (2011) (*USF/ICC Transformation Order on Reconsideration*).

<sup>4</sup> See *Lifeline Reform Order*, FCC 12-11, at para. 366, App. A; *USF/ICC Transformation Order on Reconsideration* at para. 4. Some ETCs have included language in their compliance plans indicating that they have facilities or plan to acquire facilities in the future. See, e.g., Budget PrePay, Inc. Petition for Designation as an Eligible Telecommunications Carrier, WC Docket Nos. 09-197 and 11-42, Compliance Plan of Budget PrePay, Inc. at 3 n. 6 (filed May 1, 2012). To the extent ETCs seek to avail themselves of the conditional forbearance relief established in the *Lifeline Reform Order*, we presume they lack facilities to provide the supported service under section 54.101 and 54.401 of the Commission's rules. See 47 C.F.R. §§ 54.101 and 54.401. Such ETCs must comply with the compliance plan approved herein in each state or territory where they are designated as an ETC, regardless of their claim of facilities for other purposes, such as eligibility for state universal service funding.

requirement, subject to certain public safety and compliance obligations, is appropriate for carriers seeking to provide Lifeline-only service.<sup>5</sup> Therefore, in the *Lifeline Reform Order*, the Commission conditionally granted forbearance from the Act's facilities requirement to all telecommunications carriers seeking Lifeline-only ETC designation, subject to the following conditions: (1) compliance with certain 911 and enhanced 911 (E911) public safety requirements; and (2) Bureau approval of a compliance plan providing specific information regarding the carrier and its service offerings and outlining the measures the carrier will take to implement the obligations contained in the *Order*.<sup>6</sup>

The Bureau has reviewed the compliance plans listed in the Appendix for conformance with the *Lifeline Reform Order*, and now approves those six compliance plans.<sup>7</sup>

Filings, including the Compliance Plans identified in the Appendix, and comments are available for public inspection and copying during regular business hours at the FCC Reference Information Center, Portals II, 445 12<sup>th</sup> Street, S.W., Room CY-A257, Washington, D.C. 20554. They may also be purchased from the Commission's duplicating contractor, Best Copy and Printing, Inc., Portals II, 445 12<sup>th</sup> Street, S.W., Room CY-B402, Washington, D.C. 20554, telephone: (202) 488-5300, fax: (202) 448-5563, or via email [www.bcpweb.com](http://www.bcpweb.com).

**People with Disabilities:** To request materials in accessible formats for people with disabilities (Braille, large print, electronic files, audio format), send an email to [fcc504@fcc.gov](mailto:fcc504@fcc.gov) or call the Consumer & Governmental Affairs Bureau at (202) 418-7400 or TTY (202) 418-0484.

For further information, please contact Divya Shenoy, Telecommunications Access Policy Division, Wireline Competition Bureau at (202) 418-7400 or TTY (202) 418-0484.

- FCC -

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<sup>5</sup> See *Lifeline Reform Order*, FCC 12-11 at paras. 368-381.

<sup>6</sup> See *id.* at paras. 373 and 389. Subsequently, the Bureau provided guidance for carriers submitting compliance plans pursuant to the *Lifeline Reform Order*. *Wireline Competition Bureau Provides Guidance for the Submission of Compliance Plans Pursuant to the Lifeline Reform Order*, WC Docket Nos. 09-197 and 11-42, Public Notice, 27 FCC Rod 2186 (Wireline Comp. Bur. 2012).

<sup>7</sup> The Commission has not acted on any pending ETC petitions filed by these carriers, and this Public Notice only approves the compliance plans of the carriers listed above. While these compliance plans contain information on each carrier's Lifeline offering, we leave it to the designating authority to determine whether or not the carrier's Lifeline offerings are sufficient to serve consumers. See *Lifeline Reform Order*, FCC 12-11 at paras. 50 and 387.

**Appendix**

<b>Petitioner</b>	<b>Compliance Plans As Captioned by Petitioner</b>	<b>Date of Filing</b>	<b>Docket Numbers</b>
American Broadband & Telecommunications	American Broadband & Telecommunications Revised Compliance Plan	April 27, 2012	09-197; 11-42
Budget PrePay, Inc.	Compliance Plan of Budget PrePay, Inc.	May 1, 2012	09-197; 11-42
Consumer Cellular, Inc.	Consumer Cellular Amended Revised Compliance Plan	April 18, 2012	09-197; 11-42
Global Connection, Inc. of America	Global Connection Inc. of America Compliance Plan	April 30, 2012	09-197; 11-42
TerraCom, Inc.	TerraCom, Inc. Second Revised Blanket Forbearance Compliance Plan	May 1, 2012	09-197; 11-42
Total Call Mobile, Inc.	Total Call, Inc. Revised Compliance Plan	May 17, 2012	09-197; 11-42

**BEFORE THE**  
**IDAHO PUBLIC UTILITIES COMMISSION**

**CASE NO. TRA-T-1301**

**TERRACOM, INC.**

**EXHIBIT F**

# WIRELESS SERVICE

**TerraCom**



**DO YOU RECEIVE  
FOOD STAMPS  
OR OTHER  
GOVERNMENT ASSISTANCE?**

THEN YOU MAY QUALIFY FOR DISCOUNTED  
WIRELESS PHONE SERVICE THROUGH **LIFELINE**,  
A GOVERNMENT BENEFIT PROGRAM.  
PARTICIPATION IS LIMITED TO ONE BENEFIT PER HOUSEHOLD.

**FREE WIRELESS  
PHONE**



- Free Wireless Phone\*
- Free Voicemail\*
- Free Long Distance\*
- Free 411\*

Sign up online at

[WWW.TERRACOMWIRELESS.COM](http://WWW.TERRACOMWIRELESS.COM)

Lifeline is a government benefit program. Only eligible customers may participate in the lifeline program and participation is limited to one benefit per household consisting of either wireline or wireless service. Documented proof of participation in a government assisted program or income qualification is required for enrollment. Lifeline service is non-transferable. Applicants who willfully make false statements in order to obtain a Lifeline benefit can be punished by fine, imprisonment or be barred from the program.

- No Deposit
- No Credit Check
- No Contract

**250 FREE MINUTES  
EVERY MONTH\***

<b>WIRELESS REFILLS AVAILABLE*</b>	<b>\$5</b> 60	<b>\$10</b> 200	<b>\$15</b> 300	<b>\$20</b> 400	<b>\$25</b> 500	<b>\$30</b> 600	<b>\$50</b> 1300
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**1.855.221.9445**  
[WWW.TERRACOMWIRELESS.COM](http://WWW.TERRACOMWIRELESS.COM)

\* Wireless coverage and availability not guaranteed. Service not available in all areas. Free wireless devices may require activation at the time of receiving equipment. Deferred installation fees may apply. Includes \$12 device when available, but not guaranteed. Wireless refills expire in 90 days from activation. Other terms, conditions & restrictions apply. Service provided by TerraCom, Inc. For complete wireless terms & conditions please visit [www.terracomwireless.com](http://www.terracomwireless.com)

**BEFORE THE**  
**IDAHO PUBLIC UTILITIES COMMISSION**

**CASE NO. TRA-T-1301**

**TERRACOM, INC.**

**EXHIBIT G**

## APPENDIX C

**Certification Requirements for Lifeline Subscribers**

Pursuant to the Universal Service Low-Income Order, all ETCs (or the state Lifeline program administrator, where applicable) must provide the following information in clear, easily understandable language on their initial and annual Lifeline certification forms:

Household Information for Initial and Annual Certification Forms

- **Contact Information:** All certification forms must ask for the Lifeline subscriber's name and address information.
  - *Residential Address:* Prior to providing service to a consumer, ETCs must collect a residential address from each subscriber, which the subscriber must indicate is his/her permanent address, and a billing address, if different than the subscriber's residential address. ETCs should inform subscribers that, if the subscriber moves, they must provide their new address to the ETC within 30 days of moving.
    - A consumer who lacks a permanent residential address (*e.g.*, address not recognized by the Post Office, temporary living situation) must provide a temporary residential service address or other address identifying information that could be used to perform a check for duplicative support.
  - *Consumers using Post Office Box Addresses:* Lifeline subscribers may not use a post office box as their residential address. An ETC may accept a P.O. Box or General Delivery address as a billing address, but not a residential address.
  - *Consumers with Temporary Addresses:* ETCs must collect permanent addresses from subscribers. If a subscriber does not have a permanent address, ETCs must:
    - Inform applicants that, if they use a temporary address, the ETC will attempt to verify every 90 days that the subscriber continues to rely on that address, and (as noted above) the subscriber must notify the ETC within 30 days of their new address after moving.
    - Inform the subscriber that if he or she does not respond to the ETC's address verification attempts within 30 days, the subscriber may be de-enrolled from the ETC's Lifeline service.
- *Multiple Households Sharing an Address:* Upon receiving an application for Lifeline support, all ETCs must check the duplicates database to determine whether an individual at the applicant's residential address is currently receiving Lifeline-supported service. The ETC must also search its own internal records to ensure that it does not already provide Lifeline-supported service to someone at that residential address.
  - If nobody at the residential address is currently receiving Lifeline-supported service, the ETC may initiate Lifeline service after determining that the household is otherwise eligible to receive Lifeline and obtaining all required certifications from the household.
  - If the ETC determines that an individual at the applicant's residential address is currently receiving Lifeline-supported service, the ETC must collect from the applicant upon initial enrollment and annually thereafter a worksheet that: (1) explains the Commission's one-per-household rule; (2) contains a check box that an applicant can mark to indicate that he or she lives at an address occupied by multiple households; (3) provides a space for the applicant to initial or certify that he or she shares an address with other adults who do not contribute income to the

applicant's household and/or share in the household's expenses; and (4) notifies applicants of the one-per-household certification requirement adopted below and the penalty for a consumer's failure to make the required one-per-household certification (*i.e.*, de-enrollment).

- One-per-Household Certification: All consumers must certify that they receive Lifeline support for a single subscription per household.
  - All ETCs (or state agencies or third-parties, where they are responsible for Lifeline enrollment in a state) must obtain a certification from the subscriber at sign up and annually thereafter attesting under penalty of perjury that the subscriber's household is receiving no more than one Lifeline-supported service. In addition, the certification form must include a place for the subscriber to separately acknowledge that, to the best of his or her knowledge, no one at the consumer's household is receiving a Lifeline-supported service from any other provider.
  - The certification form must explain in clear, easily understandable language that: (1) Lifeline is a federal benefit; (2) Lifeline service is available for only one line per household; (3) a household is defined, for purposes of the Lifeline program, as any individual or group of individuals who live together at the same address and share income and expenses; and (4) households are not permitted to receive benefits from multiple providers.
  - The certification form must also contain clear, easily understandable language stating that violation of the one-per-household requirement would constitute a violation of the Commission's rules and would result in the consumer's de-enrollment from the program, and potentially, prosecution by the United States government.

#### **Eligibility Information for Initial and Annual Certification Forms**

- *Identity Information:* all certification forms must ask for the Lifeline subscriber's date of birth and the last 4 digits of the subscriber's social security number.
- *Establishing eligibility for Lifeline:*
  - The certification form should be written in clear, easily understandable language and should include a place for the customer to sign under penalty of perjury attesting to his/her eligibility for Lifeline. All ETCs (or the state Lifeline program administrator, where applicable) should obtain the consumer's signature certifying under penalty of perjury that:
    - The consumer either participates in a qualifying federal program or meets the income qualifications to establish eligibility for Lifeline;
    - The consumer has provided documentation of eligibility, if required to do so;
    - The consumer attests that the information contained in his or her application is true and correct to the best of his or her knowledge and acknowledging that providing false or fraudulent information to receive Lifeline benefits is punishable by law. The certification form should explain that Lifeline is a government benefit program and consumers who willfully make false statements in order to obtain the benefit can be punished by fine or imprisonment or can be barred from the program.
  - The certification form must include space for consumers qualifying for Lifeline under an income-based criterion to certify the number of individuals in their household.
  - ETCs (or the state administrator, where applicable) should also obtain the consumer's initials or signature on the certification form acknowledging that the consumer may be required to re-certify his or her continued eligibility for Lifeline at any time, and that failure to do so will result in the termination of the consumer's Lifeline benefits.

- *Consumer no longer eligible for Lifeline:* The certification form must notify the consumer using clear, easily understandable language that he or she must inform the ETC within 30 days if (1) the consumer ceases to participate in a federal qualifying program or programs or the consumer's annual household income exceeds 135% of the Federal Poverty Guidelines; (2) the consumer is receiving more than one Lifeline-supported service; or (3) the consumer, for any other reason, no longer satisfies the criteria for receiving Lifeline support. Additionally, prior to enrolling in Lifeline, consumers must certify attest under penalty of perjury that they understand the notification requirement, and that they may be subject to penalties if they fail to follow this requirement.
- *Tribal eligibility:* Consumers seeking Tribal lands Lifeline support must certify that they reside on Federally-recognized Tribal lands.
- *Non-transferability of Lifeline benefit:* The certification form should inform consumers that Lifeline service is a non-transferable benefit, and that a Lifeline subscriber may not transfer his or her service to any other individual, including another eligible low-income consumer.

#### **Annual Re-certification of Consumer Eligibility for Lifeline**

- By the end of 2012, each Lifeline subscriber enrolled in the program as of June 1, 2012 must provide a signed re-certification form to the ETC (or the state Lifeline administrator, where applicable) attesting to their continued eligibility for Lifeline. This signed certification should collect all of the subscriber information noted above, including an updated address. Consumers may provide the re-certification in writing, by phone, by text message, by email, or otherwise through the Internet.
- Alternatively, where a database containing consumer eligibility data is available, the carrier (or state Lifeline administrator, where applicable) must query the database by the end of 2012 and maintain a record of what specific data was used to re-certify the consumer's eligibility and the date that the consumer was re-certified.
- The ETC or the state administrator, where applicable, must report the results of their re-certification efforts to USAC, the Commission, and the relevant state commission (where the state has jurisdiction over the carrier) by January 31, 2013. ETCs or the state administrator, where applicable, should also provide their re-certification results to the relevant Tribal government, for subscribers residing on reservations or Tribal lands.
- ETCs must remind consumers about the annual re-certification requirement on the ETC's certification form that is completed upon program enrollment and annually thereafter.

#### **Database**

- *Consent to provide information to the database:* An ETC must obtain acknowledgement and consent from each of its subscribers that is written in clear, easily understandable language that the subscriber's name, telephone number, and address will be divulged to the Universal Service Administrative Company (USAC) (the administrator of the program) and/or its agents for the purpose of verifying that the subscriber does not receive more than one Lifeline benefit. In the event that USAC identifies a consumer as receiving more than one Lifeline subsidy per household, all carriers involved may be notified so that the consumer may select one service and be de-enrolled from the other.

**BEFORE THE  
IDAHO PUBLIC UTILITIES COMMISSION**

**CASE NO. TRA-T-1301**

**TERRACOM, INC.**

**EXHIBIT H**

**SECTION 7 - ONE PER HOUSEHOLD**

I acknowledge that, to the best of my knowledge, no one at my household is receiving a Lifeline-supported service from any other provider.  
(Customer Initials)

**SECTION 8 - CUSTOMER SIGNATURE**

PLEASE READ AND INITIAL THE FOLLOWING. BY SIGNING & INITIALING BELOW, YOU ARE AGREEING TO THE FOLLOWING PROGRAM RULES :

I certify under penalty of perjury that I either participate in the indicated qualifying federal program or I meet the income qualification to establish my eligibility for Lifeline. If required to do so, I have provided accurate documentation of my eligibility.

I certify I am head of the household, I am an adult 18 years or older (unless an emancipated minor), I am not listed as a dependent on another person's tax return (unless over the age of 60) and the address listed is my primary residence.

I confirm local voice service discounts under the low income programs are limited to one per household and that my household is receiving no more than one Lifeline supported service. If I am participating in another Lifeline program at the time I apply for TerraCom Lifeline service, I agree to cancel that Lifeline service with any other provider. I certify that I will only receive one Lifeline connection, will not have simultaneous or multiple Lifeline discounts with another provider. I understand that I must inform TerraCom within 30 days if I (1) no longer participate in a federal qualifying program or programs or my annual household income exceeds 135% of the Federal Poverty Guidelines; (2) I am receiving more than one Lifeline-supported service per household; or (3) I, for any other reason, no longer satisfy the criteria for receiving Lifeline support. I attest under penalty of perjury that I understand this notification requirement, and that I may be subject to penalties if I fail to follow this rule.

I acknowledge that I may be required to re-certify my continued eligibility for Lifeline at any time, and that failure to do so will result in the termination of the my Lifeline benefits.

I understand that Lifeline service is a non-transferable benefit, and that I may not transfer my service to any other individual, including another eligible low-income consumer.

I acknowledge and consent to the use of my name, telephone number, and address to be given to the Universal Service Administrative Company (USAC) (the administrator of the program) and/or its agents for the purpose of verifying that I do not receive more than one Lifeline benefit. I understand that refusal to grant this permission will mean I am not eligible for Lifeline service. I also authorize TerraCom to access any records required to verify my statements herein and to confirm my continued eligibility for Lifeline assistance.

I understand that if I move, I must provide a new address to TerraCom within 30 days of my move. I understand that if I provided a Temporary Address, I must verify with TerraCom every 90 days that I am using the same address. I understand that if I fail to do so, I will lose my Lifeline discount.

By my signature below, I certify under penalty of perjury that I have read and understood this form and that I attest that the information contained in this application that I have provided is true and correct to the best of my knowledge and that I acknowledge that providing false or fraudulent information to receive Lifeline benefits is punishable by law.

Signature

Today's Date

**SECTION 9 - TRIBAL CERTIFICATION**

BY CHECKING HERE AND MY SIGNATURE ABOVE I CERTIFY THAT MY ADDRESS IS ON FEDERALLY RECOGNIZED TRIBAL LANDS

**SECTION 10 - INSTRUCTIONS**

Mail or Fax completed form to: TerraCom, Inc  
Fax: 1-877-221-0011 Attention: Lifeline Department  
401 E Memorial Road, Suite 500, Oklahoma City, OK 73114-2287

**COMPANY USE ONLY**

I hereby certify that I have followed the company's procedures with regard to proof of eligibility. I also verify I have reviewed the necessary documentation to verify identity and address of the applicant, and I am aware that falsification of this is subject to termination or legal action by the company.

Company Representative - Print Full Name (No Initials)

Company Representative Signature

ESN

Account Number

Mobile Number

Date

**BEFORE THE**  
**IDAHO PUBLIC UTILITIES COMMISSION**

**CASE NO. TRA-T-1301**

**TERRACOM, INC.**

**EXHIBIT I**

Richard Yurich                      President

Richard Yurich will bring his 10 years of telecommunications experience to YourTel America leading the company into its new growth phase. His expertise ranges from Operations to Sales and Marketing.

Mr. Yurich has 15 start-up companies under his belt with enterprises ranging from Oil & Gas to Telecommunications. He holds a Bachelor's of Science Degree in History from Oklahoma Christian University.

Dale Schmick                      Vice President

Dale Schmick's telecommunications career began working for PageNet in New York City selling wireless products. He has been with YourTel America since 1997 in various leadership positions, leading the migration of the company from a reseller of paging products to a full-fledged switch-based CLEC and ISP.

In 2010, Mr. Schmick joined Terracom, Inc. and was named Vice President.

Dale holds a Bachelors of Business Administration degree from Pace University in New York City where he graduated Summa Cum Laude.

As an active member of the community, Dale serves on the Board of Comptel and the Kansas City Hispanic Chamber of Commerce, and in 2011 was elected to the Board of Kansas City Friends of Alvin Ailey. Mr. Schmick is also a Fire Captain with the Southern Platte Fire Protection District.

Jason Hirzel                      Secretary

Jason Hirzel has served with Terracom, Inc. since its inception. He is an experienced business operator, strategist and investor with 9 years experience in telecommunications as well as 13 years experience in the insurance industry.

Mr. Hirzel graduated with a degree in education from Northeastern University, and is an active member of the community. He is a former coach and board member of the Guthrie YMCA, and a member of the Guthrie Lions Club.

**BEFORE THE**  
**IDAHO PUBLIC UTILITIES COMMISSION**

**CASE NO. TRA-T-1301**

**TERRACOM, INC.**

**EXHIBIT J**

**TerraCom Wireless Terms and Conditions of Service**

**STATE OF IDAHO**

TerraCom Wireless is a service brought to you by TerraCom, Inc. ("TerraCom"). TerraCom Wireless provides both Non-Lifeline and Lifeline assisted wireless services. The Lifeline Assistance program is supported by the federal Universal Service Fund program and is administered by the Universal Service Administrative Company. These Terms and Conditions of Service apply to TerraCom wireless services and wireless phones activated on TerraCom wireless services. Please read these terms carefully as these Terms and Conditions of Service become effective by activating or using a TerraCom wireless phone and is a legally binding agreement between you and TerraCom. These Terms and Conditions of Service contain important information about your consumer rights. TerraCom reserves the right to change or modify the Terms and Conditions of Service at any time and at its sole discretion subject to the requirements of the Idaho Public Utility Commission. Changes made to the Terms and Conditions of Service will become effective at the time the change is posted on the TerraCom Website at [www.TerraComwireless.com](http://www.TerraComwireless.com). Please check this website often for updates to the Terms and Conditions of Service.

**TerraCom Wireless Lifeline and Program Restrictions:**

Subscribers applying for service in a TerraCom wireless Lifeline program agree to, and declare under penalty and perjury, that all of the following conditions below apply (but not limited to):

Lifeline Support is a monthly support that reduces the cost of monthly wireless telephone service or residential home telephone service. Lifeline is a Federal government benefit program that offers a discount from your monthly phone service. Lifeline service is available for only one line per household; a household is defined as any individual or group of individuals who live together at the same address and share income and expenses. Households are not permitted to receive benefits from multiple providers and you may not receive multiple Lifeline discounts. You may apply your Lifeline discount to either one landline or one wireless number, but you cannot have the discount on both. You agree that if you are participating in another Lifeline program at the time you apply for TerraCom Lifeline service, you will cancel that Lifeline service with any other provider. By applying for TerraCom service you certify that you will only receive one Lifeline connection and will not have simultaneous or multiple Lifeline discounts with another provider.

Violation of the one-per-household requirement is a violation of Federal Rules and will result in your removal from the program and potential prosecution by the United States government. Applicants who willfully make false statements in order to obtain the benefit can be punished by fine or imprisonment or can be barred from the program.

You will be required to annually re-certify that you continue to qualify for Lifeline benefits. You acknowledge that you may be required to re-certify your continued eligibility for Lifeline at any time, and that failure to do so will result in the termination of the your Lifeline benefits.

By applying for TerraCom service you understand that you must inform TerraCom within 30 days if you (1) no longer participate in a federal qualifying program or programs or your annual household income exceeds 135% of the Federal Poverty Guidelines; (2) you are receiving more than one Lifeline-supported service per household; or (3) you, for any other reason, no longer satisfy the criteria for receiving Lifeline support. You understand that Lifeline service is a non-transferable benefit, and that you may not transfer your service to any other individual, including another eligible low-income

consumer. You acknowledge and consent to the use of your name, telephone number, and address to be given to the Universal Service Administrative Company (USAC) (the administrator of the program) and/or its agents for the purpose of verifying that you do not receive more than one Lifeline benefit. You understand that refusal to grant this permission will mean you are not eligible for Lifeline service.

You authorize representatives of any state or federal assistance program to discuss or provide documentation needed to verify participation requested by TerraCom. You also authorize any state or federal assistance programs representatives to verify your eligibility for Lifeline programs. Subscribers applying for the Lifeline program authorize TerraCom and its duly appointed representative's to have access to records relating to the applicant to verify eligibility for the TerraCom wireless Lifeline program.

You understand that if you move, you must provide a new address to TerraCom within 30 days of your move. You understand that if you fail to do so, you will lose your Lifeline discount.

A subscriber applying for service will be required to provide a Social Security Number in order to certify or verify eligibility for Lifeline service. (Social Security information is strictly confidential and will not be disclosed to others without a subscriber's written consent).

A subscriber affirms they are least 18 years old.

A Subscriber affirms they are not claimed as a dependant on another person's tax returns.

Subscribers applying for the TerraCom wireless Lifeline program affirm, under penalty and perjury, that all foregoing representations made when applying for service are true and correct to the best of the subscriber's knowledge.

TerraCom reserves the right to review any subscriber's continued eligibility for the Lifeline program, at any time, and may require subscribers to provide TerraCom with written documentation of either subscriber household income or subscriber's participation in a qualifying state or federal program. A subscriber may only participate in one Lifeline program in either landline or wireless service at the subscriber's principal place of residence. If a subscriber or any member a subscriber's family participates in a Lifeline program from another provider, the subscriber is responsible for notifying the other provider that they have been approved for a TerraCom wireless Lifeline program from TerraCom, Inc. Notice to terminate service from any other provider's Lifeline program must be given after activating new service in the TerraCom wireless Lifeline program.

**Income Based Eligibility:**

Idaho TerraCom wireless subscribers are eligible to receive a Lifeline discount, under the income based eligibility; if subscriber's total combined household income meets 135% of the U.S. Government Income Poverty Guidelines. Proof of income documentation must be provided to TerraCom to demonstrate income based eligibility.

<b><u>Number of people in household:</u></b>	<b><u>Total household income at:</u></b>	<b><u>Number of people in household:</u></b>	<b><u>Total household income at:</u></b>
1 person	\$15,512	2 people	\$20,939
3 people	\$26,366	4 people	\$31,793
5 people	\$37,220	Each additional person	\$5,427

To qualify for income eligibility in Idaho, you must provide copies of one or more of the documents listed below. If you provide documentation that does not cover a full year, you must submit three consecutive months of the same type of document within the current calendar year.

- Prior year's state, federal or tribal tax return
- Social Security benefits statement
- Retirement/Pension benefit statement
- Veterans Administration benefits statement
- Divorce decree or child support document
- Federal or tribal notice letter of participation in Bureau of Indian Affairs General Assistance
- Unemployment/Workers Compensation benefits statement
- Current income statement from employer or paycheck stub

#### **Program Based Eligibility**

- Temporary Assistance for Needy Families
- State Supplemental Security Income (SSI)
- Medicaid
- Federal Public Housing Assistance
- Supplemental Nutrition Assistance Program (SNAP), f/k/a Food Stamps
- Low-Income Home Energy Assistance Program (LIHEAP)
- National School Lunch Program's Free Lunch Program

#### **Annual Recertification, Verification, or Termination of Lifeline Programs:**

Subscribers participating in the TerraCom wireless Lifeline program will be required to re-certify, on an annual basis, their qualification to continue to participate in Lifeline programs based on the appropriate state or federal recertification or verification requirements. You understand that if you originally enrolled in the Lifeline program using the One-Per Household Certification and you fail to annually recertify by completing this certification again, you will be de-enrolled from the Lifeline program. TerraCom reserves the right to determine, at its sole discretion, if a subscriber meets the annual recertification or verification requirements and if the subscriber fails to re-qualify for Lifeline service. If TerraCom is unable to recertify or verify the required Lifeline qualifications the subscriber will be deemed ineligible to further participate in TerraCom wireless Lifeline programs. The subscriber's free minute plan will be discontinued in favor of a new plan to be chosen by the subscriber. The subscriber will then be eligible to choose from any non-Lifeline available plan under the applicable terms and conditions for that plan.

TerraCom reserves the right to cancel or suspend, without notice, a subscriber's account for 1) the illegal use of TerraCom services; 2) any information provided by a subscriber to TerraCom that is determined to be materially false or materially misrepresents the subscriber's true status; 3) any fraudulent related reasons or 4) upon any state or federal authority's direction. TerraCom wireless subscribers have the ability to terminate from the Lifeline program for any reason. Subscribers who choose to terminate from the Lifeline program are required to send notice of termination in writing to the address below or by fax. Upon termination from the program, subscribers will no longer receive free minutes included each month and will be required to re-qualify for Lifeline qualification if they choose to enroll with another TerraCom wireless Lifeline program. Please send all termination requests (include name, wireless number, and identity related information) to:

TerraCom, Inc.  
Attn: Wireless Disconnect Department  
401 E Memorial Road, Suite 400  
Oklahoma City, OK 73114  
Or by fax to:  
1-877-221-0011

If you do not accept any of these Terms and Conditions of Service, do not activate or use service provided by TerraCom and contact TerraCom at the TerraCom Service Number located at the end of this document. By accepting these Terms and Conditions of Service, you represent that you are at least 18 years of age, you meet the eligibility requirements for TerraCom Wireless service, and you agree that you may not assign your rights or delegate any of your duties under these terms without the prior written consent of TerraCom. Any attempted assignment or delegation without proper consent from TerraCom shall be void.

#### Services:

The following services are available to TerraCom wireless subscribers who participate in the Lifeline program. Questions regarding services can be made in writing or by contacting a TerraCom representative at the TerraCom Service Number located at the end of this document.

1. **Voice grade access to the public switched network.** TerraCom wireless service provides wireless access to the Public Switched Telecommunications Network ("PSTN"). "Voice grade access to the public switched network" is defined as a functionality that enables a subscriber of telecommunications services to transmit voice communications, including signaling the network that the caller wishes to place a call, and to receive voice communications, including receiving a signal indicating there is an incoming call in a bandwidth, at a minimum, between 300 to 3,000 Hertz;
2. **Dual tone multi-frequency signaling or its functional equivalent.** "Dual tone multi-frequency" (DTMF) is a method of signaling that facilitates the transportation of signaling through the public telecommunications network, shortening call set-up time. TerraCom wireless handsets are "DTMF" capable;
3. **Single-party service or its functional equivalent.** "Single-party wireless service" is a dedicated message path for the length of a subscriber's particular transmission. TerraCom wireless provides customers with single-party access for the duration of every call a subscriber makes that is provided by TerraCom. TerraCom wireless does not provide multi-party or party line service;
4. **Access to emergency services.** "Access to emergency services" is a service available to TerraCom wireless subscribers that allows a subscriber to call to emergency services through a Public Service Access Point (PSAP) operated by the local government;
5. **Access to operator services.** "Access to operator services" is defined as having access to any automatic or live assistance to a consumer to arrange for billing or completion, or both, of a telephone call;
6. **Access to interexchange service.** "Access to interexchange service" is defined as the user of the telecommunication service having access to complete a long distance call or a toll call;
7. **Access to directory assistance.** "Access to directory assistance" is defined as access to a service that includes making available to customers, upon request, information contained in directory listings; and
8. **Toll limitation for qualifying low-income consumers.** "Toll limitation" TerraCom wireless qualifying subscribers have the option to use their wireless service to complete a long distance call

or toll call in an amount of service that limits the amount of toll service to which the subscriber has already paid.

9. **Local Usage.** TerraCom's plans include local usage minutes available at no extra charge.

#### **TerraCom Wireless Services:**

TerraCom Wireless service is provided at the company's discretion. TerraCom may change pricing or the company's Terms and Conditions of Service, from time to time and at any time. Unless expressly prohibited by law, TerraCom reserves the right to modify or cancel a subscriber's service, an account, or take corrective action at any time and for any reason, including, but not limited to, your violation of any provision of these Terms and Conditions of Service. Check the TerraCom website, [www.TerraComwireless.com](http://www.TerraComwireless.com), for the most recent pricing and changes to the Terms and Conditions of Service. A subscriber's right to use TerraCom service is subject to TerraCom business practices, policies, procedures, rates and these Terms and Conditions of Service. Terms and Conditions are provided to customers in writing upon initiation of TerraCom service and whenever a material change in the Terms and Conditions of service or charges for goods and services takes place. Terms and Conditions provided upon initiation of service may be separately mailed or included with the paper or electronic billing statement delivered to the customer. Subsequent notices may be made by separate mailing, included with a billing statement or, with the customer's consent, by electronic notice with reference to information contained on TerraCom's website.

TerraCom, Inc. provides TerraCom Wireless mobile telecommunications services using the geographic areas covered by the Nationwide Sprint Network or Verizon footprint. Local phone numbers may not be available in all areas. Subscribers do not have the ability to use TerraCom Wireless service with any other wireless phone, device, or on another network. Subscribers also may not use a TerraCom wireless handset with any other service or network. Airtime may be used for domestic calling from the United States and for other services as provided in these Terms and Conditions of Service. TerraCom Wireless service is for personal use only and may not be used in a manner that interferes with another TerraCom wireless customer's use of service. TerraCom has determined that ability to provide good service to subscribers may be impaired when customers place abnormally high numbers of calls, send or receive unusually high numbers of messages, or repeatedly place calls of unusually long duration, relative to typical usage by other TerraCom wireless customers on similar service plans. Such non-typical usage suggests that a wireless phone is being used other than for personal use and is in violation of these Terms and Conditions of Service. TerraCom Wireless services are provided solely for live dialogue between two persons. TerraCom Wireless services may not be used for any type of monitoring services, any data transmissions, or other non-personal related connections that do not consist of uninterrupted live dialogue between two persons. A TerraCom wireless subscriber account may be terminated, without notice, if a subscriber's usage is determined to be derived from services obtained, diverted or used without the authorization or knowledge of TerraCom.

TerraCom Wireless services use radio transmissions and are therefore affected by limitations. Coverage is not available everywhere. Quality of service may be affected by conditions beyond TerraCom's control, including atmospheric, geographical, or topographical conditions. Service may also be affected by damage to wireless handsets. TerraCom does not guarantee, or warrant, that service will be available at any specific time or geographical location, or that service will be provided without possible interruption. You should therefore never solely rely on your wireless phone for emergency calls, such as to 911. TerraCom wireless customers have access to dial 911 in an emergency. However, occasionally a

subscriber may attempt to call 911 in an area where there is no wireless coverage. If there is no wireless coverage, a subscriber's call to 911 may not go through and the subscriber should dial 911 from the nearest landline phone.

By applying or activating service with TerraCom, a subscriber agrees not to use TerraCom Wireless services in any way that is illegal, abusive, or fraudulent. This will be determined by TerraCom in its sole discretion. You also may not alter any of the software or hardware on your TerraCom wireless handset for any purpose. TerraCom wireless phones may not be sold to third parties.

In order to verify if you reside within a service area please visit [www.TerraComwireless.com](http://www.TerraComwireless.com). You may enter your zip code or locate coverage maps on the website to verify coverage. The map is only an approximation of actual coverage and may differ substantially from the areas of coverage shown on the website. Coverage can be affected by many factors such as weather, terrain, buildings, equipment, signal strength or many other factors that may affect network coverage. TerraCom does not guarantee coverage or network availability.

#### **TerraCom Wireless ETC Services:**

TerraCom wireless Lifeline programs are only available for activation by customer's who reside in the areas in which TerraCom, Inc., has been designated as a Eligible Telecommunications Carrier ("ETC"). To receive subsidized wireless service, a subscriber's principal residence address must be within a TerraCom Wireless ETC service area. Visit [www.TerraComwireless.com](http://www.TerraComwireless.com) to check whether you reside in a TerraCom Wireless ETC service area. To be eligible for TerraCom Wireless service, a subscriber must meet the applicable eligibility standards described throughout these Terms and Conditions of Service, which may be amended by TerraCom. Where applicable, TerraCom wireless Lifeline programs are provided to you by TerraCom, Inc., and may be governed by tariffs. If required, tariffs are on file with the appropriate public utility commissions in each state and supersede any term related to the Lifeline Assistance program. TerraCom may provide access to tariffs through its website. Please be aware that tariffs posted online may not be official documents and you assume full responsibility for any tariff information you access on the TerraCom wireless website.

#### **TerraCom Wireless Service Rates (Airtime), Features, Coverage, and Activation Fees:**

Airtime not purchased under an Additional Minute Plan is valued at \$0.20 per minute of use. Airtime charges apply to standard voice usage calls for both local and domestic long distance calls. TerraCom wireless voice usage is deducted in full-minute increments and all partial minutes are rounded up to the next minute. Airtime usage is rounded up to the nearest whole minute. Airtime applies to all message retrieval and voice calls. Credits will not be given for dropped calls. Any unused airtime that expires is forfeited upon expiration or termination of eligibility in the TerraCom wireless Lifeline Assistance program. Roaming charges, if they apply, will be billed at a rate of \$0.59 per minute of use and will be deducted from the available minutes. Roaming is blocked for Lifeline subscribers and not available unless specifically requested by the subscriber. Roaming charges occur when a subscriber makes a call using the facilities of another wireless service provider due to the location the call was placed. Roaming occurs when you make or receive calls outside the home network calling area. TerraCom does not provide any guarantees as to the availability or quality of service while roaming. A TerraCom wireless Customer must have airtime minutes available to make or receive a call. TerraCom wireless handsets will only operate

when you have airtime minutes available on your wireless account. If you run out of your allotment of airtime, you may purchase and add additional airtime to your account.

**[THIS PORTION OF THE PAGE ALLEGEDLY CONTAINS TRADE SECRETS OR CONFIDENTIAL  
INFORMATION AND IS SEPARATELY FILED PURSUANT TO IDAHO CODE 9-340D AND  
IDAPA 31.01.01.67]**

TerraCom Wireless Calling Features include Caller ID, Call Waiting, Three-Way Calling, Call Forwarding, and Voicemail. Caller ID may display both your billing name and your wireless number when placing outbound calls. TerraCom does not have the ability to block your name and number when making outbound calls.

Subscribers who successfully submit a TerraCom wireless application for the Lifeline program will receive a free basic wireless phone provided by TerraCom fully capable of voice service, texting, 611 and 911 calls including an allotment of free airtime minutes each month from the date service is started. Subscribers also have the option of purchasing an E911 compatible higher end model if they choose to do so. TerraCom reserves the right to change, or modify the actual amount of airtime minutes and eligible subscribers will receive on a monthly basis. TerraCom reserves the right to determine, at its sole discretion, whether or not an applicant meets the eligibility requirements to participate or continue to participate in the TerraCom wireless Lifeline.

**Unlimited Plan Usage**

Unlimited Plan services are provided solely for live dialogue between two individuals for personal, non-commercial use. "Unlimited" does not mean unreasonable use. Unreasonable voice use includes, but is not limited to, the following: machine-to-machine, monitoring services, transmission of broadcasts or recorded material, telemarketing, call center services, autodialed calls, an abnormally high number of conference calling, calls, or messages, and/or calls of abnormally long duration and any and all commercial uses. Other uses have the potential to disrupt reliable service to other customers and/or have a disproportionate impact on network resources, so are therefore considered abuse of the service and will not be allowed.

We may determine at our sole discretion that abuse, wasting or interfering with service is taking place if, for instance, you are placing an unusually high number of calls of unusually long duration. We reserve the right to respond to such abuse by placing you on a different class of service or, at our discretion and after providing notice, terminating your service.

This does not mean that there is any type of cap on the minutes and/or texts customers are allowed to use. A proprietary program of complex algorithms is used to identify the behavior patterns of customers who are abusing the unlimited plan. Those who have been determined to be abusing the system will have their account terminated after receiving notice.

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TerraCom's unlimited data or messaging features are provided solely for purposes of non-commercial messaging, Internet browsing, e-mail access, and the non-continuous streaming of data (e.g. downloading files). While most common uses are permitted by our data and messaging features, there are certain uses that cause extreme network capacity issues and are therefore prohibited. Our data and messaging services may not be used: (a) to generate excessive amounts of Internet traffic through the continuous, unattended streaming, downloading, or uploading of videos or other files, (b) to operate hosting services, (c) to maintain continuous active network connections to the Internet such as through a web camera or automated machine-to-machine connection or peer-to-peer (P2P) file sharing, (d) to disrupt e-mail use by others using automated or manual routines, including, but not limited to "auto-responders" or cancel bots or other similar routines, (e) to transmit or facilitate any unsolicited or unauthorized advertising, promotional materials, "spam," unsolicited commercial or bulk e-mail or messaging, (f) for activities adversely affecting the ability of other people or systems to use either TerraCom's wireless services or other parties' Internet-based resources, including, but not limited to, "denial of service" (DoS) attacks against another network host or individual user, (g) for an activity that tethers or connects any device to personal computers or other equipment for the purpose of transmitting wireless data over the network (unless customer is using a plan designated for such usage), (h) as a dedicated data connection, (i) for abnormally long data transmissions, or (j) for any other reason that, in our sole discretion, violates our policy of providing "unlimited" Services for non-commercial use.

#### **Non-Usage**

An account will be considered active if during any 60-day period the authorized subscriber does at least one of the following:

- Makes a monthly payment
- Purchases minutes from the ETC to add to an existing pre-paid Lifeline account
- Completes an outbound call
- Answers an incoming call from anyone other than TerraCom, its representative, or agent
- Affirmatively responds to a direct contact (text included) from TerraCom confirming that he or she wants to continue service

Should you fail to keep your service active, you will be given 30 days to do one of the preceding actions to bring your service to active status. Should you fail to perform any of these actions, you will be de-enrolled from the Lifeline program and your service terminated.

#### **TerraCom Wireless Taxes and Surcharges:**

TerraCom charges state, local sales taxes and surcharges. Pricing listed on the TerraCom wireless website or listed in advertising methods for wireless service do not include certain taxes or surcharges. Subscribers are responsible for all charges applicable to the use of TerraCom Wireless service regardless if the subscriber was the actual user of the service. The amount of these taxes and surcharges is subject to change and may vary from time to time and by geographic area. TerraCom collects sales taxes on all *Additional Minutes Offering Plans* and may also collect regulatory fees in certain states if so required. Third party authorized retailers are responsible for collecting sales taxes and required regulatory fees for transactions that occur through such third party authorized retailers. Changes to a tax or surcharge will become effective as provided by the appropriate taxing authority and changes to applicable contribution amounts for Federal Universal Service Fund ("FUSF") will apply. Taxes and fees are subject to change without notice.

**TerraCom Wireless Text Messaging Rates:**

A TerraCom wireless subscriber can send and receive text messages of up to 160 characters. This text message includes the address and subject line. The type of messages a device can receive may depend on the wireless handset capabilities. Standard message rates apply when sending or receiving text messages, regardless if the message is viewed. Any unused messages that expire from one monthly billing cycle will not carry over to the next monthly billing cycle, unless the monthly plan specifically allows carry over messages. You may use your free monthly allotment of minutes to send and/or receive text messages. Text messages sent to you by TerraCom are free of charge. The standard rate to send or receive a text message on your TerraCom wireless phone is \$0.10 per text message for receiving, and \$0.10 per text message for sending. Adding additional airtime or plans to your account may include incremental minute rates per text messages sent or received. If you have used all of your free monthly allotment of minutes, you will need to purchase and redeem additional airtime minutes in order to continue to send and receive text messages and to place and receive voice calls. If you do not want minutes deducted from your TerraCom wireless phone for text messaging, then do not send or receive text messages. Due to the transmission method of cellular networks, your cell phone number or other information may be transmitted over the Internet when using Text Messaging. By activating or using a TerraCom wireless phone and/or sending a text message, you understand any risks associated and agree you have been notified of such risks.

**Domestic Text Messaging Rates:**

Each domestic text will be deducted from the available messages in your free minute plan or in your purchased TerraCom Wireless *Additional Minutes Offering Plan*. Any unused messages will expire at the end of your monthly subscription period and will not be applied to subsequently purchased minutes, unless your plan includes rollover minutes. If you use all the messages in your available plan, and do not pay a fee for a TerraCom Wireless *Additional Minutes Offering Plan*, you will not receive your monthly allocation of messages associated with your plan. Subscriber messaging plans do not include international text, picture messaging, or voicemail messages.

**International Text Messaging Rates:**

TerraCom wireless does not allow international text messages. Attempting to send international messages could result in deactivation of service and de-enrollment from TerraCom wireless Lifeline Assistance Program.

**Premium SMS:**

Premium SMS is a text message to a designated "short code." Buying or attempting to buy SMS services from anyone other than TerraCom is strictly prohibited. Premium SMS campaigns may include activities such as sending a vote, playing a game, expressing opinions, subscribing to some type of service, or some type of interaction with a television program. TerraCom does not participate in Premium SMS services or campaigns. You are solely responsible for any charges incurred for Premium SMS services or campaigns. Any text messages sent to a "short code" using TerraCom Wireless service will not likely be successfully sent or received. Any charges you may incur as a result of any attempts to participate in Premium SMS campaigns or services are not refundable, regardless whether you incur charges as deductions from your TerraCom Wireless minutes.

**Preventing or Sending Spam:**

TerraCom wireless subscribers receiving unwanted text messages ("spam") should contact the source and request to unsubscribe or remove the subscriber's wireless phone number from the service. If a TerraCom Wireless subscriber intentionally sends spam from a TerraCom wireless handset, the subscriber may be terminated without notice.

TerraCom may send you messages via SMS. There is no guarantee you will receive them.

**TerraCom Wireless Data Service Rates:**

TerraCom Wireless provides wireless data services and mobile internet services using a capable TerraCom wireless phone. Subscribers may purchase additional data subscription allocations ("Additional Data Plans") necessary to access the mobile internet in the following data allocations:

\$10 – 250 MB  
\$20 – 500 MB  
\$40 – 1 Gig

Data usage will be deducted from the available data allocation in your purchased Additional Data Plan. Unused data in these plans expire at the end of your monthly subscription period and may not be used in subsequent months. If you use your allocation of data before the end of the monthly period, you will be required to add an Additional Data Plan in order to access the mobile internet. You may terminate your plan or switch to another data subscription by contacting TerraCom at the TerraCom Service Number located at the end of this document. Subscribers are responsible for all data activity from and to your wireless phone, regardless of who initiates the activity. TerraCom reserves the right to suspend, limit, or terminate a subscriber's account without notice for any misuse or use that adversely impacts network performance or TerraCom determines is wasting or interfering with service. TerraCom will not provide free access to data content.

Data services available to TerraCom Wireless subscribers may allow access many forms of data content such as internet, text, pictures, music, email, or other materials. Some data content that subscribers will access will be from other third-party websites or services. Some of this data content may be unsuitable for minors. Subscribers of TerraCom wireless data services are solely responsible for evaluating the data content accessed while using a TerraCom wireless handset or device. TerraCom strongly recommends that you monitor data content access by minors. Data content from third parties may harm your TerraCom wireless handset or software. TerraCom, for any reason, may place restrictions on accessing certain data content, limit the amount of data you can access, or terminate a subscriber's access to data services. TerraCom supports the use of data content, but, TerraCom makes no representations or warranties (expressed or implied), to the extent permitted by law, including, any warranty of merchantability, fitness

for a particular purpose, service quality of content, non-infringement, performance, accuracy, or efforts of any third party's data content or to third party data content a subscriber may access while using a TerraCom wireless handset or device. TerraCom does not have control over the data content provided on third party's site that a subscriber may access. TerraCom reserves the right to change, limit, or terminate access to data content, without notice, at any time, and is not required to replace any data content requested by subscribers. If you use your cell phone to browse the Internet, your cell phone number or other information may be transmitted over the Internet. By activating or using a TerraCom wireless phone and/or using the data service, you understand any risks associated and agree you have been notified of such risks.

Subscribers may not use TerraCom wireless data service for any illegal purpose. This includes, but is not limited to, harassing, threatening, abusing, defaming, or slandering any individual or entity. TerraCom and its business partners provide messages, data, information, music, games, text or other material for subscribers to use on a non-commercial basis only. Subscribers may not sell or resell data content. Subscribers are solely responsible for engaging in any unauthorized use of data content. TerraCom intends to present and offer only generally acceptable data content. However, it is impossible to proof all data content, titles and news articles for appropriate content. TerraCom Wireless data content is not rated and subscribers are solely responsible for the use of such material, which may be offensive or objectionable to subscribers or to others. TerraCom wireless subscribers agree not to hold TerraCom liable for any offensive or objectionable data content.

**TerraCom Wireless Directory Assistance, Additional Charges and Services:**

Directory assistance calls will not be assessed a charge but minutes will be deducted according the length of the call.

Calling to 900 / 976 numbers are not available to TerraCom Wireless subscribers. Placing calls to 800 / 866 / 877 or other toll-free numbers will incur standard airtime charges. TerraCom allows subscribers to make or receive domestic long distance calls inside the domestic USA as long as coverage is available. TerraCom does not allow free calls to other subscribers using TerraCom Wireless service. TerraCom Wireless subscriber handsets do not provide rate information for services used to make or receive voice calls or messages.

Subscribers can switch wireless numbers for an additional fee. To make this change, please call TerraCom at the TerraCom Service Number located at the end of this document to switch your wireless phone number. A charge of \$15 may apply to number change requests.

TerraCom will block any calls to 1-900, 1-976, some international calling, or other pay-per-call services.

If a subscriber's account is deactivated for any reason, TerraCom will assess subscribers a standard reactivation fee which is not refundable.

Please contact TerraCom at the TerraCom Service Number located at the end of this document, or visit our website at [www.TerraComwireless.com](http://www.TerraComwireless.com), for additional pricing information or answers to any questions about TerraCom Wireless services. Calls to TerraCom may be monitored and recorded for quality assurance.

**TerraCom Wireless Subscriber Account History:** Subscriber account history is available online for the previous 60 days of service. You may request a printed copy of your account history detailing the last 60

days of service by sending a written request to the address below Attention: Account History. If you deactivate your services or change your wireless phone number, you may obtain your account history by contacting TerraCom Wireless at the TerraCom Service Number located at the end of this document. Please visit [www.TerraComwireless.com](http://www.TerraComwireless.com) to access your account history at no cost. Send requests to:

TerraCom Wireless  
401 E Memorial Road, Suite 400  
Oklahoma City, OK 73114  
Or by fax to:  
1-877-221-0011

**TerraCom Wireless Disputed Charges:**

If you have a dispute with any charge to your TerraCom Wireless account, you must notify us within 60 days after the charge appears on your account. You may either contact TerraCom at the TerraCom Service Number located at the end of this document or send notice in writing to the address listed below. A TerraCom wireless Customer Service Representative will investigate your claim. If TerraCom is not notified of your dispute within this 60-day period you waive any right to dispute the charge, including in arbitration and/or a court proceeding. You accept all charges not properly disputed within this 60-day period. We will provide you a credit or refund if we determine that the disputed charge was inappropriate and was disputed by you in a timely manner. If we provide a credit or refund, you agree that the dispute is fully and finally resolved and not subject to any further proceedings. TerraCom is not liable for any charges for products or services provided by third parties through and for use on our network, regardless of the date on which you report it. If any unauthorized or disputed charge appears on your statement for a third-party product, you must contact that third party directly. Third-party contact information is also available by calling TerraCom at the TerraCom Service Number located at the end of this document. TerraCom Wireless service, unless otherwise provided by law, excludes all incidental or consequential damages. Some states do not allow this exclusion.

Dispute by mail:

TerraCom Wireless  
Attn: Dispute Resolution  
401 E Memorial Road, Suite 400  
Oklahoma City, OK 73114

**TerraCom Wireless Refunds, Returns, or Lost Equipment Policy:**

**Refunds:** TerraCom is not responsible for, nor will we refund any lost, stolen or misused TerraCom Wireless Additional Minutes or Data offering Plans. Additional plans purchased must be applied to a subscriber's account within 1 year of purchase. TerraCom does not accept returns or provide refunds of any TerraCom wireless Additional Minute or Data offering Plans. All purchases of TerraCom wireless Additional Minute or Data offering Plans are final and non-refundable regardless of who uses or possesses the subscriber's wireless phone after it is purchased, and regardless of whether the wireless phone is used with the subscriber's consent or knowledge. Monthly charges are non-refundable.

**Returns:** Wireless handsets purchased directly from TerraCom may be returned for a full refund within 30 days of purchase. A subscriber must return the complete handset as was received at the time of

activation. Please contact TerraCom at the TerraCom Service Number located at the end of this document for instructions. TerraCom provides new and recycled handsets to subscribers. All handset models provided to Lifeline subscribers are selected at the sole discretion of TerraCom. Handset models may vary. TerraCom reserves the right to replace handsets with various models at its sole discretion. All wireless handsets purchased directly from TerraCom include a 90-day warranty from TerraCom. If you experience a handset malfunction call TerraCom at the TerraCom Service Number located at the end of this document.

**Lost or Stolen Equipment:** If a TerraCom Wireless Subscriber loses or has their handset stolen, the subscriber is responsible for all charges incurred until TerraCom is notified of the lost or stolen wireless phone. To report a lost or stolen wireless phone, please contact TerraCom at the TerraCom Service Number located at the end of this document. Upon receiving notice of the lost or stolen phone, TerraCom will suspend the account immediately. If a subscriber does not either activate a new TerraCom wireless phone or notify us that they have found their wireless phone within 30 days of the suspension of the account, the account will be deactivated and the subscriber will lose the TerraCom wireless phone number.

**TerraCom Wireless Phone Number:**

TerraCom Wireless subscribers must accept the number that is assigned to them at the time of activation. The wireless phone number TerraCom provides for subscribers to use is and will remain the property of TerraCom. TerraCom may release a subscriber's wireless phone number to another subscriber, without giving notice, if the subscriber cancels service with TerraCom, or if the account expires and is deactivated. Subscribers may transfer a wireless number prior to the wireless number being reissued to another subscriber. TerraCom reserves the right to change a wireless number at any time. TerraCom will attempt to notify the subscriber prior to any change. A subscriber can request to change a wireless phone number for a number change fee of \$15.

In some situations, a subscriber may transfer an existing carrier telephone number to their TerraCom Wireless service for use as a TerraCom wireless phone number. To switch an existing phone number to TerraCom, please contact TerraCom at the TerraCom Service Number located at the end of this document. Before calling, please have a bill available from the existing carrier. When a subscriber transfers from another wireless carrier to TerraCom, they may have to pay a termination fee to the former carrier to early terminate the contract. TerraCom will not reimburse a subscriber for any termination fees imposed by other carriers.

**Use of TerraCom Wireless Customer Information:**

By agreeing to Terms and Conditions of Service herein, you also agree to the terms of TerraCom Wireless Privacy Policy available online at [www.TerraComwireless.com](http://www.TerraComwireless.com). The Privacy Policy may change from time to time and includes important information on what data we collect about you, how we use this data and with whom we share that data. Any "Customer Proprietary Network Information" (CPNI) data that TerraCom Wireless collects from subscribers will be handled in accordance with the Federal Communications Commission regulations, federal consumer privacy laws and the TerraCom Wireless Privacy Policy. TerraCom will not intentionally share subscriber's personal information without the subscriber's permission. TerraCom may, from time to time, use the information subscribers provide to market services to subscribers that may be related to TerraCom wireless services or offerings. Subscribers will have the opportunity to choose whether they would like to receive text messages notices,

email notices, or direct mail and other updates from TerraCom and its affiliates about new products, promotions, or other important services offered by TerraCom. Subscribers who choose not to receive these notices may elect to unsubscribe to the information by calling TerraCom at the TerraCom Service Number located at the end of this document. TerraCom may disclose to law enforcement authorities and governmental agencies any information, including your name, account information, account history, or other information properly requested by law enforcement to comply with appropriate legal requests.

**Dispute Resolution:**

You agree to contact TerraCom first with any disputes. You must contact TerraCom with any dispute by calling TerraCom at the TerraCom Service Number located at the end of this document or by writing TerraCom at 401 E Memorial Road, Suite 400, Oklahoma City, MO 73114, Attn: Dispute Resolution. You must provide a description of the dispute, all relevant information, any supporting documentation, and the proposed dispute resolution. A TerraCom representative will contact you at the last address you have provided or by phone. TerraCom agrees to negotiate in good faith to resolve any dispute you may have. You agree to pay the full amount reflected on your account statement, even while a dispute is being resolved. If you do not reach an agreement to resolve your claim within 30 days after notice of dispute was given, you or TerraCom may commence a Binding Arbitration proceeding (see below).

You also have the right to contact the Idaho Public Utilities Commission to help resolve your complaint with TerraCom. You may find out more information and fill out an online complaint form via the web at:

<http://www.puc.idaho.gov/forms/cons/cons.html>

You may contact the PUC via phone at (800) 432-0369 or (208) 334-0369. The fax number is (208) 334-4045.

Via Mail:

Idaho Public Utilities Commission  
P O Box 83720  
Boise, Idaho 83720-0074

Or you may contact the Federal Communications Commission (FCC) for assistance. You may reach the FCC at (888)225-5322.

Certain disputes you may have with TerraCom may be resolved through Binding Arbitration. By making or receiving calls on a TerraCom wireless handset you agree the sole remedy for any dispute shall be Binding Arbitration on an individual basis. You waive your rights to a jury trial or any class actions. You also agree the Federal Arbitration Act governs any dispute claim you have with TerraCom. This Binding Arbitration you agree as the sole remedy limits your options available in the event of a dispute to an individual basis and survives any termination of your service with TerraCom. Class Arbitrations and Class Actions are hereby excluded as a remedy for any dispute you may have.

This agreement shall be construed under the laws of the state of Oklahoma, without regard to its choice of law rules, except for the arbitration provision contained in these Terms and Conditions of Service, which will be governed by the Federal Arbitration Act. This governing law provision applies no matter where you (the subscriber) reside, or where you (the subscriber) use or pay for TerraCom wireless

services. To the extent permitted by law, if a dispute claim proceeds in court, TerraCom and you waive any right that we may have to trial by jury in any lawsuit or other proceeding.

**Limitation of Liability:**

TerraCom, Inc. is not liable to you (subscriber) for any direct or indirect, special, incidental, consequential, exemplary or punitive damages of any kind, including lost or potential 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. TerraCom, Inc. will not be liable for any act or omission of any other company furnishing a part of our services, or our equipment or for any damages that result from any service or equipment provided by or manufactured by affiliated or non-affiliated third parties. TerraCom, Inc. is not responsible, at any time, and shall not be liable to you or anyone else for any personal information such as user names, passwords, contacts, pictures, SMS, or any additional content you may have stored on your phone or which may remain on your phone during and/or after you no longer have service with TerraCom. Unless prohibited by law, you (subscriber) agree to limit claims for damages or other monetary relief against each other to direct and actual damages. TerraCom assumes no risk or responsibility for a subscriber's use of any content provided by TerraCom Wireless services. TerraCom is not liable for any act or omission of any third party company providing part of TerraCom Wireless services (this includes equipment provided by a third party), any errors or omissions of any vendors or agents participating in offers made by TerraCom, any damages that result from third parties, or any unauthorized or disputed charges. There is no fiduciary duty that exists between you (subscriber) and TerraCom, Inc., or its affiliates. You (subscriber), also agree that TerraCom will not be liable for any missed voice mails, any messages from your voicemail system, any data content, or any storage or deletion of contacts from a handset address book provided by TerraCom.

**Indemnification:**

To the full extent by law, you agree to hold harmless and indemnify TerraCom, Inc., and its affiliates and their respective officers, agents, directors, partners and employees, from any and all liabilities, settlements, penalties, claims, causes of action and demands brought by third parties (including any costs, expenses or attorneys' fees on account thereof), directly or indirectly, resulting from your use of TerraCom products and services, or another person whom you authorize to use your products or services, whether based in contract or tort (including strict liability) and regardless of the form of action. This obligation shall survive any expiration or termination of your service with TerraCom, Inc.

A subscriber may reside in a state that does not allow disclaimers of implied warranties or limits remedies for breach. Therefore, the above exclusions or limitations may not apply to all subscribers. A subscriber may have other legal rights that vary by state.

**Warranties:**

TerraCom does not manufacture wireless phones or equipment used by subscribers. The only warranties applicable to such devices or equipment are those extended by the manufacturers. We have no liability, therefore, in connection with wireless phones and other equipment or for manufacturers' acts or omissions. WE MAKE NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, REGARDING THE PRODUCTS AND SERVICES PROVIDED HEREUNDER OR ANY SOFTWARE REQUIRED TO BE USED IN CONNECTION THEREWITH, INCLUDING, BUT NOT LIMITED TO, AND

TO THE EXTENT PERMITTED BY LAW, WARRANTY OF TITLE, WARRANTY THAT A PRODUCT OR SERVICE IS FIT FOR A PARTICULAR USE OR WARRANTY OF MERCHANTABILITY. WE EXPRESSLY DISCLAIM ANY AND ALL IMPLIED WARRANTIES. WE DON'T PROMISE ERROR-FREE OR UNINTERRUPTED SERVICE AND DON'T AUTHORIZE ANYONE TO MAKE WARRANTIES ON OUR BEHALF.

The TerraCom Wireless Terms and Conditions of Service, contained herein, supersede all oral or written communications and understandings between you and TerraCom, Inc., with respect to products and services provided to you and the terms under which they are offered to you by TerraCom. The surviving sections of this Terms and Conditions of Service shall continue to be valid and enforceable in the event that any part of these Terms and Conditions of Service is declared invalid, not applicable, or becomes unenforceable. There are no provisions of these Terms and Conditions of Service that provide any person or any entity that is not a party to these Terms and Conditions of Service with any remedy, liability, claim, reimbursement, or any cause of action, or that creates any other third-party beneficiary rights. Any legal dispute, unless otherwise specified herein, shall be subject to the exclusive jurisdiction of the federal or state courts located within the State of Idaho. This excludes customers who are residents of the state of California.

TerraCom reserves the right to suspend or terminate any subscriber's access to TerraCom Wireless services or to the TerraCom Wireless website or affiliated websites, at any time, should we determine in our sole discretion that a subscriber has violated any of these Terms and Conditions of Service or any other policy of TerraCom.

**Notices:**

You may send notices to TerraCom by mail, 401 E Memorial Road, Suite 400, Oklahoma City, MO 73114, or by phone, at the TerraCom Service Number located below. Notices will be considered effective after received by TerraCom. If a subscriber is unable to resolve concerns with TerraCom, they may file a complaint with the Federal Communications Commission. Any notice sent to a subscriber will be sent to your last known residence we have on file, or via text message to your TerraCom wireless phone.

**TerraCom Service Contact Numbers**

1-877-351-4747

**Thank you for choosing TerraCom!!**