
**Before the
Federal Communications Commission
Washington, DC 20554**

In the Matter of)
)
Federal-State Joint Board on Universal Service) WC Docket No. 09-197
)
Free Mobile, Inc)
)
Petition for Limited Designation as an Eligible)
Telecommunications Carrier in the States of)
Alabama, Connecticut, Delaware, Florida, New)
Hampshire, North Carolina, New York,)
Tennessee, the Commonwealth of Virginia,)
and the District of Columbia)

**PETITION FOR LIMITED DESIGNATION AS AN ELIGIBLE
TELECOMMUNICATIONS CARRIER IN THE STATES OF ALABAMA,
CONNECTICUT, DELAWARE, FLORIDA, NEW HAMPSHIRE, NORTH CAROLINA,
NEW YORK, TENNESSEE, THE COMMONWEALTH OF VIRGINIA, AND THE
DISTRICT OF COLUMBIA**

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TABLE OF CONTENTS

SUMMARY	iv
I. INTRODUCTION	1
II. BACKGROUND	2
A. Company Overview.....	2
B. Lifeline Program	5
C. Proposed Lifeline Offering	6
III. THE COMMISSION HAS AUTHORITY TO PERFORM THE ETC DESIGNATION	7
IV. FREE MOBILE REQUESTS ETC DESIGNATION IN ITS SERVICE AREAS IN THE NON-JURISDICTIONAL STATES FOR PARTICIPATION IN THE LIFELINE PROGRAM	10
A. Free MobileRequests ETC Designation in its Existing Service Area	10
B. Free Mobile’s Limited ETC Designation Request Only Seeks Authority to Participate in the Lifeline Program	10
C. The Limited Designation Request is Consistent with Recent Precedent	11
V. FREE MOBILE SATISFIES THE REQUIREMENTS FOR DESIGNATION AS AN ETC	12
A. Free Mobile is a Common Carrier	13
B. Free Mobile Will Provide the Supported Services Consistent With the Commission’s Grant of Forbearance from Section 214’s Facilities Requirements	13
C. Free Mobile Offers All of the Required Services and Functionalities	14
1. Voice Grade Access to the Public Switched Telephone Network	15
2. Local Usage	15
3. Access to Emergency Services	15
4. Toll Limitation for Qualifying Low-Income Consumers	15
D. Advertising of Supported Services	16
E. Service Commitment Throughout the Proposed Designated Service Area	17
F. Five-Year Network Improvement Plan.....	17
G. Ability to Remain Funcional in Emergency Situations	17
H. Commitment to Consumer Protection and Service Quality.....	18
I. Financial and Technical Capability	18
VI. FREE MOBILE WILL COMPLY WITH THE REQUIREMENTS SET FORTH IN THE LIFELINE AND LINK-UP REFORM ORDER	19
A. Consumer Eligibility and Enrollment	19

1.	One-Per-Household.....	19
2.	Initial and Annual Certification	21
3.	Annual Re-Certification.....	32
B.	Other Reforms to Eliminate Waste, Fraud and Abuse.....	34
1.	National Lifeline Accountability Database.....	36
2.	Subscriber Usage	37
3.	Marketing & Outreach	38
4.	Audits.....	39
C.	De-Enrollment.....	39
D.	Additional Rule Amendments.....	41
1.	Terms and Conditions of Service.....	41
2.	Reporting Requirements	41
3.	Reimbursement from USAC.....	42
VII.	DESIGNATION OF FREE MOBILE AS AN ETC WOULD PROMOTE THE PUBLIC INTEREST	42
A.	Advantages of Free Mobile’s Service Offering	43
B.	The Benefits of Competitive Choice.....	45
C.	Impact on the Universal Service Fund.....	45
VIII.	ANTI-DRUG ABUSE CERTIFICATION	46
IX.	CONCLUSION.....	47

TABLE OF ATTACHMENTS

	<u>Attachment</u>
Proposed Lifeline Rates	A
Affirmative Statement of the Alabama Public Service Commission.....	B
Affirmative Statement of the Connecticut Department of Public Utility Control	C
Affirmative Statement of the Delaware Public Service Commission.....	D
Affirmative Statement of the District of Columbia Public Service Commission	E
Affirmative Statement of the Florida Public Service Commission	F
Affirmative Statement of the New Hampshire Public Utilities Commission	G
Affirmative Statement of the New York Public Service Commission	H
Affirmative Statement of the North Carolina Utilities Commission	I
Affirmative Statement of the Tennessee Regulatory Authority	J
Affirmative Statement of the Virginia Corporation Commission.....	K
Coverage Area	L
Free Mobile, Inc’s Compliance Plan	M

SUMMARY

Free Mobile, Inc (“Free Mobile”) is seeking limited designation as an Eligible Telecommunications Carrier (“ETC”) in the States of Alabama, Connecticut, Delaware, Florida, New Hampshire, North Carolina, New York, Tennessee, the Commonwealth of Virginia, and the District of Columbia (collectively the “Non-Jurisdictional States”) pursuant to Section 214(e)(6) of the Communications Act, solely for purposes of offering services supported by the Universal Service Fund’s (“USF”) Lifeline program. Free Mobile is a Mobile Virtual Network Operator (“MVNO”) that purchases wireless service on a wholesale basis from AT&T and Sprint. Each Non-Jurisdictional State has provided an affirmative statement that it does not exercise jurisdiction over wireless providers for purposes of ETC designation. Accordingly, pursuant to Section 214(e)(6), the Commission has the authority to designate Free Mobile as an ETC in the Non-Jurisdictional States.

Free Mobile meets all of the requirements under Section 214(e)(1) for the limited ETC designation requested herein except for providing service, at least in part, using its own facilities. However, the Commission granted forbearance from enforcement of this facilities requirement to carriers seeking Lifeline-only ETC designation in its Lifeline and Link-Up Reform Order released February 6, 2012.¹ Through its contracts with underlying carriers, Free Mobile has the ability to offer all of the services and functionalities supported by the USF and set forth in Section 54.101(a) of the Commission’s rules. Free Mobile therefore respectfully requests that the Commission promptly approve the instant request for limited ETC designation to enable the

¹ *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*, WC Docket No. 11-42, WC Docket No. 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 and Link Up Reform Order*”).

Company to rapidly provide Lifeline services to qualifying customers in the Non-Jurisdictional States.

Designating Free Mobile as an ETC in the Non-Jurisdictional States will promote the public interest by providing qualifying low-income customers in the Non-Jurisdictional States with lower prices and high-quality wireless services. Many low-income customers in the Non-Jurisdictional States have yet to reap the well-documented benefits of wireless service because of financial constraints, poor credit history, or intermittent employment. Free Mobile's prepaid service offerings are ideally suited to provide these customers with reliable and cost-effective wireless services. As an ETC, Free Mobile will be able to provide discounted and affordable services to these consumers who are among the intended beneficiaries of USF support.

ETC designation for Lifeline service is consistent with precedent and will serve the public interest, and should be granted without delay.

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I. INTRODUCTION

Free Mobile, Inc (“Free Mobile” or “the Company”), pursuant to Section 214(e)(6) of the Communications Act of 1934, as amended (“Act”), and Section 54.201 of the rules of the Federal Communications Commission (“FCC” or “Commission”), hereby requests limited designation as an eligible telecommunications carrier (“ETC”) in the States of Alabama, Connecticut, Delaware, Florida, New Hampshire, North Carolina, New York, Tennessee, the Commonwealth of Virginia, and the District of Columbia (collectively the “Non-Jurisdictional States”). Free Mobile seeks ETC designation in the Non-Jurisdictional States only for purposes of participation in the Universal Service Fund’s (“USF”) Lifeline program and does *not* seek to participate in the Link-Up or the High-Cost support programs.

Since the Alabama Public Service Commission, the Connecticut Department of Public Utility Control, the Delaware Public Service Commission, the District of Columbia Public Service Commission, the Florida Public Service Commission, the New Hampshire Public Utilities Commission, the North Carolina Utilities Commission, the New York Public Service Commission, the Tennessee Regulatory Authority and the Virginia State Corporation Commission (collectively, the “State Commissions”) lack jurisdiction to designate Free Mobile as an ETC, the Commission, under Section 214(e)(6) of the Act, has the authority to consider and grant this request.² As more fully described below, Free Mobile satisfies the requirements for designation as an ETC in the Non-Jurisdictional States, including the new requirements outlined in the FCC’s *Lifeline and Link Up Reform Order*,³ and will offer all of the services and functionalities supported by the universal service program throughout its designated service areas in the Non-Jurisdictional States. Grant of Free Mobile’s request, therefore, will promote the public interest by providing customers in the Non-Jurisdictional States with low prices and high quality wireless services through innovative distribution channels.

II. BACKGROUND

A. Company Overview

Free Mobile is a Texas corporation. Free Mobile is affiliated with the following companies: Ztar Mobile, Inc. (“Ztar”),⁴ a Delaware corporation (owner/controller of Ztar Mobile Singapore

² See 47 U.S.C. § 214(e)(6).

³ See supra note 1.

⁴ Ztar was involved in a consent decree with the FCC; see EB-11-SE-061; EB-10-SE-126; EB-08-TC-6092. The consent decree covered two previously outstanding enforcement issues: i) a CPNI reporting violation for the annual report for 2007 (CPNI issue); and ii) a Hearing Aid Compatibility rules violation for the offer of one too many non-compatible handsets in 2009 (HAC issue). The CPNI issue was solely a paperwork violation, since Ztar typically does not handle CPNI in the normal course of its business, and has not received any complaints. In 2007, (continued on next page)

Branch); Ztar Mobile Canada, Inc., a Texas corporation; Ztar Mobile Asia, a Texas corporation; Good2GO Mobile, Inc., a Texas corporation; Blitz Mobile, Inc., a Texas corporation; Pavo Communications, Inc., a Texas corporation (owner/controller of Pavo Communications Sdn Bhd., a Malaysian corporation); GE Holdings, Inc., a Texas corporation (not yet organized); Spring Card Systems, LLC, a Texas limited liability company; and MGTCO Holdings, LLC, a Texas limited liability company. Ztar is the only affiliate currently providing telecommunications service in the United States.

Free Mobile will provide prepaid wireless telecommunications services to consumers by using the AT&T and Sprint Spectrum L.P. (“Sprint”) networks on a wholesale basis. Pursuant to existing agreements, Free Mobile obtains directly from AT&T and Sprint the network infrastructure, including wireless transmission facilities, to allow Free Mobile to operate as a Mobile Virtual Network Operator (“MVNO”), similar to TracFone and Virgin Mobile, both of whom have been granted ETC status by the Commission.⁵ Free Mobile will purchase services

Ztar was unaware of the CPNI annual report requirement until too late to submit that year's report on time. The remedy in the consent decree was for Ztar to submit reports of its plan for compliance and status reports to the FCC for 2 years; in addition, Ztar has been in full compliance with all CPNI requirements through 2012. The HAC issue was based on the online offer of a handset that was never actually sold. Nevertheless, because Ztar was truthful in its reporting of the potential availability of that handset on its website, the Commission noticed a violation (Ztar failed to meet the required ratio by one handset) and in 2010 began putting Ztar through the consent decree process and eventually extracted a voluntary contribution and 2 years of status reports. Ztar was not accused of being in default of any other rules in any other years, and believes it is currently in full compliance. Ztar is current with all its obligations under the consent decree. To Ztar's knowledge, all investigations have been terminated.

⁵ *Federal-State Joint Board on Universal Service, TracFone Wireless, Inc., Petitions for Designation in the States of Alabama, Connecticut, Delaware, Florida, North Carolina, New Hampshire, New York, North Carolina, Pennsylvania, Tennessee, Virginia, and Washington D.C.*, CC Docket No. 96-45, Order, 23 FCC Rcd 6206 (2008) (“*TracFone ETC Order*”); *Petition of Virgin Mobile USA, L.P. for Forbearance from 47 U.C.S. § 214(e)(1)(A) and 47 C.F.R. § 54.201(i)*, CC Docket No. 96-45, Order, 24 FCC Rcd 3381 (2009) (“*Virgin Mobile Order*”). The

(continued on next page)

from AT&T and Sprint on a wholesale basis for mobile calling and text messaging, package those services into Free Mobile's own service plans and pricing, and bundle those service with Free Mobile's handset selection, mobile applications, marketing materials, web interface, and customer service to produce finished wireless service offerings to sell to end-user customers.

Affordable and easy to use prepaid wireless services are attractive to low-income and lower-volume consumers, providing them with access to emergency services and a reliable means of communication that can be used both at home and while traveling to remain in touch with friends and family and for contacting prospective employers. By providing affordable wireless plans and quality customer service to consumers who are otherwise unable to afford them, or were previously ignored by traditional carriers, Free Mobile will expand the availability of wireless services to many more low-income consumers, which is one of the principal objectives of Congress' universal service program as codified in Section 254 of the Act, 47 U.S.C. § 254.

Free Mobile will offer consumers simple and affordable prepaid calling plans, a variety of prepaid service plans, easy-to-use handsets and high-quality customer service. Given its pricing and marketing strategy and the demographics of other, similar MVNOs' customers, Free Mobile anticipates that many of its customers will be from low-income backgrounds and will not previously have enjoyed access to wireless service because of economic constraints, poor credit history, or sporadic employment. Free Mobile does not conduct credit checks or require customers to enter into long-term service contracts as a prerequisite to obtaining wireless service.

Commission had previously granted TracFone forbearance from the facilities requirement for ETC designation, permitting TracFone to offer the supported services via resale only. *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*"). The *Virgin Mobile Order* contained both the forbearance analysis and ETC designation.

B. Lifeline Program

Universal service has been a fundamental component of U.S. telecommunications policy since adoption of the Act over 70 years ago. Section 254 of the Act codified that commitment in 1996, and embodies the Commission's historical commitment to the concept of universal service, including for low-income consumers. Section 254(b) sets forth the principles upon which the Commission shall base its policies for the promotion and advancement of universal service. These principles require the Commission to ensure that all consumers, including low-income consumers, have access to telecommunications services at affordable and reasonably comparable rates.⁶ As part of those universal service support programs, Lifeline support helps defray the monthly costs of telecommunications services for low-income consumers by providing them with discounts off the monthly cost of telephone service, with additional discounts available for individuals living on tribal lands.⁷

While generally praising the Low-Income program's success, the Commission has noted that "there is more that we can do to make telephone service affordable for more low-income households," and has specifically targeted telephone subscription among low income consumers as one area for improvement.⁸ To increase awareness of the program, the Commission has expanded the qualifying criteria and adopted broader outreach guidelines, requiring carriers to better advertise the availability of Lifeline services. Through these actions, the Commission has sought

⁶ See 47 U.S.C. § 254. Section 254(b)(3) of the Act requires the Commission to determine whether "consumers in all regions of the Nation, *including low-income consumers* and those in rural, insular, and high cost areas...have access to telecommunications [services] ..." 47 U.S.C. § 254(b)(3) (emphasis added).

⁷ 47 C.F.R. §§ 54.400 and 54.401.

⁸ See *Lifeline and Link Up Reform Order* at ¶¶ 27-30; See also *Lifeline and Link-Up*, WC Docket No. 03-109, Report and Order and Further Notice of Proposed Rulemaking, 19 FCC Rcd 8302, 8305 ¶ 1 (2004) ("*Lifeline Order*").

to increase Lifeline participation because “When consumers are able to only intermittently remain on the network, they are not fully connected to society and the economy...The Commission has found that the low-income program ‘provide[s] the best source of assistance for individuals to obtain and retain universal service, and, therefore, help maintain and improve telephone subscribership’ and fulfill our obligations under Section 254 of the Act.”⁹

C. Proposed Lifeline Offering

Free Mobile intends to be a leader in the prepaid marketplace by offering consumers exceptional value and competitive amounts of voice usage at all price points. Attached hereto as Attachment A is a table of the Company’s rate plans, showing that Free Mobile will provide customers with the following options:

BASIC: 68 anytime, anywhere minutes/month, with unlimited rollover of unused minutes. Includes 3 to 1 texting, no web.

PLUS: 125 domestic minutes/month, with limited rollover of unused minutes (90 days). Includes 1 to 1 texting, no web.

DELUXE: 250 domestic minutes/month, with no rollover. No text, no web.

ELITE: \$35 for Unlimited talk and text, no web.

ELITE PLUS: \$45 for Unlimited talk, text, and 200MB of data.

ELITE PLATINUM: \$55 for Unlimited talk, text, and 600MB of data.

Minutes are credited to a customer’s account on their monthly anniversary date - which is set on their Lifeline activation date. In addition to wholly-supported voice services, prepaid Lifeline customers also will have access to voice mail, caller I.D., call waiting, and 3-way calling services at no additional charge, even after their initial allotment of included minutes has been consumed.

⁹ See *Lifeline and Link-Up Reform Order* at ¶ 16.

Customers may place calls to 911 for free, regardless of account balance or activation status, and airtime minutes are not deducted for calls to customer service either via 611 or the toll free number. Lifeline customers can also purchase additional airtime if needed (at a retail location, via phone, or online), always at the cost of \$0.10 cents per minute or less. Free Mobile customers will receive convenient low balance alerts at no charge to the customer. All Company plans come with domestic long distance at no extra charge and exceptional nationwide digital coverage on either the AT&T Wireless or Sprint PCS Networks. Free Mobile currently blocks roaming features, so Lifeline customers are not at risk for incurring unexpected roaming charges. Customers may also elect to block international calling features. Free Mobile does not impose burdensome credit checks or long-term service contracts. Free Mobile's prepaid offering will be an attractive alternative for consumers who need the mobility, security, and convenience of a wireless phone, but who are concerned about usage charges or long-term contracts.

Free Mobile offers two wireless technologies: GSM (AT&T network) and CDMA (Sprint network), and customers will be able to purchase both GSM-compatible and CDMA-compatible handsets at a discounted cost. Or, Free Mobile will provide a Company SIM card for free to customers that already have a GSM-compatible phone. The type of network a customer is on will be determined by the phone that they choose (GSM = AT&T, CDMA = Sprint), and they will be able to check their respective network coverage on the Company's website.

III. THE COMMISSION HAS AUTHORITY TO PERFORM THE ETC DESIGNATION

Pursuant to Section 214(e)(6), the Commission may designate as an ETC "a common carrier providing telephone exchange service and exchange access that is not subject to the

jurisdiction of a state commission.”¹⁰ The Commission has established that a carrier must demonstrate that it “is not subject to the jurisdiction of a state commission” before it may consider an application for ETC designation.¹¹ The Commission also has stated that any carrier seeking ETC designation from it must provide the Commission with an “affirmative statement” from the state PUC that it lacks jurisdiction to perform the ETC designation.”¹²

None of the states for which Free Mobile requests ETC designation from the FCC has the jurisdiction to designate the Company as an ETC:

a) The Alabama Public Service Commission has concluded that it “has no jurisdiction to take action” on ETC petitions, and that “wireless providers seeking ETC status should pursue their ETC designation request with the FCC.” A copy of the Alabama Public Service Commission’s order is attached as Attachment B.

b) The Connecticut Department of Public Utility Control has provided letters clarifying that it lacks jurisdiction to entertain a wireless carrier’s ETC petition. A sample letter is attached as Attachment C.

c) The Delaware Public Service Commission has provided letters clarifying that it lacks jurisdiction to entertain a wireless carrier’s ETC petition. A sample letter is attached as Attachment D.

¹⁰ See 47 U.S.C. § 214(e)(6).

¹¹ See *Procedures for FCC Designation of Eligible Telecommunications Carriers Pursuant to Section 214(e)(6) of the Communications Act*, CC Docket No. 96-45, Public Notice, 12 FCC Rcd 22947, 22948 (1997).

¹² See *Federal-State Joint Board on Universal Service; Promoting Deployment and Subscriberhip in Unserved and Underserved Areas, Including Tribal and Insular Areas*, CC Docket No. 96-45, Twelfth Report and Order, Memorandum Opinion and Order, and Further Notice of Proposed Rulemaking, 15 FCC Rcd 12208, 12264 ¶ 113 (2000).

d) The District of Columbia Public Service Commission has provided a letter clarifying that it lacks jurisdiction to entertain a wireless carrier's ETC petition. The letter is attached as Attachment E.

e) The Florida Public Service Commission has provided letters clarifying that it lacks jurisdiction to entertain a wireless carrier's ETC petition. A sample letter is attached as Attachment F.

f) The New Hampshire Public Utilities Commission has provided a letter clarifying that it lacks jurisdiction to entertain a wireless carrier's ETC petition. The letter is attached as Attachment G.

g) The New York Public Service Commission has provided letters clarifying that it lacks jurisdiction to entertain a wireless carrier's ETC petition. A sample letter is attached as Attachment H.

h) The North Carolina Utilities Commission has concluded that "the Commission lacks jurisdiction over CMRS services and the appropriate venue for the designation of ETC status for such services is with the FCC." A copy of the North Carolina Utilities Commission's Order is attached as Attachment I.

i) The Tennessee Regulatory Authority has concluded that its statutory "lack of jurisdiction over CMRS providers" precludes it from processing ETC petitions. A copy of the Tennessee Regulatory Authority's order is attached as Attachment J.

j) The Virginia Corporation Commission has concluded that "§ 214(e)6 of the Act is applicable" to wireless ETC petitions "because [the Virginia Commission] has not asserted jurisdiction over CMRS carriers," and that wireless ETC applicants "should apply to the Federal Communications Commission." A copy of the Virginia Commission's Order is attached as Attachment K.

Accordingly, for each of the Non-Jurisdiction States, Free Mobile is “a common carrier providing telephone exchange service and exchange access that is not subject to the jurisdiction of a State commission.”¹³ As such, the Commission is authorized to designate Free Mobile as an Eligible Telecommunications Carrier.

IV. FREE MOBILE REQUESTS ETC DESIGNATION IN ITS SERVICE AREAS IN THE NON-JURISDICTIONAL STATES FOR PARTICIPATION IN THE LIFELINE PROGRAM

A. Free Mobile Requests ETC Designation in its Existing Service Area

Consistent with prior orders granting other MVNOs ETC status,¹⁴ Free Mobile requests ETC designation for its entire service area in Alabama, Connecticut, Delaware, District of Columbia, Florida, New Hampshire, North Carolina, New York, Tennessee and Virginia (i.e., the area served by the facilities-based carriers from whom it obtains wholesale service), but excluding any Tribal Areas.¹⁵ Free Mobile understands that its service area overlaps with several rural carriers’ service areas but maintains that the public interest factors described below justify its designation in these service areas, especially since it only seeks ETC designation for purposes of participation in the Lifeline program.

B. Free Mobile’s Limited ETC Designation Request Only Seeks Authority to Participate in the Lifeline Program

Consistent with the scope of forbearance granted by the Commission, Free Mobile requests ETC designation in the Non-Jurisdictional States for the sole purpose of participating in the Lifeline program. Free Mobile does not seek eligibility to receive support from the Link-Up

¹³ 47 U.S.C. § 214(e)(6).

¹⁴ See *TracFone ETC Order* and *Virgin Mobile Order*, *supra* note 5.

¹⁵ See Attachment L for chart reflecting the service areas of the non-rural and rural telephone companies that Free Mobile’s authorized service area covers in the Non-Jurisdictional States.

program or High Cost support program. As demonstrated herein, the instant request to participate in the Lifeline program is consistent with the Commission's requirements for ETC designation, and would promote the goals of universal service by offering the many benefits of supported services to low-income customers in the Non-Jurisdictional States. As discussed above, Free Mobile's Lifeline offerings will include many features specifically designed for qualifying low-income customers, who currently lack appealing and affordable options for wireless services, many of whom are therefore unable to subscribe to wireless services.

C. The Limited Designation Request is Consistent with Recent Precedent

Free Mobile's request for designation to participate in the Lifeline program is consistent with the Commission's recent decisions conditionally designating TracFone Wireless and Virgin Mobile as ETCs in several states.¹⁶ In its decisions, the Commission determined that the requests of TracFone and Virgin Mobile satisfied all of the eligibility requirements and that designation would serve the public interest.¹⁷ The Commission specifically noted in the *TracFone* and *Virgin Mobile Orders* that designation of prepaid wireless providers as ETCs will provide a variety of benefits to low-income consumers, including increased consumer choice, high-quality service offerings and mobile access to emergency services on wireless devices.¹⁸

Free Mobile requests that the Commission expeditiously process its pending ETC applications so that it can quickly join TracFone and Virgin Mobile in providing qualifying low-income customers with affordable USF-supported Lifeline wireless services. Designation of

¹⁶ See *supra* note 5.

¹⁷ See *TracFone ETC Order*, 23 FCC Rcd at 6212-13 ¶ 15; *Virgin Mobile Order*, 24 FCC Rcd at 3395 ¶ 38.

¹⁸ See *Id.*

prepaid wireless providers such as TracFone, Virgin Mobile and Free Mobile as ETCs is a significant step towards ensuring that all customers, particularly low-income customers, share in the many benefits associated with access to affordable wireless telecommunications services. During an economic downturn, many existing wireless customers have to forego wireless services because they can no longer afford them. Designation of ETC status to prepaid wireless carriers like TracFone, Virgin Mobile and Free Mobile helps to close the widening gap for wireless services and provide low-income customers with the significant advantages associated with access to wireless services. The Commission has found that voice service has “become crucial to full participation in our society and economy, which are increasingly dependent upon the rapid exchange of information.”¹⁹ As noted in a study sponsored by the Massachusetts Institute of Technology’s Legatum Center for Development and Entrepreneurship and New Millennium Research Council, low-income customers receive significant economic and social benefits from wireless services, including enhanced productivity, increased economic opportunity, and broader access to emergency and safety services.²⁰

V. FREE MOBILE SATISFIES THE REQUIREMENTS FOR DESIGNATION AS AN ETC

Section 214(e)(1) of the Act and Section 54.201(d) of the Commission’s rules provide that applicants for ETC designation must be common carriers that will offer all of the services supported by universal service, either using their own facilities or a combination of their own facilities and the resale of another carrier’s services, except where the Commission has forbore

¹⁹ See *Lifeline and Link Up Reform Order* at ¶ 12.

²⁰ Nicholas P. Sullivan, New Millennium Research, *Cell Phones Provide Significant Economic Gains for Low-Income American Households: A Review of Literature and Data from Two New Surveys*, (April 2008), available at http://newmillenniumresearch.org/archive/Sullivan_Report_032608.pdf.

from the “own facilities” requirement. Applicants also must commit to advertise the availability and rates of such services.²¹ As detailed below, Free Mobile satisfies each of the above-listed requirements.

A. Free Mobile is a Common Carrier

CMRS resellers like Free Mobile are common carriers.²²

B. Free Mobile Will Provide the Supported Services Consistent With the Commission’s Grant of Forbearance from Section 214’s Facilities Requirements

Although Section 214 requires ETCs to provide services using their facilities, at least in part, the Commission has forborne from that requirement with respect to carriers such as Free Mobile. In the *Lifeline and Link Up Reform Order*, the Commission granted forbearance 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:²³

(1) the carrier must comply with certain 911 requirements [(a) providing its Lifeline subscribers with 911 and E911 access, regardless of activation status and availability of minutes; (b) providing its Lifeline subscribers with E911-compliant handsets and replacing, at no additional charge to the subscriber, noncompliant handsets of Lifeline-eligible subscribers who obtain Lifeline-supported services; and (c) complying with conditions (a) and (b) starting on the effective date of this Order]; and

²¹ See 47 U.S.C. § 214(e)(1) and 47 C.F.R. § 54.201(d)(2).

²² *Implementation of Sections 3(n) and 332 of the Communications Act, Regulatory Treatment of Mobile Services*, GN Docket No. 93-252, Second Report and Order, 9 FCC Rcd 1411, 1425 ¶ 37, 1454-55 ¶ 102 (1994) (wireless resellers are included in the statutory “mobile services” category, and providers of cellular service are common carriers and CMRS providers); 47 U.S.C. § 332(c)(1)(A) (“mobile services” providers are common carriers); see also *PCIA Petition for Forbearance for Broadband PCS*, WT Docket No. 98-100, Memorandum Opinion and Order and Notice of Proposed Rulemaking, 13 FCC Rcd 16857, 16911 ¶ 111 (1998) (“We concluded [in the *Second Report and Order*] that CMRS also includes the following common carrier services: cellular service, ... all mobile telephone services *and resellers of such services.*”) (emphasis added).

²³ See *Lifeline and Link Up Reform Order* at ¶¶ 368, 373 and 379.

(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.”

Free Mobile will avail itself of the FCC's grant of blanket forbearance.²⁴ In accordance with the *Lifeline and Link Up Reform Order*, Free Mobile filed its Compliance Plan with the FCC on June 15, 2012 followed by an amended version on August 31, 2012. A copy of its amended Compliance Plan is attached to this Petition as Attachment M. Free Mobile commits to providing Lifeline service in the Non-Jurisdictional States in accordance with the Compliance Plan.²⁵

C. Free Mobile Offers All of the Required Services and Functionalities

Through its wholesale arrangements with AT&T and Sprint, Free Mobile is able to provide all of the services and functionalities supported by the universal service program under Section 54.101 of the Commission's rules in the Non-Jurisdictional States. Free Mobile will make these services and functionalities available to qualifying consumers with service addresses in Alabama, Connecticut, Delaware, District of Columbia, Florida, New Hampshire, North Carolina, New York, Tennessee and Virginia.

²⁴ Although the Company qualifies for and seeks to avail itself of the Commission's grant of forbearance from the facilities requirement of section 214(e)(1)(A), the Company reserves the right to demonstrate to a state public utilities commission that it provides service using its own facilities in a state, particularly for purposes of state universal service funding under state program rules and requirements. The Company will follow the requirements of the Commission's Lifeline rules and its Compliance Plan in all states in which it provides Lifeline service and receives reimbursements from the federal Low-Income fund.

²⁵ To the extent that future changes in federal regulations render the commitments made in the Compliance Plan invalid, the Company reserves the right to modify its operations in accordance with federal regulations in effect at that time.

1. Voice Grade Access to the Public Switched Telephone Network

Free Mobile provides voice grade access to the public switched telephone network (“PSTN”) through the purchase of wholesale CMRS services from AT&T and Sprint.

2. Local Usage

As part of the voice grade access to the PSTN, an ETC must provide minutes of use for local service at no additional charge to end-users. The FCC has not specified a minimum amount of local usage that an ETC must offer.²⁶ Free Mobile offers a variety of rate plans that include minutes of use for, among other things, local service.

3. Access to Emergency Services

Free Mobile provides nationwide access to 911 and E911 emergency services for all of its customers to the extent the local government in its service area has implemented 911 or E911 systems. In accordance with its forbearance, Free Mobile will provide access to 911 and E911 services regardless of activation status and availability of minutes, and will provide only E911-compliant handsets to its Lifeline customers.

4. Toll Limitation for Qualifying Low-Income Consumers

In its *Lifeline and Link Up Reform Order*, the FCC stated that toll limitation would no longer be deemed a supported service.²⁷ “ETCs are not required to offer toll limitation service to low-income consumers if the Lifeline offering provides a set amount of minutes that do not distinguish between toll and non-toll calls.”²⁸ Nonetheless, Free Mobile’s offerings inherently allow Lifeline subscribers to control their usage, as its wireless service is offered on a prepaid, or

²⁶ See e.g., *In the Matter of Federal-State Joint Board on Universal Service*, Recommended Decision 15 FCC Rcd 7331 (2002).

²⁷ See *Lifeline and Link Up Reform Order* at ¶ 367.

²⁸ See *Lifeline and Link Up Reform Order* at ¶ 49.

pay-as-you-go, basis. Free Mobile's service, moreover, is not offered on a distance-sensitive basis and local and domestic long distance minutes are treated the same. Free Mobile will not seek reimbursement for toll limitation service.

D. Advertising of Supported Services

Free Mobile will broadly advertise the availability and rates for the services described above using media of general distribution as required by Section 54.201(d)(2) of the Commission's regulations,²⁹ and in accordance with the requirements set forth in the *Lifeline and Link Up Reform Order*.³⁰ The Company will advertise its services in a manner reasonably designed to reach those likely to qualify for Lifeline services, using media of general distribution that may include advertisements via radio, retail, and online social media advertising campaigns. These advertising campaigns will be specifically targeted to reach low-income customers, promoting the availability of cost-effective wireless services to this neglected consumer segment.

Free Mobile intends to utilize its network of retail partners to help promote the availability of its Lifeline plans, especially those retail outlets that are frequented by low-income consumers. Free Mobile will provide retail vendors with signage to be displayed where Free Mobile products are sold, and with printed materials describing Free Mobile's Lifeline program. Free Mobile may also distribute brochures at various state and local social service agencies and partner with nonprofit assistance organizations in order to inform customers of the availability of its Lifeline services. Free Mobile expects to be able to inform consumers of the availability of Lifeline service in a manner that will result in higher participation in the Lifeline program by qualified consumers than has been the case in the past.

²⁹ See 47 C.F.R. § 54.201.

³⁰ See *Lifeline and Link Up Reform Order* at Section VII.F.

E. Service Commitment Throughout the Proposed Designated Service Area

Free Mobile will provide service in the Non-Jurisdictional States by reselling service which it obtains from its underlying facilities-based provider. The underlying provider's network is operational and largely built out. Thus, Free Mobile will be able to commence offering its Lifeline service to all locations served by its underlying carrier very soon after receiving approval from the Commission. Free Mobile commits to comply with the service requirements applicable to the support that it receives.³¹

F. Five-Year Network Improvement Plan

As set forth in the *Lifeline and Link Up Reform Order*, a common carrier seeking designation as a Lifeline-only ETC is not required to submit a five-year network improvement plan as part of its application for designation as an ETC.³²

G. Ability to Remain Functional in Emergency Situations

In accordance with 47 C.F.R. §54.202(a)(2), Free Mobile has the ability to remain functional in emergency situations. As described herein, Free Mobile purchases wireless network services on a wholesale basis from AT&T and Sprint, large national carriers that are themselves subject to various regulatory requirements to remain functional in emergencies. Through AT&T and Sprint, Free Mobile provides to its customers the same ability to remain functional in emergency situations as currently provided by the ILECs to their own customers, including access to a reasonable amount of back-up power to ensure functionality without an external power source, the ability to reroute traffic around damaged facilities, and the capability of managing traffic spikes resulting from emergency situations. Furthermore, the Company is

³¹ See *Lifeline and Link Up Reform Order* at page 208, revised § 54.202(a)(1)(i).

³² See *Lifeline and Link Up Reform Order* at ¶ 386.

subject to its own 911 requirements in 47 C.F.R. 20.18(m), and has committed to specific 911 and E911-related requirements – including with respect to E911 handsets – in its Compliance Plan.

H. Commitment to Consumer Protection and Service Quality

Under FCC guidelines, an ETC applicant must demonstrate that it will satisfy applicable consumer protection and service quality standards.³³ The Company commits to satisfying all such applicable state and federal requirements related to consumer protection and service quality standards. Free Mobile commits to comply with the Cellular Telecommunications and Internet Association's (CTIA) Consumer Code for Wireless Service.

I. Free Mobile is Financially and Technically Capable

Free Mobile is financially and technically capable of providing Lifeline-supported services.³⁴ Free Mobile has received the necessary private funding to launch its wireless services and, if necessary, has access to additional capital from private investors. Free Mobile is able to draw from the financial and technical resources of its affiliates, which have been providing service since 2005 under several brands and with major retailers – with a presence not only throughout the United States but also in Canada, Singapore, and Malaysia. Free Mobile was incorporated as a new and separate company to essentially serve as the Lifeline arm of Ztar's retail wireless service. Therefore, in launching its prepaid wireless Lifeline service Free Mobile will be able to draw from Ztar's proven operations, sales and marketing strategies, network of world class retail partners,³⁵

³³ See 47 C.F.R. § 54.202(a)(3).

³⁴ See *Lifeline and Link Up Reform Order* at ¶ 387.

³⁵ Ztar has distribution arrangements with major retail partners such as 7-Eleven, RadioShack, Race Trac, Fry's Electronics, and GameStop, with a combined total of over 50,000 locations nationwide. Even if Free Mobile does not utilize Ztar's network of retail locations for
(continued on next page)

and almost a decade of experience in the prepaid wireless industry. Free Mobile has not been subject to enforcement action or ETC revocation proceedings in any state. Free Mobile intends to provide service to both Lifeline and non-Lifeline customers and will not rely exclusively on USF disbursements to operate. Furthermore, the senior management of Free Mobile has great depth in the telecommunications industry and offers extensive telecommunications business technical and managerial expertise to the Company.³⁶ Free Mobile will be providing resold wireless service, and therefore will also rely upon the managerial and technical expertise of its underlying carrier.

VI. FREE MOBILE WILL COMPLY WITH THE REQUIREMENTS SET FORTH IN THE LIFELINE AND LINK-UP REFORM ORDER

A. Consumer Eligibility and Enrollment

Free Mobile will certify and verify consumer eligibility for Lifeline in accordance with its Compliance Plan, which outlines how the Company will comply with the requirements set forth in the *Lifeline and Link Up Reform Order*. In instances where a state agency or third-party administrator is responsible for the initial determination and annual recertification of consumer eligibility, Free Mobile will rely on the state identification or database.³⁷ In instances where Free Mobile is responsible for the initial determination and annual recertification of consumer eligibility, the Company will follow the procedures set forth below.

1. One-Per-Household

Free Mobile understands that Lifeline is limited to a single subscription per household, and that the Commission has defined household as “any individual or group of individuals who

enrollment purposes, its Lifeline customers will still benefit from being able to purchase additional minute refill cards at these locations.

³⁶ See Attachment M, Exhibit E for key management resumes.

³⁷ See *Lifeline and Link Up Reform Order* at ¶ 98.

are living together at the same address as one economic unit.”³⁸ Upon receiving an application for Lifeline support, Free Mobile will check the National Lifeline Accountability Database (“NLAD”), once in place, to determine whether an individual at the applicant’s residential address is currently receiving Lifeline-supported service. Free Mobile will also search its own internal database of active customers, real-time, pre-sale, to ensure that it does not already provide Lifeline-supported service to someone at that residential address. If Free Mobile determines that an individual at the applicant’s address is currently receiving Lifeline-supported service, Free Mobile will take an additional step to ensure that the applicant and the current subscriber are part of different households. To enable applicants to make this demonstration, Free Mobile will require applicants to complete and submit to the Company USAC’s one-per-household template, which will contain the following: (1) an explanation of the Commission’s one-per-household rule; (2) a check box that an applicant can mark to indicate that he or she lives at an address occupied by multiple households; (3) a space for the applicant to certify that he or she shares an address with other adults who do not contribute income to the applicant’s household and share in the household’s expenses or benefit from the applicant’s income; and (4) the penalty for a consumer’s failure to make the required one-per-household certification (i.e., de-enrollment).³⁹ Free Mobile will deny the Lifeline application of any individual residing at the same address as a current Lifeline subscriber who is part of the same household, and will advise the applicant of the basis for the denial.

³⁸ See *Lifeline and Link Up Reform Order* at ¶ 74.

³⁹ See *Lifeline and Link Up Reform Order* at ¶ 78.

On its certification forms, a draft sample of which is attached,⁴⁰ Free Mobile will obtain a consumer's permanent residential address (which cannot be a P.O. Box or General Delivery address), unless they only have a temporary address, and a billing address for the service, if different (which may include a P.O. Box or General Delivery address).⁴¹ Free Mobile will inquire on its certification forms whether or not the applicant's address is a temporary one.⁴² If and when the 90-day verification rules become effective, Free Mobile will notify the consumer that if they have a temporary address, the Company will contact the consumer every 90 days, by phone or text, to verify that he or she continues to rely on that address, and that if the consumer fails to respond within 30 days of Free Mobile's attempt to verify the temporary address, he or she will be de-enrolled from the Lifeline program.⁴³ Also on its certification forms, Free Mobile will explain that if the subscriber moves, they must provide their new address to the Company within 30 days of moving.⁴⁴ If the subscriber has moved, Free Mobile will update the NLAD, once in place, with the information within 10 business days of receipt of the information.⁴⁵

As detailed below, Free Mobile's certification form will clearly explain the one-per-household requirement and all consumers must certify that they receive Lifeline support for a single subscription per household.

2. Initial and Annual Certification

Consumers will be signed up in person or directed, via company literature, collateral or

⁴⁰ See Attachment M, Exhibit A. The draft form remains subject to change, but substantially reflects the content of the Company's application.

⁴¹ See *Lifeline and Link Up Reform Order* at ¶ 85.

⁴² See *Lifeline and Link Up Reform Order* at ¶ 89.

⁴³ See *id.* As of the date of filing of this Petition, this requirement has not been approved pursuant to the Paperwork Reduction Act.

⁴⁴ See *Lifeline and Link Up Reform Order* at ¶ 85.

⁴⁵ See *id.*

advertising, to a toll-free telephone number and to the Company website, which will provide information regarding the Company's Lifeline service plans, including a detailed description of the program and state-specific eligibility criteria. Free Mobile's application form will identify that it is a "Lifeline" application. Free Mobile will provide Lifeline-specific training to all personnel, whether employees, agents or representatives, that interact with actual or prospective consumers with respect to obtaining, changing or terminating Lifeline services.

Free Mobile's initial and annual certification forms will conform to the list of requirements provided in the *Lifeline and Link Up Reform Order*, Appendix C and C.F.R. § 54.410(d), as amended.⁴⁶ The Company's Lifeline certification forms, a draft sample of which is provided in Attachment M as Exhibit A, will require each prospective subscriber to provide the following information:

- (i) The subscriber's full name;
- (ii) The subscriber's full residential address;
- (iii) Whether the subscriber's residential address is permanent or temporary;
- (iv) The subscriber's billing address, if different from the subscriber's residential address;
- (v) The subscriber's date of birth;
- (vi) The last four digits of the subscriber's social security number, or the subscriber's Tribal identification number, if the subscriber is a member of a Tribal nation and does not have a social security number;
- (vii) If the subscriber is seeking to qualify for Lifeline under the program-based criteria, as set forth in § 54.409, the name of the qualifying assistance program from which the subscriber, his or her dependents, or his or her household receives benefits; and
- (viii) If the subscriber is seeking to qualify for Lifeline under the income-based criterion, as set forth in § 54.409, the number of individuals in his or her household.

The certification forms will also explain in clear, easily understandable language that:

- (i) Lifeline is a federal benefit;
- (ii) Lifeline service is available for only one line per household;
- (iii) 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

⁴⁶ See *Lifeline and Link Up Reform Order* at pp. 227-29.

expenses;

(iv) households are not permitted to receive benefits from multiple providers;

(v) 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; and

(vi) a Lifeline subscriber may not transfer his or her service to any other individual, including another eligible low-income consumer.

Free Mobile will require all consumers, at sign up and annually thereafter, to certify under penalty of perjury that:

(i) The subscriber meets the income-based or program-based eligibility criteria for receiving Lifeline, provided in § 54.409;

(ii) The subscriber will notify the carrier within 30 days if for any reason he or she no longer satisfies the criteria for receiving Lifeline including, as relevant, if the subscriber no longer meets the income-based or program-based criteria for receiving Lifeline support, the subscriber is receiving more than one Lifeline benefit, or another member of the subscriber's household is receiving a Lifeline benefit.

(iii) If the subscriber is seeking to qualify for Lifeline as an eligible resident of Tribal lands, he or she lives on Tribal lands, as defined in 54.400(e);

(iv) If the subscriber moves to a new address, he or she will provide that new address to the eligible telecommunications carrier within 30 days;

(v) If the subscriber provided a temporary residential address, he or she will be required to verify his or her temporary residential address every 90 days;

(vi) The subscriber's household will receive only one Lifeline service and, to the best of his or her knowledge, the subscriber's household is not already receiving a Lifeline service;

(vii) The information contained in the subscriber's certification form is true and correct to the best of his or her knowledge,

(viii) The subscriber acknowledges that providing false or fraudulent information to receive Lifeline benefits is punishable by law; and

(ix) The subscriber acknowledges that the subscriber may be required to re-certify his or her continued eligibility for Lifeline at any time, and the subscriber's failure to re-certify as to his or her continued eligibility will result in de-enrollment and the termination of the subscriber's Lifeline benefits pursuant to § 54.405(e)(4).

Applicants will also be required to initial a number of disclosure statements intended to ensure that the applicant understands applicable eligibility requirements. Consumers who do not complete the application process in person must return the signed application and support documentation to the Company by mail, fax, email or other electronic transmission. The Company will accept electronic signatures, including Interactive Voice Response (IVR) recordings, that

meet the requirements of the Electronic Signatures in Global and National Commerce Act, 15 USC 7001-7006.⁴⁷

Free Mobile anticipates that the initial launch of its Lifeline service will focus on enrollment by phone and online, with the intention of eventually adding in person enrollment first at events and finally at retail locations. Each of Free Mobile's anticipated enrollment methods are described in detail below. Free Mobile's proposed Lifeline offering is unique in that it will encourage customers to bring their own GSM-compatible phone and receive a Free Mobile SIM (Subscriber Identity Module) card at no cost or, in the alternative, purchase a discounted phone from Free Mobile.⁴⁸ In an effort to avoid customer confusion, Free Mobile will convey on its certification form and in verbal interaction with its Lifeline applicants that a SIM card equates to a phone and subscribers can have only one Lifeline-supported service per household, whether through a SIM card or a phone. Free Mobile will ensure that Company employees, agents or representatives ("personnel") are trained to specifically educate subscribers on this point before and during the enrollment process. Free Mobile will also require an additional attestation on the certification form whereby subscribers must affirm that if they will be using their existing phone with Free Mobile's service, the phone (or SIM card that was removed from the phone) is not currently associated with Lifeline service.

Enrollment Online. Beginning with the initial launch of Free Mobile's Lifeline service, prospective customers will be able to fill out an application form online and sign electronically. Free Mobile will highlight the certifications that are required, for example, by requiring

⁴⁷ See *Lifeline and Link Up Reform Order* at ¶ 168.

⁴⁸ See section II.C and Attachment M, Exhibit B for an understanding of how Free Mobile will determine whether a customer receives a SIM card or must purchase a phone.

consumers to acknowledge each certification before moving on to the next field.⁴⁹ If the customer indicates that their address is a multi-household residence, online interface will require the applicant to complete USAC's one-per-household template as well. If no eligibility database is available, the online interface will advise the applicant that they are required to provide proof of identity and verification of benefits before their Lifeline service can be activated; applicants will be made aware of how to submit the required documentation to the Company as well as what documentation qualifies as proof of benefits. The Company will qualify the applicant by accessing necessary databases: Free Mobile will validate the address via a USPS/Melissa Database and simultaneously input the name/address combination into CGM, LLC's aggregate duplicate database to confirm that the applicant is not already receiving a Lifeline subsidy from Free Mobile or any other CGM client that has agreed to share their data (see section III.D below), and the Company will verify eligibility using an eligibility database when available. If no eligibility database is available, the application will be placed in a "hold" status until Free Mobile receives copies of the applicant's proof documentation and government-issued ID, at which point Company personnel will review the documentation and complete the "Office Use Only" section of the application form, which must be completely filled out and signed by personnel in order to record a description about the specific documentation reviewed as part of the eligibility verification process, including type of documentation (i.e. Food Stamps) and a unique identifier (last 3 digits of document ID). Once verification of eligibility is complete, Free Mobile will destroy copies of proof documentation and contact the customer to confirm whether or not the customer can receive a SIM

⁴⁹ See *Lifeline and Link Up Reform Order* at ¶ 123.

card or must purchase a phone.⁵⁰ Free Mobile will then mail the phone, once purchased, or SIM card to the customer and the customer's account will be activated upon the customer's personal initiation or actual use of the phone/SIM card. Customers will be directed to call a toll free number when they receive their phone in order to activate their service and/or visit an online website, at which point they will be required to enter the PIN (personal identification number) that they selected during the application process. This enables Free Mobile to ensure that only the intended recipient is able to activate the Lifeline service.

Enrollment by phone. Beginning with the initial launch of Free Mobile's Lifeline service, the Company will also provide the option for customer to enroll via phone. When a prospective customer calls in, Company personnel will be able to verbally explain the Lifeline program and its eligibility requirements, including required information and disclosures, as well as collect and input electronically the application form information and obtain the applicant's signature via IVR. If the customer indicates on the application form that their address is a multi-household residence, personnel will require the applicant to complete USAC's one-per-household template as well. The Company will have the information needed to qualify the applicant by accessing necessary databases (USPS/Melissa, duplicates database, eligibility databases). If no eligibility database is available, the application will be placed in a "hold" status until Free Mobile receives copies of the applicant's proof documentation and government-issued ID, at which point Company personnel will review the documentation and complete the "Office Use Only" section of the application form, which must be completely filled out and signed by personnel in order to record a description about the specific documentation reviewed as part of the eligibility verification process,

⁵⁰ See *supra* note 48.

including type of documentation (i.e. Food Stamps) and a unique identifier (last 3 digits of document ID). Once verification of eligibility is complete, Free Mobile will destroy copies of proof documentation and contact the customer to confirm whether or not the customer can receive a SIM card or must purchase a phone.⁵¹ Free Mobile will then mail the phone, once purchased, or SIM card to the customer and the customer's account will be activated upon the customer's personal initiation or actual use of the phone/SIM card. Customers will be directed to call a toll free number when they receive their phone in order to activate their service and/or visit an online website, at which point they will be required to enter the PIN (personal identification number) that they selected during the application process. This enables Free Mobile to ensure that only the intended recipient is able to activate the Lifeline service.

Enrollment in person. While the Company believes that enrollment in person will ultimately be more effective and efficient than enrollment online or by phone, Free Mobile anticipates that this method will logistically take longer to launch. Free Mobile intends to roll out its in-person Lifeline enrollment first through events (foreseeably beginning in 2013, pending Compliance Plan approval and ETC designations) and eventually through retail locations.⁵²

Events. When a prospective customer applies at a Company event, personnel will assist the customer in filling out an electronic application form on a Company computer or tablet, will ask to see a government issued ID and will validate the address via a USPS/Melissa Database and simultaneously input the name/address combination into CGM, LLC's aggregate duplicate

⁵¹ See *supra* note 48.

⁵² See Attachment M, Exhibit B for an enrollment flow diagram. At this time, Free Mobile intends to use only direct Free Mobile employees for the enrollment process. However, Free Mobile may in the future elect to use agents and enroll customers at retail locations. All agents and retail representatives will be trained and monitored by direct Free Mobile employees.

database to confirm that the applicant is not already receiving a Lifeline subsidy from Free Mobile or any other CGM client that has agreed to share their data (see section III.D below). If the customer indicates on the application form that their address is a multi-household residence, personnel will require the applicant to complete USAC's one-per-household template as well. In cases where an eligibility database exists, personnel will query the database to determine eligibility. In states where eligibility databases are not available, personnel will advise the applicant that they are required to provide proof of identity and proof of participation in one of the Lifeline eligible programs or proof that their annual household income is at or below 135% of the federal poverty guidelines before their Lifeline service can be activated; if applicants do not have the necessary documentation in hand, they will be made aware of how to submit the required documentation to the Company as well as what documentation qualifies as proof of benefits, and the application will be placed in a "hold" status until the Company receives the required documentation. When Company personnel review the proof documentation, they will complete the "Office Use Only" section, which must be completely filled out and signed in order to record a description about the specific documentation reviewed as part of the eligibility verification process, including type of documentation (i.e. Food Stamps) and a unique identifier (last 3 digits of document ID). Eligibility documents are returned to the customer after review, if in person, or destroyed. Finally, Free Mobile personnel will verbally review all certifications and disclosures with the applicant before they sign the application form, making sure the applicant verbally acknowledges each required certification before moving on to the next. Once the Lifeline application is complete, it is scanned into the Company's database. Upon successful completion of the certification process, eligible

customers are allowed to choose a service plan and either receive their SIM card or purchase their phone in person.⁵³ In instances where eligibility databases cannot be accessed in real-time or proof of eligibility cannot be confirmed in person, Free Mobile will contact the customer once verification of eligibility is complete and will confirm whether or not eligible customers can receive a SIM card or must purchase a phone.⁵⁴ Free Mobile will then mail the phone, once purchased, or SIM card to the customer and the customer's account will be activated upon the customer's personal initiation or actual use of the phone. Customers will be directed to call a toll free number and/or visit an online website when they receive their phone in order to activate their service, at which point they will be required to enter the PIN (personal identification number) that they selected during the application process. This enables Free Mobile to ensure that only the intended recipient is able to activate the Lifeline service.

Retail Locations. Free Mobile anticipates that it will be well into 2013 before the Company is able to enroll Lifeline customers via retail locations, due to the negotiations required with retail operators and the logistics of stocking inventory and training retail employees ("clerks") for their role in the enrollment process. Free Mobile has access to over 50,000 retail distribution points throughout the United States through its affiliate, Ztar Mobile, Inc. (see section IV.A). Because of the difficulty to effectively train and monitor clerks in so many locations, Free Mobile will not launch enrollment in retail stores until the Company has automated the process so that clerks do not play a discretionary role in the process; clerks will have access to informational materials for the Company's Lifeline program and be able to direct potential subscribers either to apply via the automated process or by contacting the Company, but they will not play an active role

⁵³ See *supra* note 48.

⁵⁴ See *id.*

in the eligibility verification process.

For example, Free Mobile intends to utilize the CGM, LLC enrollment app or similar software which allows the subscriber to electronically fill out and sign an application form, complete with all required certifications and disclosures, but also captures an image of the subscriber's proof documentation in the absence of an eligibility database. The app itself will either communicate with available eligibility databases or, in the alternative, communicate in real-time with a trained Company representative who will make the determination as to whether or not the documentation submitted is valid proof of eligibility. The app will also automatically validate the applicant's address via a USPS/Melissa Database and simultaneously check CGM, LLC's aggregate duplicate database to confirm that the applicant is not already receiving a Lifeline subsidy from Free Mobile or any other CGM client that has agreed to share their data (see section III.D below). Like events, eligible customers are allowed to choose a service plan and either receive their SIM card or purchase their phone in person upon successful completion of the certification process.⁵⁵ In instances where eligibility databases cannot be accessed or proof of eligibility cannot be confirmed in real-time, Free Mobile will contact the customer once verification of eligibility is complete and will confirm whether or not eligible customers can receive a SIM card or must purchase a phone. Free Mobile will then mail the phone, once purchased, or SIM card to the customer and the customer's account will be activated upon the customer's personal initiation or actual use of the phone. Customers will be directed to call a toll free number and/or visit an online website when they receive their phone in order to activate their service, at which point they will be required to enter the PIN (personal identification number) that they selected during the application process.

⁵⁵ *See supra* note 48.

This enables Free Mobile to ensure that only the intended recipient is able to activate the Lifeline service.

Free Mobile will determine eligibility utilizing the income and program criteria currently utilized by federal default states (47 C.F.R. § 54.409(a),(b)), as well as any additional state-specific criteria. Prior to enrolling a new subscriber, Free Mobile will check the eligibility of low-income consumers first by accessing state or federal social services electronic eligibility databases, where available.⁵⁶ If a database is used to establish eligibility, Free Mobile will not require documentation of the consumer's participation in a qualifying federal program; instead, Free Mobile or its representative will note in its records a description of what specific data was relied upon to confirm the consumer's initial eligibility for Lifeline.⁵⁷ However, in states where there is no state administrator, the state commission or other state agency is not making eligibility determinations, and there is no automated means for Free Mobile to check electronic databases for eligibility, Free Mobile will review documentation to determine eligibility for new subscribers until such time as a qualifying eligibility database is available.⁵⁸ Free Mobile will require acceptable documentation both for income eligibility and for program eligibility. The Company will not retain copies of the documentation but rather will establish policies and procedures to review such documentation and keep accurate records detailing how the consumer demonstrated his or her eligibility.⁵⁹ Free Mobile understands that it may permit agents or representatives to review documentation of consumer program eligibility for Lifeline, and in such cases Free Mobile remains liable for ensuring the agent or representative's compliance with

⁵⁶ See *Lifeline and Link Up Reform Order* at ¶ 97.

⁵⁷ See *Lifeline and Link Up Reform Order* at ¶ 98.

⁵⁸ See *Lifeline and Link Up Reform Order* at ¶ 99.

⁵⁹ See *Lifeline and Link Up Reform Order* at ¶ 101.

the Lifeline program rules.⁶⁰

Free Mobile will provide employees, agents, and representatives with training designed to give them an understanding of Lifeline program requirements and permit them to review customer documentation and determine whether it is sufficient to establish a customer's eligibility to participate in the Lifeline program under the Commission's rules. No Company employee, agent, or representative may accept a Lifeline application unless he or she has first completed this training program and demonstrated an understanding of the underlying material. Among other things, the Lifeline program training will discuss the Company's Lifeline application form (see Attachment M, Exhibit A) on a section-by-section basis. The training will explain what sections of the form must be completed by the customer and will review the form disclosures in detail, to facilitate the ability of personnel to explain each item contained therein and answer any customer questions.

3. Annual Re-Certification

Free Mobile understands that it must re-certify the eligibility of its entire Lifeline subscriber base as of June 1, 2012 by the end of 2012 and report the results to USAC by January 31, 2013, and the Company may elect to perform this re-certification on a rolling basis throughout the year.⁶¹ Free Mobile does not have any existing Lifeline customers, and therefore will have no results to report to USAC for the January 31, 2013 deadline. Free Mobile will, however, re-certify the continued eligibility of all of its subscribers on an annual basis going forward by contacting them—either in person, in writing, by phone, by text message, by email, or otherwise through the Internet—to confirm their continued eligibility.⁶² The re-certification

⁶⁰ See *Lifeline and Link Up Reform Order* at ¶ 110.

⁶¹ See *Lifeline and Link Up Reform Order* at ¶ 130.

⁶² See *id.*

notice will explain the actions the customer must take to retain Lifeline benefits, when Lifeline benefits may be terminated, and how to contact the Company. Free Mobile will obtain a signed certification from the subscriber that meets the certification requirements of 47 C.F.R. § 54.410(d), as amended, as detailed in section VI.A.2 above. The Company will provide written notice of impending service termination to subscribers who do not respond to the annual re-certification within 30 days. Free Mobile understands that such certifications may be obtained through a written format, an IVR system, or a text message, and will use one or more of such options for its certifications.⁶³

Alternatively, where a database containing consumer eligibility data is available, Free Mobile (or state agency or third-party, where applicable) will instead query the database and maintain a record of what specific data was used to re-certify eligibility and the date of re-certification. If a subscriber's address cannot be verified through the state data, Free Mobile will contact the subscriber every year during the annual certification process to obtain a valid address.⁶⁴ After 2012, Free Mobile understands that it may elect to have USAC administer the self-certification process on the Company's behalf.⁶⁵

Free Mobile will certify its compliance with Commission rules on an annual Lifeline eligible telecommunications carrier certification form and when submitting FCC Forms 497 to USAC for reimbursement. As part of Free Mobile's submission of re-certification data pursuant to 47 C.F.R. § 54.416, an officer of the Company will certify annually to USAC:

- (1) that the Company has procedures in place to review consumers'

⁶³ See *Lifeline and Link Up Reform Order* at ¶ 132.

⁶⁴ See *Lifeline and Link Up Reform Order* at ¶ 131.

⁶⁵ See *Lifeline and Link Up Reform Order* at ¶ 133.

documentation of income-and program-based eligibility. In instances where the Company confirms consumer eligibility by relying on official program eligibility data, such as a state or federal database, an officer of the Company will attest to what data the Company uses to confirm consumer eligibility in each state, and

(2) that the Company is in compliance with all federal Lifeline certification procedures.⁶⁶

B. Other Reforms to Eliminate Waste, Fraud and Abuse

Free Mobile shares the Commission’s concern about abuse of the Lifeline program and is thus committed to the safeguards stated herein and in its Compliance Plan, with the belief that the procedures it will implement will prevent Company customers from engaging in such abuse of the program, inadvertently or intentionally.

Free Mobile has implemented enrollment procedures designed to prevent subsidies for duplicate, ineligible, or inactive subscribers. The Company contracts with a third party Lifeline service bureau, currently CGM, LLC, a Georgia-based company that is the leading provider of lifeline management services in the industry, for compliance, 497 calculation, fraud prevention, and to edit all subsidy request data. CGM will process and validate the Company’s subsidy data to prevent: (1) Duplicate Same-Month Lifeline Subsidies (Double Dip): any name/address that is already receiving a lifeline subsidy from the Company will be automatically prevented from receiving a second lifeline subsidy in that same month; and (2) Inactive lines receiving subsidy: CGM’s systems compare all subsidy requests to underlying network status to ensure that subsidies are requested only for active lines. Through the processes described herein, Free

⁶⁶ See *Lifeline and Link Up Reform Order* at ¶ 126-27.

Mobile ensures that it does not over-request from support funds.

As detailed in section IV.A.2, Free Mobile first validates each applicant's identity via a government issued ID card, passport, etc. Additionally, as mentioned above, Free Mobile requires the applicant to provide their date of birth (DOB) and last four digits of their social security number (SSN). Requiring DOB and SSN ensures that neither the applicant nor the Company representative can forge certification forms based on false names and addresses. Once the applicant's identity is confirmed, Free Mobile verifies that the applicant is eligible to receive the Lifeline subsidy. To do this, Free Mobile checks any available eligibility database. If one is not available, the applicant is required to provide proof of eligibility. This prevents ineligible applicants from receiving the subsidy.

Free Mobile plans to employ the services of IDology for address and identity validation, and intends to develop its provisioning platform so that the name/address combination will also be dipped into CGM's aggregate duplicate database to confirm that the applicant is not already receiving a Lifeline subsidy from Free Mobile or any other CGM client that has agreed to share their data. Representatives will be prompted to detail the one-per-household rule with the applicant.

Finally, Free Mobile believes that the subscriber education and attestation measures detailed in section IV.A.2 above will effectively safeguard against the potential for duplicate subsidies introduced by Free Mobile providing a SIM card in lieu of a handset. The potential for duplicate subscribership is essentially the same whether an ETC is giving out SIM cards or handsets, because in either instance the ETC is relying upon customer attestations and available duplicates databases in order to prevent fraud, and in Free Mobile's case the Company is adding additional attestations to ensure the subscriber is fully aware that, for purposes of the Lifeline program, SIM cards and handsets are treated as one. On the other hand, the use of SIM cards may actually present additional safeguards against waste, fraud and abuse. Typically, phones with SIM cards are sold or distributed

locked, so that the customer must contact their provider to unlock the phone, thereby cancelling their service. Free Mobile is only able to provide a SIM card to customers with unlocked phones. Furthermore, if a subscriber is intent on trying to enroll in more than one Lifeline service, then such customer will seek to receive more than one Lifeline service whether the services are provided through multiple handsets or a handset/SIM card combination. If a subscriber is able to somehow remove their existing SIM card from their Lifeline-supported phone and replace it with Free Mobile's SIM card (unlikely), then the waste will at least be detected during the 60-day non-usage policy because the SIM card that was removed will be inactive; whereas, if a customer is able to circumvent the system and receive two phones (also unlikely, given the safeguards in place as a result of the *Order*), they would be able to continue drawing more than one Lifeline subsidy and the waste may not be detected within 60 days.

1. National Lifeline Accountability Database

Free Mobile will participate in the NLAD, once it is established. As required by the *Lifeline and Link Up Reform Order*, Free Mobile will provide to the NLAD subscriber name, address, phone number, the last four digits of Social Security number, date of birth, Lifeline service initiation and de-enrollment date (when applicable), and amount of federal Lifeline support being sought for that subscriber.⁶⁷ Free Mobile will provide the information listed above for existing subscribers within 60 days of Commission notice that the NLAD is capable of accepting subscriber information.⁶⁸

Furthermore, on its certification form, Free Mobile will obtain acknowledgement and consent from each of its subscribers that is written in clear, easily understandable language that the

⁶⁷ See *Lifeline and Link Up Reform Order* at ¶ 189.

⁶⁸ See *Lifeline and Link Up Reform Order* at ¶ 190.

subscriber's name, telephone number, and address will be divulged to 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.⁶⁹

Within 30 days following Commission notice that the NLAD is capable of accepting queries, Free Mobile will query the NLAD to check to see if a prospective subscriber is already receiving service from another ETC at a residential address prior to seeking reimbursement from the Fund.⁷⁰

2. Subscriber Usage

Free Mobile will not seek reimbursement from the USF for new subscribers until they have personally activated the service, either by initiation and/or actual use of the service by the subscriber. Furthermore, Free Mobile will not seek reimbursement from the USF for inactive subscribers who have not used the service for a consecutive 60-day period.⁷¹ Free Mobile will notify its subscribers at service initiation, via the certification form and via script that is reviewed with every customer, about the non-transferability of the phone service, its usage requirements, and the de-enrollment and deactivation that will result following non-usage in any 60-day period of time.⁷² 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 Company to add to an existing pre-paid Lifeline account; completes an outbound call; answers an incoming call from anyone other than the Company, its representative, or agent; or affirmatively responds to a direct contact from the Company confirming that he or she wants to

⁶⁹ See *Lifeline and Link Up Reform Order* Appendix C.

⁷⁰ See *Lifeline and Link Up Reform Order* at ¶ 203.

⁷¹ See *Lifeline and Link Up Reform Order* at ¶ 257.

⁷² See *id.*

continue.⁷³ Free Mobile utilizes tracking software to notify the customer if the customer has not used their service for more than 30 or 60 consecutive days. Furthermore, a third party contractor validates the Company's subsidy data to prevent a subsidy request for customers that are inactive under the Company's non-usage policy.⁷⁴ After notification, if the customer fails to use the phone, it is automatically de-enrolled pursuant to the procedures outlined in section VI.C below. Free Mobile will continue to comply with applicable public safety, including transmitting 911 calls to the appropriate PSAP even if the Company is no longer providing Lifeline service to a consumer.⁷⁵

3. Marketing & Outreach

Free Mobile will implement the measures outlined herein to help ensure that only eligible consumers enroll in the program and that those consumers are fully informed of the limitations of the program, so as to prevent duplicative or otherwise ineligible service as well as other forms of waste, fraud, and abuse. Free Mobile will explain in clear, easily understood language substantially the following disclosures in all marketing materials related to the supported service:⁷⁶ (1) the offering is a Lifeline-supported service; (2) only eligible consumers may enroll in the program; (3) the program is limited to one benefit per household, consisting of either wireline or wireless service; and (4) Lifeline is a government benefit program. Free Mobile's

⁷³ See *Lifeline and Link Up Reform Order* at ¶ 261.

⁷⁴ CGM, LLC is currently the Company's third party contractor.

⁷⁵ See *Lifeline and Link Up Reform Order* at ¶ 262. 911 transmission will actually be performed by the Company's underlying facilities-based CMRS provider.

⁷⁶ See Attachment M, Exhibit C for a sample advertisement. The Company understands the term "marketing materials" includes materials in all media, including but not limited to print, audio, video, Internet (including email, web, and social networking media), and outdoor signage, that describe the Lifeline-supported service offering, including application and certification forms. See *Lifeline and Link Up Reform Order* at ¶ 275.

website and printed collateral will also explain the documentation necessary for enrollment, and the details of Free Mobile's plans. Such collateral and website information, as well as its application, will make clear that 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.⁷⁷ For broadcast advertisements and outdoor signs, and any other situation in which inclusion of documentation information and warnings against willful false statements are not practicable, Free Mobile will include the URL link for its website where disclosures will be listed. Additionally, Free Mobile will disclose the company name under which it does business.⁷⁸

4. Audits

The *Lifeline and Link Up Reform Order* requires ETCs that draw \$5 million or more in the aggregate on an annual basis from the low-income program, as determined on a holding company basis taking into account all operating companies and affiliates, to hire an independent licensed certified public accounting firm to conduct a biennial audit according to government accounting standards to assess the ETC's overall compliance with the program's requirements.⁷⁹ Free Mobile will comply with this requirement if and when it is approved, including applicable rules regarding the dissemination of audit findings to the Commission, USAC, and relevant state and Tribal governments within 30 days upon issuance.⁸⁰

C. De-Enrollment

If at any time a Free Mobile Lifeline customer wishes to de-enroll from the Company's

⁷⁷ See *Lifeline and Link Up Reform Order* at ¶ 275.

⁷⁸ See *id.*

⁷⁹ See *Lifeline and Link Up Reform Order* at ¶ 291.

⁸⁰ See *Lifeline and Link Up Reform Order* at ¶ 294. As of the date of filing of this Petition, the audit requirement has not been approved pursuant to the Paperwork Reduction Act.

Lifeline program, Company customer service representatives will handle such elective de-enrollment requests. Free Mobile Lifeline customers simply call the Company, via 611 or the toll-free customer service number, and they can speak to a live operator to de-enroll from Free Mobile's Lifeline program. Free Mobile will de-enroll consumers from the Company's Lifeline program in the following instances, according to C.F.R. § 54.405(e):

Ineligibility. Any subscriber who indicates that he or she is receiving more than one Lifeline-supported service per household, or neglects to make the required one-per-household certification on his or her certification form, will be de-enrolled from Lifeline pursuant to the process for resolving duplicative Lifeline subscriptions described in section 54.405(e)(2).⁸¹

If a customer does not respond to the Company's annual verification survey within 30 days, or if Free Mobile has reasonable basis to believe that the subscriber no longer meets the Lifeline-qualifying criteria (including instances where a subscriber informs the Company or the state that he or she is ineligible for Lifeline), Free Mobile will provide a written notice of impending service termination to the subscriber and then give the subscriber 30 days after the date of the letter to demonstrate that his or her Lifeline service should not be terminated.⁸² Similarly, Free Mobile will de-enroll a subscriber if they fail to respond to the Company's attempt to verify a temporary address within 30 days.⁸³

Duplicative Support. Subject to USAC's Duplicate Resolution Process and anticipated Duplicate Scrubbing Process,⁸⁴ Free Mobile will de-enroll a subscriber within 5 business days if

⁸¹ See *Lifeline and Link Up Reform Order* at ¶ 122.

⁸² See *id.* In states that have dispute resolution procedures applicable to Lifeline termination, the Company will comply with the state requirements.

⁸³ See *Lifeline and Link Up Reform Order* at ¶ 89.

⁸⁴ See *Lifeline and Link Up Reform Order* at ¶ 214-16.

the Company is informed by USAC that the subscriber is receiving Lifeline service from another ETC or that more than one member of a subscriber's household is receiving Lifeline service.

Non-Usage. Free Mobile will de-enroll any subscriber that has not used the Company's Lifeline service for 60 consecutive days, as discussed in section VI.B.2 above. Free Mobile will provide the subscriber 30 days' notice, using clear, easily understood language, that the subscriber's failure to use the Lifeline service within the 30-day notice period will result in service termination for non-usage; such notice may be initiated after 30-days of non-usage. Free Mobile will update the national database, once in place, within one business day of de-enrolling a subscriber for non-use and will submit a non-usage de-enrollment report annually to USAC.⁸⁵

D. Additional Rule Amendments

1. Terms and Conditions of Service

Free Mobile's Lifeline terms and conditions of service are provided in Attachment M as Exhibit D. These terms and conditions are subject to change as needed, and the most current version will be maintained at www.freemobileusa.com.

2. Reporting Requirements

Free Mobile will report all information required by section 54.422, including as it may heretofore be amended. This includes the names of the Company's holding company, operating companies and affiliates, and any branding ("doing-business-as company" or brand designation), and provide to the Commission and USAC general information regarding the terms and conditions of the Lifeline plans for voice telephony service offered specifically for low income consumers through the program offered during the previous year, including the number of

⁸⁵ See *Lifeline and Link Up Reform Order* at ¶ 257.

minutes provided, and whether there are additional charges to the consumer for service, including minutes of use and/or toll calls.⁸⁶

3. Reimbursement from USAC

In seeking reimbursement for Lifeline, Free Mobile will comply with the requirements of C.F.R. § 54.407, as revised by the *Lifeline and Link Up Reform Order*.⁸⁷ Free Mobile will certify when seeking reimbursement that the Company has obtained a valid certification form for each consumer for whom the Company seeks Lifeline reimbursement,⁸⁸ and the Company will seek reimbursement for actual lines served, not projected lines.⁸⁹

VII. DESIGNATION OF FREE MOBILE AS AN ETC WOULD PROMOTE THE PUBLIC INTEREST

One of the principal goals of the Act, as amended by the Telecommunications Act of 1996, is “to secure lower prices and higher quality services for American telecommunications consumers and encourage the rapid deployment of new telecommunications technologies” to all citizens, regardless of geographic location or income.⁹⁰ Designation of Free Mobile as an ETC in the Non-Jurisdictional States will promote the public interest by providing low-income consumers in the Non-Jurisdictional States with more affordable and higher quality wireless services. Many low-income consumers have yet to reap the full benefits of the wireless marketplace. Whether because of financial constraints, poor credit or intermittent employment, these consumers often lack access to the benefits that wireless services bring to other

⁸⁶ See *Lifeline and Link Up Reform Order* at ¶ 296, 390. Section 153 of the Act defines “affiliate” as “a person that (directly or indirectly) owns or controls, is owned or controlled by, or is under common ownership or control with, another person.

⁸⁷ See *id* page 221.

⁸⁸ See *id* at ¶ 128.

⁸⁹ See *id* at ¶ 302.

⁹⁰ Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56.

consumers.⁹¹ Designating Free Mobile as an ETC in the Non-Jurisdictional States will enable it to expand the availability of affordable telecommunications services to qualifying consumers, leading to lower prices and increased choice.⁹²

The instant request for limited ETC designation must be examined in light of the Act's goal of providing low-income consumers with access to telecommunications services. The primary purpose of universal service is to ensure that consumers—particularly low-income consumers—receive affordable and comparable telecommunications services. Given this context, designating Free Mobile as an ETC would significantly benefit low-income consumers eligible for Lifeline services in the Non-Jurisdictional States—the intended beneficiaries of universal service. The Company's participation in the Lifeline program also undoubtedly would increase opportunities for the company to serve these customers with appealing and affordable service offerings.

A. Advantages of Free Mobile's Service Offering

The public interest benefits 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, 911 service and, where available, E911 service in accordance with current FCC requirements. Free Mobile's Lifeline

⁹¹ See *supra* note 20.

⁹² See *TracFone ETC Order*, 23 FCC Rcd at 6212 ¶ 15; *Virgin Mobile Order*, 24 FCC Rcd at 3395 ¶ 38; *Policy and Rules Concerning the Interstate, Interexchange Marketplace, Implementation of Section 254(g) of the Communications Act of 1934*, CC Docket No. 96-61, Second Report and Order, 11 FCC Rcd 20730, 20760 ¶ 52 (1996).

customers will receive the same high-quality wireless services and exceptional customer service provided to all Company customers. Free Mobile's Lifeline rate plans will not only allow feature-rich mobile connectivity for qualifying subscribers at no cost to the subscriber, but also will bring a variety of rate plans into the reach of Lifeline customers that are comparable in minutes and features to those available to post-paid wireless subscribers – but at low Lifeline rates and without the burden of credit checks, contracts, or activation fees.

Most importantly, Free Mobile's Lifeline service will provide low-income residents with the convenience and security offered by wireless services—even if their financial position deteriorates. ETC designation in the Non-Jurisdictional States would enable Free Mobile to offer appealing and affordable service offerings to low-income customers to ensure that they are able to afford wireless services on a consistent and uninterrupted basis. Without question, prepaid wireless services have become essential for low-income customers, providing them with value for their money, access to emergency services on wireless devices, and a reliable means of contact for prospective employers, social service agencies or dependents. Providing Free Mobile with the authority necessary to offer discounted Lifeline services to those most in danger of losing wireless service altogether undoubtedly promotes the public interest.

In sum, ETC designation in the Non-Jurisdictional States would enable Free Mobile to provide all of the public benefits cited by the Commission in its analysis in the *TracFone* and *Virgin Mobile Orders*. Namely, Free Mobile would provide “increased consumer choice, high-

quality service offerings, and mobility,”⁹³ as well as the safety and security of effective 911 and E911 services.⁹⁴

B. The Benefits of Competitive Choice

The benefits to consumers of being able to choose from among a variety of telecommunications service providers have been acknowledged by the FCC for more than three decades.⁹⁵ Designation of Free Mobile as an ETC will promote competition and innovation, and spur other carriers to target low-income consumers with service offerings tailored to their needs and to improve their existing networks to remain competitive, resulting in improved services to consumers. Designation of Free Mobile as an ETC will help assure that quality services are available at “just, reasonable, and affordable rates” as envisioned in the Act.⁹⁶ Designation of Free Mobile as an ETC would offer Lifeline-eligible consumers an additional choice of providers for accessing telecommunications services, representing a significant step towards ensuring that all low-income consumers share in the many benefits associated with access to wireless services.

C. Impact on the Universal Service Fund

Free Mobile will only increase the amount of USF Lifeline funding in situations where it obtains Lifeline customers not enrolled in another ETC’s Lifeline program. By implementing the safeguards set forth in the *Lifeline and Link Up Reform Order*, Free Mobile will minimize the likelihood that its customers are not eligible or are receiving duplicative support either individually or within their household. Significantly, the Company’s designation as an ETC will

⁹³ See *Virgin Mobile Order*, 24 FCC Rcd at 3395 ¶ 38; *TracFone ETC Order*, 23 FCC Rcd at 6212 ¶ 15.

⁹⁴ See *Virgin Mobile Order*, 24 FCC Rcd at 3391 ¶ 23.

⁹⁵ See, e.g., *Specialized Common Carrier Services*, 29 FCC Rcd 870 (1971).

⁹⁶ See 47 U.S.C. § 254(b)(1).

not increase the number of persons eligible for Lifeline support. Free Mobile’s ability to increase the Lifeline participation rate of qualified low-income individuals will further the goal of Congress to provide all individuals with affordable access to telecommunications service, and thus any incremental increases in Lifeline expenditures are far outweighed by the significant public interest benefits of expanding the availability of affordable wireless services to low-income consumers. According to the FCC, “the additional choice and service options of another wireless reseller offering a service for low-income consumers represents a significant benefit for consumers and is in the public interest,” and “A new entrant should incent existing wireless reseller ETCs to offer better service and terms to their customers, which provides additional evidence that forbearance in the context of the Lifeline program outweighs the potential costs.”⁹⁷

VIII. ANTI-DRUG ABUSE CERTIFICATION

Free Mobile certifies that no party to this Petition is subject to denial of federal benefits, including FCC benefits, pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.

⁹⁷ See *Petition of i-wireless, LLC for Forbearance from 47 U.S.C § 214(e)(1)(A)*, Order, FCC 10-117 (rel. June 25, 2010) at ¶ 19.

IX. CONCLUSION

As discussed above, designation of Free Mobile as an ETC in the Non-Jurisdictional States accords with the requirements of Section 214(e)(6) of the Act and is in the public interest.

For all of the foregoing reasons, Free Mobile respectfully requests that the Commission designate Free Mobile as an ETC in the Non-Jurisdictional States.

Respectfully submitted,

/s/ Lance J.M. Steinhart

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E-Mail: lsteinhart@telecomcounsel.com

Attorney for Free Mobile, Inc

September 13, 2012

Attachment A

Proposed Lifeline Rates

	Basic	Plus	Deluxe	Elite	Elite Plus	Elite Platinum
Mins	68	125	250	Unlimited	Unlimited	Unlimited
Text	3:1	1:1	n/a	Unlimited	Unlimited	Unlimited
Rollover?	Unlimited	90 days	n/a	n/a	n/a	n/a
Web	n/a	n/a	n/a	n/a	200mb	600mb
Overage Per Min	\$ 0.10	\$ 0.10	\$ 0.10	n/a	n/a	n/a

Local Calls	X	X	X	X	X	X
Nationwide Long Distance	X	X	X	X	X	X
Voicemail, Caller ID	X	X	X	X	X	X
Call Waiting, 3-way Calling	X	X	X	X	X	X
Nationwide Text	X	X	X	X	X	X
Free 911	X	X	X	X	X	X
Free 611	X	X	X	X	X	X
Free 411	X	X	X	X	X	X
Rollover	X	X				

Cost	\$ 9.25	\$ 9.25	\$ 9.25	\$ 44.25	\$ 54.25	\$ 64.25
Federal Subsidy	\$ 9.25	\$ 9.25	\$ 9.25	\$ 9.25	\$ 9.25	\$ 9.25
Lifeline Consumer Cost	\$ -	\$ -	\$ -	\$ 35.00	\$ 45.00	\$ 55.00

Attachment B

Affirmative Statement of the Alabama Public Service Commission

Alabama Public Service Commission

Orders

PINE BELT CELLULAR, INC. and PINE BELT PCS, INC.,

Joint Petitioners

PETITION: For ETC status and/or clarification regarding the jurisdiction of the Commission to grant ETC status to wireless carriers.

DOCKET U-4400

ORDER

BY THE COMMISSION:

In a joint pleading submitted on September 11, 2001, Pine Belt Cellular, Inc. and Pine Belt PCS, Inc. (collectively referred to as "Pine Belt") each notified the Commission of their desire to be designated as universal service eligible telecommunications carriers ("ETCs") for purposes of providing wireless ETC service in certain of the non-rural Alabama wireline service territories of BellSouth Telecommunications, Inc. ("BellSouth") and Verizon South, Inc. ("Verizon"). The Pine Belt companies noted their affiliation with Pine Belt Telephone Company, a provider of wireline telephone service in rural Alabama, but clarified that they exclusively provide cellular telecommunications and personal communications (collectively referred to as "CMRS" or "wireless") services in their respective service areas in Alabama in accordance with licenses granted by the Federal Communications Commission ("FCC"). The pivotal issue raised in the joint pleading of Pine Belt companies is whether the Commission will assert jurisdiction in this matter given the wireless status of the Pine Belt companies.

As noted in the filing of the Pine Belt companies, state Commissions have primary responsibility for the designation of eligible telecommunications carriers in their respective jurisdictions for universal service purposes pursuant to 47 USC §214 (e). The Commission indeed established guidelines and requirements for attaining ETC status in this jurisdiction pursuant to notice issued on October 31, 1997.

For carriers not subject to state jurisdiction, however, §214(e)(6) of the Telecommunications Act of 1996 provides that the FCC shall, upon request, designate such carriers as ETCs in non-rural service territories if said carriers meet the requirements of §214(e)(1). In an FCC Public Notice released December 29, 1997 (FCC 97-419) entitled "Procedures for FCC designation of Eligible Telecommunications Carriers pursuant to §214(e)(6) of the Telecommunications Act", the FCC required each applicant seeking ETC designation from the FCC to provide, among other things, "a certification and brief statement of supporting facts demonstrating that the Petitioner is not subject to the jurisdiction of a state Commission."

The Pine Belt companies enclosed with their joint pleading completed ETC application forms as developed by the Commission. In the event the Commission determines that it does not have jurisdiction to act on the Pine Belt request for ETC status, however, the Pine Belt companies seek an affirmative written statement from the Commission indicating that the Commission lacks jurisdiction to grant them ETC status as wireless carriers.

The issue concerning the APSC's jurisdiction over providers of cellular services, broadband personal communications services, and commercial mobile radio services is one that was rather recently addressed by the Commission. The Commission indeed issued a Declaratory Ruling on March 2, 2000, in Docket 26414 which concluded that as the result of certain amendments to the Code of Alabama, 1975 §40-21-120(2) and (1)(a) effectuated in June of 1999, the APSC has no authority to regulate, *in any respect*, cellular services, broadband personal communications services and commercial mobile radio services in Alabama. Given the aforementioned conclusions by the Commission, it seems rather clear that the Commission has no jurisdiction to take action on the Application of the Pine Belt companies for ETC status in this jurisdiction. The Pine Belt companies and all other wireless providers seeking ETC status should pursue their ETC designation request with the FCC as provided by 47 USC §214(e)(6).

IT IS, THEREFORE, ORDERED BY THE COMMISSION, That the Commission's jurisdiction to grant Eligible Telecommunications Carrier status for universal service purposes does not extend to providers of cellular services, broadband personal communications services, and commercial mobile radio services. Providers of such services seeking Eligible Telecommunications Carrier status should accordingly pursue their requests through the Federal Communications Commission.

IT IS FURTHER ORDERED, That this Order shall be effective as of the date hereof.

DONE at Montgomery, Alabama, this 12th day of March, 2002.

ALABAMA PUBLIC SERVICE COMMISSION

Jim Sullivan, President

Jan Cook, Commissioner

George C. Wallace, Jr., Commissioner

ATTEST: A True Copy

Walter L. Thomas, Jr., Secretary

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Attachment C

Affirmative Statement of the Connecticut Department of Public Utility Control



STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC UTILITY CONTROL

August 10, 2010
In reply, please refer to:
UR:PAP

Lance J.M. Steinhart, Esquire
1720 Windward Concourse
Suite 115
Atlanta, Georgia 30005

Re: Request for Letter Clarifying Jurisdiction Over Wireless CETC Petitions

Dear Mr. Steinhart:

The Department of Public Utility Control (Department) acknowledges receipt of your July 23, 2010 letter filed on behalf of i-wireless, LLC (i-wireless) seeking clarification as to whether the Department asserts jurisdiction to designate competitive eligible telecommunications carriers (CETC) in Connecticut. According to your letter, i-wireless seeks designation as a CETC in Connecticut and believes that the Department does not assert jurisdiction to designate CETCs in the state and that carriers must apply to the Federal Communications Commission for certification.

The Department has reviewed your request and notes that it has approved requests for CETC status from wireline-based carriers. However, in the instant case, i-wireless is a mobile virtual network operator. The Department does not regulate or license mobile carrier services' rates and charges and therefore, it is not subject to the Department's jurisdiction for the purposes of designating CETC status.

Sincerely,

DEPARTMENT OF PUBLIC UTILITY CONTROL

K. Santopietro (law)

Kimberley J. Santopietro
Executive Secretary

Attachment D

Affirmative Statement of the Delaware Public Service Commission



**STATE OF DELAWARE
PUBLIC SERVICE COMMISSION**

861 SILVER LAKE BOULEVARD
CANNON BUILDING, SUITE 100
DOVER, DELAWARE 19904

TELEPHONE: (302) 736-7500
FAX: (302) 739-4849

August 18, 2010

VIA E-MAIL

Lance J.M. Steinhart, P.C.
1720 Windward Concourse
Suite 115
Alpharetta, Georgia 30005

Dear Mr. Steinhart:

I received your letter on behalf of i-wireless, LLC requesting clarification on Delaware's competitive eligible telecommunication carrier process. This is to confirm that Delaware is a "default" State and, therefore, it is the FCC, not Delaware, that determines eligibility to receive the federally-subsidized price reductions. I am attaching the October 11, 2005 order in PSC Docket No. 05-016T that discusses this issue in a Verizon Delaware, Inc. docket.

I will attach these documents to an e-mail so that you will receive them expeditiously. If you would also like a hard copies of the documents by mail let me know by e-mail and I will forward them to you.

Sincerely

Janis L. Dillard
Acting Executive Director

DOCKET COPY
DO NOT REMOVE FROM OFFICE

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION OF)
VERIZON DELAWARE INC., TO MODIFY THE)
LIFELINE SERVICE BY ADDING AN INCOME) PSC DOCKET NO. 05-016T
QUALIFIER TO THE ELIGIBILITY CRITERIA)
(FILED JUNE 17, 2005))

ORDER NO. 6736

This 11th day of October, 2005, the Commission determines and Orders the following:

1. In the jargon of the federal Lifeline/Link-Up program, Delaware is a "federal default State." Delaware has never, by either state law or state regulation, ordained, nor funded, a stand-alone program to provide discounts on basic telephone services charges for low-income subscribers. Consequently, it was not until 1997, when the Federal Communications Commission ("FCC") revamped the federal Lifeline/Link-Up program, that Delaware subscribers first became eligible for participation in the federal Lifeline program.¹ And given that in a "federal default State" only federally-raised monies are used to reimburse eligible carriers for the Lifeline and Link-Up discounts, it is the FCC, and not the state commission, that gets to call the tune about who should be eligible to receive these federally-subsidized price reductions.

2. Since 1997, Verizon Delaware Inc. ("VZ-DE") has been designated as an "eligible telecommunications carrier" and has offered

¹See PSC Order No. 4684 (Dec. 16, 1997) (summarizing Delaware history and electing to allow "Tier 2" federal support to eligible Delaware subscribers).

federal Lifeline discounts on the federal list of supported services.² And even though in "default" States, Lifeline is almost an exclusively federal program, VZ-DE has, since 1997, filed at the State level, tariff provisions setting forth its Lifeline offerings.³

3. In 2004, the FCC changed some of the "eligibility" rules describing which subscribers may participate in the federal Lifeline/Link-Up program.⁴ In particular, the 2004 amendments added additional programs to the list of "eligible" programs where participation confers federal default Lifeline/Link-Up eligibility.⁵ The 2004 amendments also introduced an additional eligibility criteria premised on the subscriber's household income.⁶ Eligible telecommunications carriers, such as VZ-DE, were given one year to implement this new, additional income-based eligibility criteria.⁷

4. To implement these changes prescribed by the FCC, VZ-DE initially filed revisions to the Lifeline and Link-Up portions of its

²See PSC Order No. 4680 (Dec. 17, 1997) ("ETC" designation for VZ-DE). See also PSC Dckt. No. 97-023T (initial Lifeline tariff filing by VZ-DE).

³From December 2000 through December 2003, VZ-DE offered, under its state tariff, an "expanded" Lifeline program for Delaware. The discounts under such program exceeded the Tiers 1 & 2 levels normally available in a default State. VZ-DE offered this expanded program to fulfill a condition imposed by the FCC in approving the Bell Atlantic-GTE merger. See PSC Order No. 6317 (Dec. 9, 2003) (explaining content and cause of this expanded Lifeline offering). Whether Delaware remained a "default State" during this period when VZ-DE subsidized the deeper discounts is an issue that need now be explored or resolved. This "expanded" program ended in December 2003.

⁴In the Matter of Lifeline and Link-Up, Report and Order and Further NPRM, 19 FCC Rcd. 8302 (FCC 2004) ("Lifeline Order").

⁵47 C.F.R. §§ 54.409(b) (Lifeline eligibility criteria in "default" State); 54.415(b) (Link-Up eligibility criteria in "default" State).

⁶47 C.F.R. §§ 54.409(b), 54.410 (Lifeline); 54.415(b), 54.416 (Link-Up).

⁷47 C.F.R. §§ 54.410(a)(ii), 54.416.

State tariff. These changes incorporated into the State tariff provisions the expanded list of "eligibility-conferring" programs.⁸ At the same time, the Commission Staff began discussions with VZ-DE to determine whether, under the applicable federal default rules, it was appropriate for VZ-DE to continue to include in its State tariff Lifeline provisions language that conditioned Lifeline eligibility on the subscriber foregoing the ability to purchase many optional or vertical services.⁹ Eventually, VZ-DE revised its State tariff Lifeline provisions to delete the questioned restrictions.¹⁰ Then in June 2005, VZ-DE filed another Tariff revision to reflect its implementation of the household-income criteria for eligibility for Lifeline and Link-Up discounts.¹¹ Finally, on September 9, 2005, VZ-DE submitted another set of revised tariff sheets reflecting further textual revisions, as originally suggested by Staff. In part, these final changes sought to make the State tariff's description of how VZ-DE would administer its Lifeline/Link-Up program to more closely parallel the governing federal default rules.¹²

⁸See PSC Dckt. No. 04-017T (filed July 26, 2004; eff. July 27, 2004).

⁹That restriction - limiting Lifeline subscribers to a small group of designated vertical services - had been a continual part of VZ-DE's state-tariffed Lifeline offerings since 1997. In its Lifeline Order, the FCC expressed its belief that "any restriction on the purchase of vertical services may discourage qualified consumers from enrolling and may serve as a barrier to participation in the [Lifeline] program. Lifeline Order at ¶ 53.

¹⁰See PSC Dckt. No. 05-008T (filed April 8, 2005; eff. April 16, 2005).

¹¹See PSC Dckt. No. 05-016T (filed June 17, 2005; eff. June 22, 2005).

¹²See PSC Dckt. No. 05-016T, amended tariff sheets filed on September 9, 2005 but with effective date of June 22, 2005).

5. The Commission enters this Order not so much to "approve" the various Lifeline filings made by VZ-DE but to recount the course of the filings made since the FCC changed its federal Lifeline/Link-Up program in 2004. Indeed, given that Delaware is a "default" State, VZ-DE's Lifeline/Link-Up offerings are governed more by the federal default rules than by any "approved" State tariff provision. Any State tariff provision that might conflict with a federal default rule would necessarily have to yield. However, the Commission will accept the Lifeline and Link-Up tariff filings lodged by VZ-DE. The Commission believes that VZ-DE's last submission (in September 2005) sets forth a Lifeline and Link-Up offering that is consistent with the federal default rules. However, the filing and acceptance of the State tariff provisions should not be seen as foreclosing any later challenge that VZ-DE's program falls short of the federal directives.

Now, therefore, IT IS ORDERED:

1. That, as explained in the body of this Order, the Commission accepts the tariff filings made by Verizon Delaware Inc., to implement its responsibilities to provide federal Lifeline and Link-Up in this "federal default" jurisdiction. In particular, the Commission now accepts the tariff revision filing made September 9, 2005 pertaining to the following leaves in P.S.C.-Del.-No. 1:

Section 20D, Fourteenth Revised Sheet 1 (Link-Up);

Section 20D, Fifth Revised Sheet 2 (Link-Up); and

Section 20E, Eighth Revised Sheet 2 (Lifeline).

2. That the Commission reserves the jurisdiction and authority to enter such further Orders in this matter as may be deemed necessary or proper.

BY ORDER OF THE COMMISSION:

Annetta McRae
Chair

Vice Chair

John Corway
Commissioner

John R. [unclear]
Commissioner

[unclear]
Commissioner

ATTEST:

Norma J. Sherwood
Acting Secretary

Attachment E

Affirmative Statement of the District of Columbia Public Service Commission



Public Service Commission of the District of Columbia
1333 H Street, N.W., 2nd Floor, West Tower
Washington, D.C. 20005
(202) 626-5100
www.dcpssc.org

February 29, 2012

Via First Class & Electronic Mail

Lance J.M. Steinhart
Lance J.M. Steinhart, P.C., Attorney at Law
1725 Windward Concourse, Suite 150
Alpharetta, GA 30005

Dear Mr. Steinhart:

Thank you for your February 23, 2012 letter requesting information on whether the Public Service Commission of the District of Columbia ("Commission") designates wireless telecommunications carriers as eligible telecommunications carriers ("ETC") for the purposes of receiving federal universal service funding. Please be advised that, pursuant to section 34-2006(b) of the District of Columbia Code, the Commission does not have jurisdiction over wireless carriers. Thus, the Commission has no authority to designate wireless telecommunications carriers as ETCs.

Attached please find a copy of the relevant section of the District of Columbia Code for your information. Should you need anything further, please contact Lara Walt at 202-626-9191 or lwalt@psc.dc.gov.

Sincerely,

A handwritten signature in black ink that reads "Richard A. Beverly".

Richard A. Beverly
General Counsel

Enclosure



D.C. Council Home

Home Search Help ©



Welcome to the online source for the District of Columbia Official Code

DC ST § 34-2006

Formerly cited as DC ST 1981 § 43-1456

DC ST § 34-2006

Formerly cited as DC ST 1981 § 43-1456

District of Columbia Official Code 2001 Edition Currentness

Division V. Local Business Affairs

Title 34. Public Utilities.

Subtitle V. Telecommunications. Chapter 20. Telecommunications Competition. ➔ **§ 34-2006. Exemptions.**

(a) This chapter shall not apply to cable television services performed pursuant to an existing cable television franchise agreement with the District of Columbia which is in effect on September 9, 1996. To the extent that a cable television company seeks to provide local exchange services within the District of Columbia, such company shall be regulated under the provisions of this chapter for their local exchange services.

(b) Pursuant to the federal Telecommunications Act of 1996, this chapter shall not apply to licensed or unlicensed wireless services authorized by the Federal Communications Commission operating in the District of Columbia.

(c) This chapter shall not:

(1) Apply to the provision, rates, charges, or terms of service of Voice Over Internet Protocol Service or Internet Protocol-enabled Service;

(2) Alter the authority of the Commission to enforce the requirements as are otherwise provided for, or allowed by, federal law, including the collection of Telecommunications Relay Service fees and universal service fees;

(3) Alter the authority of the Office of Cable Television and Telecommunications with respect to the provision of video services in the District of Columbia; or

(4) Alter the Commission's existing authority over the regulation of circuit-switched local exchange services in the District of Columbia.

CREDIT(S)

(Sept. 9, 1996, D.C. Law 11-154, § 7, 43 DCR 3736; June 5, 2008, D.C. Law 17-165, § 3(c), 55 DCR 5171.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 43-1456.

Effect of Amendments

D.C. Law 17-165 added subsec. (c).

Legislative History of Laws

For legislative history of D.C. Law 11-154, see Historical and Statutory Notes following § 34-2001.

For Law 17-165, see notes following § 34-403.

References in Text

The federal Telecommunications Act of 1996, referred to in (b), is Pub. L. 104-104, which is codified throughout Title 47 of the United States Code.

DC CODE § 34-2006

Current through January 11, 2012

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END OF DOCUMENT

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Attachment F

Affirmative Statement of the Florida Public Service Commission

COMMISSIONERS:
ART GRAHAM, CHAIRMAN
LISA POLAK EDGAR
RONALD A. BRISÉ
EDUARDO E. BALBIS
JULIE I. BROWN

STATE OF FLORIDA



GENERAL COUNSEL
S. CURTIS KISER
(850) 413-6199

Public Service Commission

June 2, 2011

Mr. Lance J.M. Steinhart, P.C.
Attorney At Law
1720 Windward Concourse
Suite 115
Alpharetta, GA 30005

Re: Docket No. 110101-TP – i-wireless, LLC’s ETC designation

Dear Mr. Steinhart:

We received your May 20, 2011 letter requesting a statement that the Florida Public Service Commission’s jurisdiction to grant ETC designation to i-wireless, LLC changed with Governor Scott’s approval of HB 1231, the telecom reform bill. In your letter, you mentioned that i-wireless, LLC is a commercial mobile radio service provider.

This letter acknowledges that Governor Scott’s approval of HB 1231, the telecom reform bill, revises Chapter 364, Florida Statutes, thereby changing the Commission’s jurisdiction regarding telecommunications companies. I direct your attention to Chapter 364, Florida Statutes, including the revisions by HB 1231 for the proposition that the Federal Communications Commission, rather than this Commission is the appropriate agency to consider i-wireless, LLC’s bid for ETC status.

Sincerely,

Handwritten signature of S. Curtis Kiser in black ink.

S. Curtis Kiser
General Counsel

cc: Beth W. Salak, Director, Division of Regulatory Analysis
Robert J. Casey, Public Utilities Supervisor, Division of Regulatory Analysis
Adam J. Teitzman, Attorney Supervisor, Office of the General Counsel
Ann Cole, Commission Clerk, Office of Commission Clerk

Attachment G

Affirmative Statement of the New Hampshire Public Utilities Commission

THE STATE OF NEW HAMPSHIRE

CHAIRMAN
Thomas B. Getz

COMMISSIONERS
Clifton C. Below
Amy L. Ignatius

EXECUTIVE DIRECTOR
AND SECRETARY
Debra A. Howland



PUBLIC UTILITIES COMMISSION
21 S. Fruit Street, Suite 10
Concord, N.H. 03301-2429

Tel. (603) 271-2431

FAX (603) 271-3878

TDD Access: Relay NH
1-800-735-2964

Website:
www.puc.nh.gov

March 28, 2011

RE: ETC Certification in New Hampshire

The federal Universal Service Fund (USF) was created by the Federal Communications Commission (FCC) to promote the availability of quality services at just and reasonable rates to all consumers including low-income customers and those in high cost areas and to increase nationwide access to advanced services in schools, libraries and rural health care facilities. To qualify for universal service funding a carrier must first be certified as an Eligible Telecommunications Carrier (ETC) by the state public utilities commission or, if the state does not assert this authority, by the FCC. *See* 47 U.S.C. §214 (e).

The New Hampshire Public Utilities Commission maintains authority to determine whether landline telecommunications carriers qualify as ETCs. Pursuant to New Hampshire RSA 362:6, the Commission has no jurisdiction over mobile radio communications services. Consequently, the state declines jurisdiction over the certification of wireless carriers as ETCs, leaving that responsibility to the FCC.

Sincerely,

A handwritten signature in black ink, appearing to read "F. Anne Ross".

F. Anne Ross

General Counsel

New Hampshire Public Utilities Commission

Attachment H

Affirmative Statement of the New York Public Service Commission

STATE OF NEW YORK DEPARTMENT OF PUBLIC SERVICE
THREE EMPIRE STATE PLAZA, ALBANY, NY 12223-1350
www.dps.state.ny.us

PUBLIC SERVICE COMMISSION

GARRY A. BROWN
Chairman
PATRICIA L. ACAMPORA
MAUREEN F. HARRIS
ROBERT E. CURRY JR.
JAMES L. LAROCCA
Commissioners



PETER McGOWAN
General Counsel
JACLYN A. BRILLING
Secretary

July 28, 2010

VIA EMAIL AND US MAIL

Lance J.M. Steinhart, Esq.
1720 Windward Concourse
Suite 115
Alpharetta, Georgia 30005

Re: Request for Letter Clarifying Jurisdiction Over Wireless CETC Petitions

Dear Mr. Steinhart:

As you requested, enclosed is a letter providing an affirmative statement, required by the FCC, that the New York State Public Service Commission does not assert jurisdiction over CMRS providers seeking Eligible Telecommunications Carrier designation.

Very truly yours,

Maureen J. McCauley
Maureen J. McCauley
Assistant Counsel

Enc.

cc: Hon. Jaclyn A. Brillling, Secretary

STATE OF NEW YORK DEPARTMENT OF PUBLIC SERVICE
THREE EMPIRE STATE PLAZA, ALBANY, NY 12223-1350
www.dps.state.ny.us

PUBLIC SERVICE COMMISSION

GARRY A. BROWN
Chairman
PATRICIA L. ACAMPORA
MAUREEN F. HARRIS
ROBERT E. CURRY JR.
JAMES L. LARocca
Commissioners



PETER McGOWAN
General Counsel
JACLYN A. BRILLING
Secretary

July 28, 2010

TO WHOM IT MAY CONCERN:

Re: i-wireless CMRS Jurisdiction

We have received a letter from i-wireless, LLC (i-wireless), requesting a statement that the New York State Public Service Commission does not exercise jurisdiction over CMRS providers for the purpose of making determinations regarding Eligible Telecommunications Carrier designations under section 214 (e)(6) of 47 U.S.C. In response to this request, please be advised that section 5 (6)(a) of the New York State Public Service Law provides that:

Application of the provisions of this chapter to cellular telephone services is suspended unless the commission, no sooner than one year after the effective date of this subdivision, makes a determination, after notice and hearing, that suspension of the application of provisions of this chapter shall cease to the extent found necessary to protect the public interest.

The New York State Public Service Commission has not made a determination as of this date that regulation should be reinstated under section 5 (6)(a) of the Public Service Law. Consequently, based on the representation by i-wireless that it is a mobile virtual network operator reselling wireless services, i-wireless would not be subject to New York State Public Service Commission jurisdiction for the purpose of making an Eligible Telecommunications Carrier designation.

Very truly yours,

Maureen J. McCauley
Maureen J. McCauley
Assistant Counsel

Attachment I

Affirmative Statement of the North Carolina Public Utilities Commission

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. P-100, SUB 133c

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Designation of Carriers Eligible for Universal)
Carrier Support) ORDER GRANTING PETITION

BY THE COMMISSION: On August 22, 2003, North Carolina RSA3 Cellular Telephone Company, d/b/a Carolina West (Carolina West), a commercial mobile radio service (CMRS) provider, filed a Petition seeking an affirmative declaratory ruling that the Commission lacks jurisdiction to designate CMRS carrier eligible telecommunications carrier (ETC) status for the purposes of receiving federal universal service support.

In support of its Petition, Carolina West stated that it was a CMRS provider authorized by the Federal Communications Commission (FCC) to provide cellular mobile radio telephone service in North Carolina, and that the FCC had clearly recognized that CMRS carriers such as Carolina West may be designated as ETCs. ETC status is necessary for a provider to be eligible to receive universal service support. Section 214(e)(6) of the Telecommunications Act provides that if a state commission determines that it lacks jurisdiction over a class of carriers, the FCC is charged with making the ETC determination. The FCC has stated that, in order for the FCC to consider requests pursuant to this provision, a carrier must provide an "affirmative statement" from the state commission or court of competent jurisdiction that the state lacks jurisdiction to perform the designation. To date, several state commissions have declined to exercise such jurisdiction.

North Carolina has excluded CMRS from the definition of "public utility." See, G.S. 62-3(23)j. Pursuant to this, the Commission issued its Order Concerning Deregulation of Wireless Providers in Docket Nos. P-100, Sub 114 and Sub 124 on August 28, 1995, concluding that the Commission no longer has jurisdiction over cellular services. Accordingly, Carolina West has now requested the Commission to issue an Order stating that it does not have jurisdiction to designate CMRS carriers ETC status for the purposes of receiving federal universal service support.

WHEREUPON, the Commission reaches the following

CONCLUSIONS

After careful consideration, the Commission concludes that it should grant Carolina West's Petition and issue an Order stating that it lacks jurisdiction to designate ETC status

for CMRS carriers. As noted above, in its August 28, 1995, Order in Docket Nos. P-100, Sub 114 and Sub 124, the Commission observed that G.S. 62-3(23)j, enacted on July 29, 1995, has removed cellular services, radio common carriers, personal communications services, and other services then or in the future constituting a mobile radio communications service from the Commission's jurisdiction. 47 USC 3(41) defines a "state commission" as a body which "has regulatory jurisdiction with respect to the intrastate operation of carriers." Pursuant to 47 USC 214(e)(6), if a state commission determines that it lacks jurisdiction over a class of carriers, the FCC must determine which carriers in that class may be designated as ETCs. Given these circumstances, it follows that the Commission lacks jurisdiction over CMRS services and the appropriate venue for the designation of ETC status for such services is with the FCC. Accord., Order Granting Petition, ALLTEL Communications, Inc., June 24, 2003.

IT IS, THEREFORE, SO ORDERED.

ISSUED BY ORDER OF THE COMMISSION.

This the 28th day of August, 2003.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in cursive script that reads "Patricia Swenson".

Patricia Swenson, Deputy Clerk

Attachment J

Affirmative Statement of the Tennessee Regulatory Authority

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

April 11, 2003

IN RE:

**APPLICATION OF ADVANTAGE CELLULAR
SYSTEMS, INC. TO BE DESIGNATED AS AN
ELIGIBLE TELECOMMUNICATIONS CARRIER**

)
)
)
)
)

**DOCKET NO.
02-01245**

ORDER

This matter came before Chairman Sara Kyle, Director Deborah Taylor Tate and Director Pat Miller of the Tennessee Regulatory Authority (the "Authority"), the voting panel assigned in this docket, at the regularly scheduled Authority Conference held on January 27, 2003, for consideration of the *Application of Advantage Cellular Systems, Inc. To Be Designated As An Eligible Telecommunications Carrier* ("Application") filed on November 21, 2002.

Background

Advantage Cellular Systems, Inc. ("Advantage") is a commercial mobile radio service provider ("CMRS") seeking designation as an Eligible Telecommunications Carrier ("ETC") by the Authority pursuant to 47 U.S.C. §§ 214 and 254. In its *Application*, Advantage asserts that it seeks ETC status for the entire study area of Dekalb Telephone Cooperative, Inc., a rural cooperative telephone company. Advantage maintains that it meets all the necessary requirements for ETC status and therefore is eligible to receive universal service support throughout its service area.

The January 27, 2003 Authority Conference

During the regularly scheduled Authority Conference on January 27, 2003, the panel of Directors assigned to this docket deliberated Advantage's *Application*. Of foremost consideration was the issue of the Authority's jurisdiction. The panel unanimously found that the Authority lacked

jurisdiction over Advantage for ETC designation purposes.¹

This conclusion was implicitly premised on Tenn. Code Ann. § 65-4-104, which provides that:

The Authority has general supervisory and regulatory power, jurisdiction and control over all public utilities and also over their property, property rights, facilities, and franchises, so far as may be necessary for the purpose of carrying out the provisions of this chapter.

For purposes of Tenn. Code Ann. § 65-4-104, the definition of public utilities specifically excludes, with certain exceptions not relevant to this case, “[a]ny individual, partnership, copartnership, association, corporation or joint stock company offering domestic public cellular radio telephone service authorized by the federal communications commission.”

The Authority’s lack of jurisdiction over CMRS providers implicates 47 U.S.C. § 214(e), which addresses the provision of universal service. Where common carriers seeking universal service support are not subject to a state regulatory commission’s jurisdiction, 47 U.S.C. § 214(e)(6) authorizes the Federal Communications Commission (“FCC”) to perform the ETC designation.²

¹ This finding is not inconsistent with the Authority’s decision in *In re: Universal Service Generic Contested Case*, Docket 97-00888, *Interim Order on Phase I of Universal Service*, pp. 53-57 (May 20, 1998), in which the Authority required intrastate telecommunications carriers to contribute to the intrastate Universal Service Fund including telecommunications carriers not subject to authority of the TRA. The decision in Docket No. 97-00888 was based primarily on 47 U.S.C. § 254(f) which authorizes states to adopt regulations not inconsistent with the Federal Communications Commission’s rules on Universal Service and specifically requires every telecommunications carrier that provides intrastate telecommunications services to contribute to the preservation and advancement of universal service in that state. The *Interim Order* was issued prior to the effective date of 47 U.S.C. § 214(e)(6).

² 47 U.S.C. §214(e)(6) states:

(6) Common carriers not subject to state commission jurisdiction

In the case of a common carrier providing telephone exchange service and exchange access that is not subject to the jurisdiction of a State commission, the Commission shall upon request designate such a common carrier that meets the requirements of paragraph (1) as an eligible telecommunications carrier for a service area designated by the Commission consistent with applicable Federal and State law. Upon request and consistent with the public interest, convenience and necessity, the Commission may, with respect to an area served by a rural telephone company, and shall, in the case of all other areas, designate more than one common carrier as an eligible telecommunications carrier for a service area designated under this paragraph, so long as each additional requesting carrier meets the requirements of paragraph (1). Before designating an additional eligible telecommunications carrier for an area served by a rural telephone company, the Commission shall find that the designation is in the public interest.

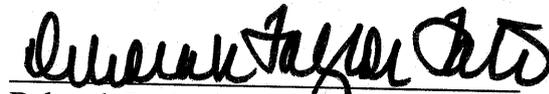
As a matter of “state-federal comity,” the FCC requires that carriers seeking ETC designation “first consult with the state commission to give the state commission an opportunity to interpret state law.”³ Most carriers that are not subject to a state regulatory commission’s jurisdiction seeking ETC designation must provide the FCC “with an affirmative statement from a court of competent jurisdiction or the state commission that it lacks jurisdiction to perform the designation.”⁴

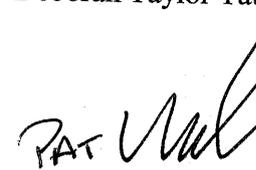
The panel noted that the FCC is the appropriate forum for Advantage to pursue ETC status pursuant to 47 U.S.C. § 214(e)(6). This Order shall serve as the above mentioned affirmative statement required by the FCC.

IT IS THEREFORE ORDERED THAT:

The *Application of Advantage Cellular Systems, Inc. To Be Designated As An Eligible Telecommunications Carrier* is dismissed for lack of subject matter jurisdiction.


Sara Kyle, Chairman


Deborah Taylor Tate, Director


Pat Miller, Director

³ *In the Matter of Federal-State Joint Bd. on Universal Service, CC Docket No. 96-45, Twelfth Report and Order, Memorandum Opinion and Order, and Further Notice of Proposed Rulemaking*, 15 F.C.C.R. 12208, 12264, ¶ 113 (June 30, 2000).

⁴ *See id.* (The “affirmative statement of the state commission may consist of any duly authorized letter, comment, or state commission order indicating that it lacks jurisdiction to perform designations over a particular carrier.”)

Attachment K

Affirmative Statement of the Virginia Corporation Commission

STATE CORPORATION COMMISSION DOCUMENT CONTROL

AT RICHMOND, APRIL 9, 2004

IN RE:

2004 APR -9 A 11:46

APPLICATION OF VIRGINIA CELLULAR LLC

CASE NO. PUC-2001-00263

For designation as an eligible
telecommunications provider under
47 U.S.C. § 214(e) (2)

ORDER INVITING COMMENTS AND/OR REQUESTS FOR HEARING

On December 21, 2001, Virginia Cellular LLC ("Virginia Cellular") filed an application with the State Corporation Commission ("Commission") for designation as an eligible telecommunications carrier ("ETC"). This was the first application by a Commercial Mobile Radio Service ("CMRS") carrier for ETC designation.¹ Pursuant to the Order Requesting Comments, Objections, or Requests for Hearing, issued by the Commission on January 24, 2002, the Virginia Telecommunications Industry Association and NTELOS Telephone Inc. ("NTELOS") filed their respective comments and requests for hearing on February 20, 2002. Virginia Cellular filed Reply Comments on March 6, 2002. Our Order of April 9, 2002, found that § 214(e)(6) of the Act is applicable to Virginia Cellular's application because this Commission has not asserted jurisdiction over CMRS carriers and that Virginia Cellular should apply to the Federal Communications Commission ("FCC") for ETC designation.

Virginia Cellular filed its Petition for Designation as an Eligible Telecommunications Carrier in the State of Virginia with the FCC on April 26, 2002. On January 22, 2004, the FCC released its order designating Virginia Cellular as an ETC in specific portions of its licensed

¹ Virginia Cellular is a CMRS carrier as defined in 47 U.S.C. § 153(27) and is authorized as the "A-band" cellular carrier for the Virginia 6 Rural Service Area, serving the counties of Rockingham, Augusta, Nelson, and Highland and the cities of Harrisonburg, Staunton, and Waynesboro.

service area in the Commonwealth of Virginia subject to certain conditions ("FCC's January 22, 2004, Order").²

The FCC's January 22, 2004, Order further stated that Virginia Cellular's request to redefine the service areas of Shenandoah Telephone Company ("Shentel") and MGW Telephone Company ("MGW") in Virginia pursuant to § 214(3)(5) of the Telecommunications Act of 1996 ("Act") was granted subject to the agreement of this Commission. On March 2, 2004, the FCC filed its January 22, 2004, Order as a petition in this case.³

Section 214(e)(5) of the Act states:

SERVICE AREA DEFINED. - The term "service area" means a geographic area established by a State commission (or the Commission under paragraph (6)) for the purpose of determining universal service obligations and support mechanisms. In the case of an area served by a rural telephone company, "service area" means such company's "study area" unless and until the Commission and the States, after taking into account recommendations of a Federal-State Joint Board instituted under section 410(c), establish a different definition of service area for such company.

In this instance, the FCC has determined that the service areas of Shentel and MGW, which are both rural telephone companies under the Act, should be redefined as requested by Virginia Cellular.⁴ The FCC further recognizes that the "Virginia Commission's first-hand knowledge of the rural areas in question uniquely qualifies it to determine the redefinition proposal and examine whether it should be approved."⁵

² CC Docket No. 96-45, *In the Matter of Federal-State Joint Board on Universal Service, Virginia Cellular LLC Petition for Designation as an Eligible Telecommunications Carrier in the Commonwealth of Virginia*.

³ See paragraph 45 of the FCC's January 22, 2004, Order. The FCC, in accordance with § 54.207(d) of its rules, requests that the Virginia Commission treat this Order as a petition to redefine a service area under § 54.207(d)(1) of the FCC's rules. A copy of the petition can be obtained from the Commission's website at: <http://www.state.va.us/scc/caseinfo.htm>.

⁴ The FCC denied Virginia Cellular's request to redefine the study area of NTELOS. See paragraph 50 of the FCC's January 22, 2004, Order.

⁵ The FCC's January 24, 2004, Order at paragraph 2. (citations omitted)

The Commission finds that interested parties should be afforded the opportunity to comment and/or request a hearing regarding the FCC's petition to redefine the service areas of Shentel and MGW. We note that the FCC believes that its proposed redefinition of these service areas should not harm either Shentel or MGW.⁶ However, we request any interested party to specifically address in its comments whether our agreeing to the FCC's proposal to redefine the service areas of Shentel and MGW would harm these companies.

NOW UPON CONSIDERATION of all the pleadings of record and the applicable law, the Commission is of the opinion that interested parties should be allowed to comment or request a hearing regarding the FCC's proposed redefinition of Shentel's and MGW's service areas.

Accordingly, IT IS ORDERED THAT:

(1) Any interested party desiring to comment regarding the redefinition of Shentel's and MGW's service areas may do so by directing such comments in writing on or before May 7, 2004, to Joel H. Peck, Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218. Interested parties desiring to submit comments electronically may do so by following the instructions found on the Commission's website: <http://www.state.va.us/scc/caseinfo.htm>.

(2) On or before May 7, 2004, any interested party wishing to request a hearing regarding the redefinition of Shentel's and MGW's service areas shall file an original and fifteen (15) copies of its request for hearing in writing with the Clerk of the Commission at the address set forth above. Written requests for hearing shall refer to Case No. PUC-2001-00263 and shall include: (i) a precise statement of the interest of the filing party; (ii) a statement of the specific action sought to the extent then known; (iii) a statement of the legal basis for such action; and (iv) a precise statement why a hearing should be conducted in the matter.

⁶ See paragraphs 43 and 44 of the FCC's January 22, 2004, Order.

(3) On or before June 1, 2004, interested parties may file with the Clerk of the Commission an original and fifteen (15) copies of any responses to the comments and requests for hearing filed with the Commission. A copy of the response shall be delivered to any person who filed comments or requests for hearing.

(4) This matter is continued generally.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to: each local exchange telephone company licensed to do business in Virginia, as shown on Attachment A hereto; David A. LaFuria, Esquire, Lukas, Nace, Gutierrez & Sachs, Chartered, 1111 19th Street, N.W., Suite 1200, Washington, D.C. 20036; Thomas Buckley, Attorney-Advisor, Telecommunications Access Policy Division, Wireline Competition Bureau, Federal Communications Commission, 445 12th Street, S.W., Washington, D.C. 20554; Virginia Telecommunications Industry Association, c/o Richard D. Gary, Esquire, Hunton & Williams LLP, Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, Virginia 23219-4074; L. Ronald Smith, President and General Manager, Shenandoah Telephone Company, P.O. Box 105, Williamsville, Virginia 24487; Lori Warren, Director of Regulatory Affairs, MGW Telephone Company, P.O. Box 459, Edinburg, Virginia 22824-0459; C. Meade Browder, Jr., Senior Assistant Attorney General, Division of Consumer Counsel, Office of Attorney General, 900 East Main Street, 2nd Floor, Richmond, Virginia 23219; and the Commission's Office of General Counsel and Divisions of Communications, Public Utility Accounting, and Economics and Finance.

Attachment L
Coverage Area

State	SAC	Study Area Name	Rural (R) or Non-Rural (N)
AL	250282	BLOUNTSVILLE TEL CO	R
AL	250283	BRINDLEE MOUNTAIN	R
AL	250284	BUTLER TEL CO	R
AL	250285	CASTLEBERRY TEL CO	R
AL	250286	NATIONAL OF ALABAMA	R
AL	250290	FARMERS TELECOM COOP	R
AL	250295	GRACEBA TOTAL COMM	R
AL	250298	GULF TEL CO - AL	R
AL	250299	HAYNEVILLE TEL CO	R
AL	250300	HOPPER TELECOMM. CO.	R
AL	250301	FRONTIER-LAMAR CNTY	R
AL	250302	WINDSTREAM AL	R
AL	250304	MILLRY TEL CO	R
AL	250305	MON-CRE TEL COOP	R
AL	250306	FRONTIER COMM.-AL	R
AL	250307	MOUNDVILLE TEL CO	R
AL	250308	NEW HOPE TEL COOP	R
AL	250311	OAKMAN TEL CO (TDS)	R
AL	250312	OTELCO TELEPHONE LLC	R
AL	250314	PEOPLES TEL CO	R
AL	250315	PINE BELT TEL CO	R
AL	250316	RAGLAND TEL CO	R
AL	250317	ROANOKE TEL CO	R
AL	250318	FRONTIER COMM-SOUTH	R
AL	250322	UNION SPRINGS TEL CO	R
AL	255181	SO CENTRAL BELL-AL	N
AL	259788	CENTURYTEL-AL-SOUTH	N
AL	259789	CENTURYTEL-AL-NORTH	N
CT	132454	THE WOODBURY TEL CO	R
CT	135200	SOUTHERN NEW ENGLAND	N
DC	575020	VERIZON WA, DC INC.	N
DE	565010	VERIZON DELAWARE INC	N
FL	210291	GTC, INC.	R
FL	210318	FRONTIER COMM-SOUTH	R
FL	210328	VERIZON FLORIDA	N
FL	210329	GTC, INC.	R
FL	210330	SMART CITY TEL LLC	R
FL	210331	ITS TELECOMM. SYS.	R
FL	210335	NORTHEAST FLORIDA	R
FL	210336	WINDSTREAM FL	R
FL	210338	QUINCY TEL CO-FL DIV	R
FL	210339	GTC, INC.	R
FL	210341	EMBARQ FLORIDA INC. FKA SPRINT	R
FL	215191	SOUTHERN BELL-FL	N

State	SAC	Study Area Name	Rural (R) or Non-Rural (N)
NC	230468	ATLANTIC MEMBERSHIP	R
NC	230469	BARNARDSVILLE TEL CO	R
NC	230470	CAROLINA TEL & TEL	R
NC	230471	CENDEL OF NC	R
NC	230473	CITIZENS TEL CO	R
NC	230474	CONCORD TEL CO	R
NC	230476	WINDSTREAM NC	R
NC	230478	ELLERBE TEL CO	R
NC	230479	FRONTIER COMMUNICATIONS OF THE CAROLINAS, INC.	N
NC	230483	LEXCOM TELEPHONE CO.	R
NC	230485	MEBTEL, INC.	R
NC	230491	N.ST. DBA N. ST.COMM	R
NC	230494	PINEVILLE TEL CO	R
NC	230495	RANDOLPH TEL CO	R
NC	230496	RANDOLPH MEMBERSHIP	R
NC	230497	PIEDMONT MEMBERSHIP	R
NC	230498	SALUDA MOUNTAIN TEL	R
NC	230500	SERVICE TEL CO	R
NC	230501	SKYLINE MEMBERSHIP	R
NC	230502	STAR MEMBERSHIP CORP	R
NC	230503	SURRY MEMBERSHIP	R
NC	230505	TRI COUNTY TEL MEMBR	R
NC	230509	FRONTIER COMMUNICATIONS OF THE CAROLINAS, INC.	N
NC	230510	WILKES MEMBERSHIP	R
NC	230511	YADKIN VALLEY TEL	R
NC	230864	VERIZON SOUTH INC. DBA NORTH CAROLINA	N
NC	235193	SOUTHERN BELL-NC	N
NH	120038	BRETTON WOODS TEL CO	R
NH	120039	GRANITE STATE TEL	R
NH	120042	DIXVILLE TEL CO	R
NH	120043	DUNBARTON TEL CO	R
NH	120045	KEARSARGE TEL CO	R
NH	120047	MERRIMACK COUNTY TEL	R
NH	120049	UNION TEL CO	R
NH	120050	WILTON TEL CO - NH	R
NH	123321	MCTA, INC.	R
NH	125113	NORTHERN NEW ENGLAND TELEPHONE OPERATIONS LLC	N
NY	150071	ARMSTRONG TEL CO-NY	R
NY	150072	FRONTIER-AUSABLE VAL	R
NY	150073	BERKSHIRE TEL CORP	R
NY	150076	CASSADAGA TEL CORP	R
NY	150077	CHAMPLAIN TEL CO	R
NY	150078	CHAUTAUQUA & ERIE	R
NY	150079	CHAZY & WESTPORT	R

State	SAC	Study Area Name	Rural (R) or Non-Rural (N)
NY	150081	CITIZENS HAMMOND NY	R
NY	150084	TACONIC TEL CORP	R
NY	150085	CROWN POINT TEL CORP	R
NY	150088	DELHI TEL CO	R
NY	150089	DEPOSIT TEL CO	R
NY	150091	DUNKIRK & FREDONIA	R
NY	150092	EDWARDS TEL CO	R
NY	150093	EMPIRE TEL CORP	R
NY	150095	FISHERS ISLAND TEL	R
NY	150097	GERMANTOWN TEL CO	R
NY	150099	HANCOCK TEL CO	R
NY	150100	FRONTIER COMM OF NY	R
NY	150104	MARGARETVILLE TEL CO	R
NY	150105	MIDDLEBURGH TEL CO	R
NY	150106	WINDSTREAM NY-FULTON	R
NY	150107	NEWPORT TEL CO	R
NY	150108	NICHOLVILLE TEL CO	R
NY	150109	WINDSTREAM-JAMESTOWN	R
NY	150110	OGDEN TEL DBA FRNTER	R
NY	150111	ONEIDA COUNTY RURAL	R
NY	150112	ONTARIO TEL CO, INC.	R
NY	150113	WINDSTREAM RED JACKT	R
NY	150114	ORISKANY FALLS TEL	R
NY	150116	PATTERSONVILLE TEL	R
NY	150118	PORT BYRON TEL CO	R
NY	150121	FRONTIER-ROCHESTER	N
NY	150121	FRONTIER-ROCHESTER	R
NY	150122	FRONTIER-SENECA GORH	R
NY	150125	STATE TEL CO	R
NY	150128	FRONTIER-SYLVAN LAKE	R
NY	150129	TOWNSHIP TEL CO	R
NY	150131	TRUMANSBURG TEL CO.	R
NY	150133	VERNON TEL CO	R
NY	150135	WARWICK VALLEY-NY	R
NY	154532	CITIZENS-FRONTIER-NY	R
NY	154533	CITIZENS-FRONTIER-NY	R
NY	154534	CITIZENS-FRONTIER-NY	R
NY	155130	VERIZON NEW YORK	N
TN	290280	ARDMORE TEL CO	R
TN	290552	CENTURYTEL-ADAMSVILL	R
TN	290553	BEN LOMAND RURAL	R
TN	290554	BLEDSOE TEL COOP	R
TN	290557	CENTURY-CLAIBORNE	R
TN	290559	CONCORD TEL EXCHANGE	R

State	SAC	Study Area Name	Rural (R) or Non- Rural (N)
TN	290561	CROCKETT TEL CO	R
TN	290562	DEKALB TEL COOP	R
TN	290565	HIGHLAND TEL COOP-TN	R
TN	290566	HUMPHREY'S COUNTY	R
TN	290567	UNITED INTER-MT-TN	R
TN	290570	LORETTO TEL CO	R
TN	290571	MILLINGTON TEL CO	R
TN	290573	NORTH CENTRAL COOP	R
TN	290574	CENTURYTEL-OOLTEWAH	R
TN	290575	TENNESSEE TEL CO	R
TN	290576	PEOPLES TEL CO	R
TN	290578	TELLICO TEL CO	R
TN	290579	TWIN LAKES TEL COOP	R
TN	290580	CTZENS-FRNTR-VOL ST	R
TN	290581	UTC OF TN	R
TN	290583	WEST TENNESSEE TEL	R
TN	290584	YORKVILLE TEL COOP	R
TN	290598	WEST KENTUCKY RURAL TELEPHONE	R
TN	294336	CITIZENS-FRONTIER-TN	R
TN	295185	SO. CENTRAL BELL -TN	N
VA	190217	AMELIA TEL CORP	R
VA	190219	BUGGS ISLAND COOP	R
VA	190220	BURKE'S GARDEN TEL	R
VA	190225	CITIZENS TEL COOP	R
VA	190226	NTELOS, INC.	R
VA	190233	VERIZON S-VA(CONTEL)	N
VA	190237	HIGHLAND TEL COOP	R
VA	190238	MGW TEL. CO. INC.	R
VA	190239	NEW HOPE TEL COOP	R
VA	190243	PEMBROKE TEL COOP	R
VA	190244	PEOPLES MUTUAL TEL	R
VA	190248	SCOTT COUNTY COOP	R
VA	190249	ROANOKE & BOTETOURT	R
VA	190250	SHENANDOAH TEL CO	R
VA	190253	VIRGINIA TEL CO	R
VA	190254	CENTEL OF VIRGINIA	R
VA	190479	VERIZON SOUTH-VA	R
VA	190567	UNITED INTER-MT-VA	R
VA	193029	NEW CASTLE TEL. CO.	R
VA	195040	VERIZON VIRGINIA INC	N
VA	197251	SHENANDOAH TELEPHONE COMPANY - NR	R

Attachment M

Free Mobile, Inc's Compliance Plan

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August 31, 2012

VIA ECFS

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street
Washington, D.C. 20554

Re: Free Mobile, Inc.
Compliance Plan
WC Docket No. 09-197 & WC Docket No. 11-42

Dear Ms. Dortch:

Pursuant to the Federal Communications Commission Order *In the Matter of Lifeline and Link Up Reform and Modernization* released February 6, 2012, attached please find Free Mobile, Inc.'s ("Free Mobile") Amended Compliance Plan, which incorporates the following updates:

1. Amended enrollment detail (pages 8-14)
2. Additional information regarding waste, fraud and abuse prevention in association with the use of SIM cards (pages 18-19)
3. Information about elective de-enrollment (pages 22-23)
4. Additional information on Free Mobile's affiliates (pages 25-26)
5. Additional information on technical capability (pages 26-27)

If you have any questions or if I may provide you with additional information, please do not hesitate to contact me. Thank you for your assistance.

Respectfully submitted,

/s/ Lance J.M. Steinhart

Lance J.M. Steinhart
Attorney for Free Mobile, Inc.

Attachments

cc: Kevin Haddad

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

In the Matter of the)
)
Telecommunications Carriers Eligible for) WC Docket No. 09-197
Universal Service Support)
) WC Docket No. 11-42
Lifeline and Link Up Reform and Modernization)
)
Free Mobile, Inc. Compliance Plan)

FREE MOBILE, INC.'S AMENDED COMPLIANCE PLAN

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August 31, 2012

TABLE OF CONTENTS

I.	INTRODUCTION	1
II.	BACKGROUND	2
III.	FREE MOBILE WILL COMPLY WITH THE REQUIREMENTS SET FORTH IN THE ORDER.....	3
A.	Access to 911 and E911 Services.....	3
B.	E911-Compliant Handsets	3
C.	Consumer Eligibility and Enrollment	3
1.	One-Per-Household.....	5
2.	Initial and Annual Certification	6
3.	Annual Re-Certification.....	15
D.	Other Reforms to Eliminate Waste, Fraud and Abuse.....	17
1.	National Lifeline Accountability Database.....	19
2.	Subscriber Usage	20
3.	Marketing & Outreach	21
4.	Audits.....	22
E.	De-Enrollment.....	22
F.	Additional Rule Amendments.....	24
1.	Terms and Conditions of Service.....	24
2.	Reporting Requirements	24
3.	Reimbursement from USAC.....	25
4.	Section 54.202 Certifications.....	25
IV.	COMPANY INFORMATION.....	25
A.	Names and Identifiers	25
B.	Financial and Technical Capability	26
C.	Lifeline Offering.....	27
V.	CONCLUSION.....	29

TABLE OF EXHIBITS

	<u>Exhibit</u>
Sample Lifeline Certification Form.....	A
Enrollment Flow Diagram	B
Sample Advertisement	C
Lifeline Terms and Conditions	D
Key Management Resumes.....	E
Proposed Lifeline Rate Plans	F

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

In the Matter of the)	
)	
Telecommunications Carriers Eligible for)	WC Docket No. 09-197
Universal Service Support)	
)	WC Docket No. 11-42
Lifeline and Link Up Reform and Modernization)	
)	
Free Mobile, Inc. Compliance Plan)	

FREE MOBILE, INC.’S AMENDED COMPLIANCE PLAN

I. INTRODUCTION

Free Mobile, Inc. (“Free Mobile” or the “Company”) is a prepaid wireless telecommunications carrier seeking designation as an Eligible Telecommunications Carrier (“ETC”) solely for the purpose of participating in the Lifeline program. Although Section 214(e)(1)(A) of the Act requires an ETC to offer USF-supported services to some extent over its own facilities, the Federal Communications Commission (“FCC” or “Commission”) has forbore from that requirement for carriers that are, or seek to become, Lifeline-only ETCs.¹ Free Mobile will avail itself of the FCC’s conditional grant of forbearance and, by its attorney, hereby files its Amended Compliance Plan outlining the measures it will take to implement the conditions of forbearance

¹ *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*, WC Docket No. 11-42, WC Docket No. 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) (“*Order*”).

outlined in the *Order*.² For the Commission’s convenience, this Amended Compliance Plan replaces, in its entirety, the Compliance Plan as originally filed on June 15, 2012. Given the severe economic environment that is forcing many low-income customers to forego wireless service, Free Mobile respectfully requests expeditious approval of this plan so that the Company, upon designation as an ETC, may quickly deploy much-needed Lifeline services to qualified low-income customers.

II. BACKGROUND

In the *Order*, the Commission granted forbearance 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:³

(1) the carrier must comply with certain 911 requirements [(a) providing its Lifeline subscribers with 911 and E911 access, regardless of activation status and availability of minutes; (b) providing its Lifeline subscribers with E911-compliant handsets and replacing, at no additional charge to the subscriber, noncompliant handsets of Lifeline-eligible subscribers who obtain Lifeline-supported services; and (c) complying with conditions (a) and (b) starting on the effective date of this Order]; and

(2) the carrier must file, and the Bureau must approve, a compliance plan that: (a) outlines the measures the carrier will take to implement the obligations contained in this Order, including but not limited to the procedures the ETC follows in enrolling a subscriber in Lifeline and submitting for reimbursement for that subscriber from the Fund, materials related to initial and ongoing certifications and sample marketing materials, as well as further safeguards against waste, fraud and abuse the Bureau may deem necessary; and (b) provides a detailed description of how the carrier offers service, the geographic areas in which it offers service, and a description of the carrier’s various Lifeline service plan offerings, including subscriber rates, number of minutes included and types of plans available.

² Although the Company qualifies for and seeks to avail itself of the Commission’s grant of forbearance from the facilities requirement of section 214(e)(1)(A), the Company reserves the right to demonstrate to a state public utilities commission that it provides service using its own facilities in a state, particularly for purposes of state universal service funding under state program rules and requirements. The Company will follow the requirements of the Commission’s Lifeline rules and this Compliance Plan in all states in which it provides Lifeline service and receives reimbursements from the federal Low-Income fund.

³ See *Order* at ¶¶ 368, 373 and 379.

III. FREE MOBILE WILL COMPLY WITH THE REQUIREMENTS SET FORTH IN THE ORDER

Free Mobile will comply with all conditions set forth in the *Order*, the provision of this Compliance Plan, and all laws and regulations governing its provision of Lifeline-supported prepaid wireless service to customers throughout the United States.⁴

A. Access to 911 and E911 Services

In the *Order*, the Commission requires Free Mobile to provide its Lifeline customers with access to 911 and E911 services, regardless of activation status and availability of minutes.⁵ The Commission and consumers are hereby assured that all Free Mobile customers will have available access to emergency calling services at the time that Lifeline service is initiated, and that such 911 and E911 access will be available from Free Mobile handsets even if the account associated with the handset has no minutes remaining.

B. E911-Compliant Handsets

The Commission also conditioned its grant of forbearance determination on Free Mobile providing only E911-compliant handsets to its Lifeline customers.⁶ Free Mobile will ensure that all handsets used in connection with the Company's Lifeline service offering are E911-compliant. In the event that an existing Free Mobile customer does not have an E911-compliant handset, the Company will replace it with a 911/E911-compliant handset at no charge to the customer.

C. Consumer Eligibility and Enrollment

Free Mobile will certify and verify consumer eligibility for Lifeline in accordance with the requirements set forth in the *Order*. In instances where a state agency or third-party

⁴ To the extent that future changes in federal regulations render the commitments herein invalid, the Company reserves the right to modify its operations in accordance with federal regulations in effect at that time.

⁵ See *Order* at ¶ 373.

⁶ See *id.*

administrator is responsible for the initial determination and annual recertification of consumer eligibility, Free Mobile will rely on the state identification or database.⁷ In instances where Free Mobile is responsible for the initial determination and annual recertification of consumer eligibility, the Company will follow the procedures set forth below.

1. One-Per-Household

Free Mobile understands that Lifeline is limited to a single subscription per household, and that the Commission has defined household as “any individual or group of individuals who are living together at the same address as one economic unit.”⁸ Upon receiving an application for Lifeline support, Free Mobile will check the National Lifeline Accountability Database (“NLAD”), once in place, to determine whether an individual at the applicant’s residential address is currently receiving Lifeline-supported service. Free Mobile will also search its own internal database of active customers, real-time, pre-sale, to ensure that it does not already provide Lifeline-supported service to someone at that residential address. If Free Mobile determines that an individual at the applicant’s address is currently receiving Lifeline-supported service, Free Mobile will take an additional step to ensure that the applicant and the current subscriber are part of different households. To enable applicants to make this demonstration, Free Mobile will require applicants to complete and submit to the Company USAC’s one-per-household template, which will contain the following: (1) an explanation of the Commission’s one-per-household rule; (2) a check box that an applicant can mark to indicate that he or she lives at an address occupied by multiple households; (3) a space for the applicant to certify that he or she shares an address with other adults who do not contribute income to the applicant’s household and share in the household’s expenses or benefit from the applicant’s income; and (4)

⁷ See *Order* at ¶ 98.

⁸ See *Order* at ¶ 74.

the penalty for a consumer's failure to make the required one-per-household certification (i.e., de-enrollment).⁹ Free Mobile will deny the Lifeline application of any individual residing at the same address as a current Lifeline subscriber who is part of the same household, and will advise the applicant of the basis for the denial.

On its certification forms, a draft sample of which is attached,¹⁰ Free Mobile will obtain a consumer's permanent residential address (which cannot be a P.O. Box or General Delivery address), unless they only have a temporary address, and a billing address for the service, if different (which may include a P.O. Box or General Delivery address).¹¹ Free Mobile will inquire on its certification forms whether or not the applicant's address is a temporary one.¹² If and when the 90-day verification rules become effective, Free Mobile will notify the consumer that if they have a temporary address, the Company will contact the consumer every 90 days, by phone or text, to verify that he or she continues to rely on that address, and that if the consumer fails to respond within 30 days of Free Mobile's attempt to verify the temporary address, he or she will be de-enrolled from the Lifeline program.¹³ Also on its certification forms, Free Mobile will explain that if the subscriber moves, they must provide their new address to the Company within 30 days of moving.¹⁴ If the subscriber has moved, Free Mobile will update the NLAD, once in place, with the information within 10 business days of receipt of the information.¹⁵

As detailed below, Free Mobile's certification form will clearly explain the one-per-household requirement and all consumers must certify that they receive Lifeline support for a

⁹ See Order at ¶ 78.

¹⁰ See Exhibit A. The draft form remains subject to change, but substantially reflects the content of the Company's application.

¹¹ See Order at ¶ 85.

¹² See Order at ¶ 89.

¹³ See *id.* As of the date of filing of this Compliance Plan, this requirement has not been approved pursuant to the Paperwork Reduction Act.

¹⁴ See Order at ¶ 85.

¹⁵ See *id.*

single subscription per household.

2. Initial and Annual Certification

Consumers will be signed up in person or directed, via company literature, collateral or advertising, to a toll-free telephone number and to the Company website, which will provide information regarding the Company's Lifeline service plans, including a detailed description of the program and state-specific eligibility criteria. Free Mobile's application form will identify that it is a "Lifeline" application. Free Mobile will provide Lifeline-specific training to all personnel, whether employees, agents or representatives, that interact with actual or prospective consumers with respect to obtaining, changing or terminating Lifeline services.

Free Mobile's initial and annual certification forms will conform to the list of requirements provided in the *Order*, Appendix C and with C.F.R. § 54.410(d), as amended. Free Mobile's Lifeline certification forms, a draft sample of which is attached as Exhibit A, will require each prospective subscriber to provide the following information:

- (i) The subscriber's full name;
- (ii) The subscriber's full residential address;
- (iii) Whether the subscriber's residential address is permanent or temporary;
- (iv) The subscriber's billing address, if different from the subscriber's residential address;
- (v) The subscriber's date of birth;
- (vi) The last four digits of the subscriber's social security number, or the subscriber's Tribal identification number, if the subscriber is a member of a Tribal nation and does not have a social security number;
- (vii) If the subscriber is seeking to qualify for Lifeline under the program-based criteria, as set forth in § 54.409, the name of the qualifying assistance program from which the subscriber, his or her dependents, or his or her household receives benefits; and
- (viii) If the subscriber is seeking to qualify for Lifeline under the income-based criterion, as set forth in § 54.409, the number of individuals in his or her household.

The certification forms will also explain in clear, easily understandable language that:

- (i) Lifeline is a federal benefit;
- (ii) Lifeline service is available for only one line per household;
- (iii) 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;

(iv) households are not permitted to receive benefits from multiple providers;

(v) 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; and

(vi) a Lifeline subscriber may not transfer his or her service to any other individual, including another eligible low-income consumer.

Free Mobile will require all consumers, at sign up and annually thereafter, to certify under penalty of perjury that:

(i) The subscriber meets the income-based or program-based eligibility criteria for receiving Lifeline, provided in § 54.409;

(ii) The subscriber will notify the carrier within 30 days if for any reason he or she no longer satisfies the criteria for receiving Lifeline including, as relevant, if the subscriber no longer meets the income-based or program-based criteria for receiving Lifeline support, the subscriber is receiving more than one Lifeline benefit, or another member of the subscriber's household is receiving a Lifeline benefit.

(iii) If the subscriber is seeking to qualify for Lifeline as an eligible resident of Tribal lands, he or she lives on Tribal lands, as defined in 54.400(e);

(iv) If the subscriber moves to a new address, he or she will provide that new address to the eligible telecommunications carrier within 30 days;

(v) If the subscriber provided a temporary residential address, he or she will be required to verify his or her temporary residential address every 90 days;

(vi) The subscriber's household will receive only one Lifeline service and, to the best of his or her knowledge, the subscriber's household is not already receiving a Lifeline service;

(vii) The information contained in the subscriber's certification form is true and correct to the best of his or her knowledge,

(viii) The subscriber acknowledges that providing false or fraudulent information to receive Lifeline benefits is punishable by law; and

(ix) The subscriber acknowledges that the subscriber may be required to re-certify his or her continued eligibility for Lifeline at any time, and the subscriber's failure to re-certify as to his or her continued eligibility will result in de-enrollment and the termination of the subscriber's Lifeline benefits pursuant to § 54.405(e)(4).

Applicants will also be required to initial a number of disclosure statements intended to ensure that the applicant understands applicable eligibility requirements. Consumers who do not complete the application process in person must return the signed application and support documentation to the Company by mail, fax, email or other electronic transmission. The Company will accept electronic signatures, including Interactive Voice Response (IVR) recordings, that

meet the requirements of the Electronic Signatures in Global and National Commerce Act, 15 USC 7001-7006.¹⁶

Free Mobile anticipates that the initial launch of its Lifeline service will focus on enrollment by phone and online, with the intention of eventually adding in person enrollment first at events and finally at retail locations. Each of Free Mobile's anticipated enrollment methods are described in detail below. Free Mobile's proposed Lifeline offering is unique in that it will encourage customers to bring their own GSM-compatible phone and receive a Free Mobile SIM (Subscriber Identity Module) card at no cost or, in the alternative, purchase a discounted phone from Free Mobile.¹⁷ In an effort to avoid customer confusion, Free Mobile will convey on its certification form and in verbal interaction with its Lifeline applicants that a SIM card equates to a phone and subscribers can have only one Lifeline-supported service per household, whether through a SIM card or a phone. Free Mobile will ensure that Company employees, agents or representatives ("personnel") are trained to specifically educate subscribers on this point before and during the enrollment process. Free Mobile will also require an additional attestation on the certification form whereby subscribers must affirm that if they will be using their existing phone with Free Mobile's service, the phone (or SIM card that was removed from the phone) is not currently associated with Lifeline service.

Enrollment Online. Beginning with the initial launch of Free Mobile's Lifeline service, prospective customers will be able to fill out an application form online and sign electronically. Free Mobile will highlight the certifications that are required, for example, by requiring consumers to acknowledge each certification before moving on to the next field.¹⁸ If the

¹⁶ See *Order* at ¶ 168.

¹⁷ See section IV.C and Exhibit B for an understanding of how Free Mobile will determine whether a customer receives a SIM card or must purchase a phone.

¹⁸ See *Order* at ¶ 123.

customer indicates that their address is a multi-household residence, online interface will require the applicant to complete USAC's one-per-household template as well. If no eligibility database is available, the online interface will advise the applicant that they are required to provide proof of identity and verification of benefits before their Lifeline service can be activated; applicants will be made aware of how to submit the required documentation to the Company as well as what documentation qualifies as proof of benefits. The Company will qualify the applicant by accessing necessary databases: Free Mobile will validate the address via a USPS/Melissa Database and simultaneously input the name/address combination into CGM, LLC's aggregate duplicate database to confirm that the applicant is not already receiving a Lifeline subsidy from Free Mobile or any other CGM client that has agreed to share their data (see section III.D below), and the Company will verify eligibility using an eligibility database when available. If no eligibility database is available, the application will be placed in a "hold" status until Free Mobile receives copies of the applicant's proof documentation and government-issued ID, at which point Company personnel will review the documentation and complete the "Office Use Only" section of the application form, which must be completely filled out and signed by personnel in order to record a description about the specific documentation reviewed as part of the eligibility verification process, including type of documentation (i.e. Food Stamps) and a unique identifier (last 3 digits of document ID). Once verification of eligibility is complete, Free Mobile will destroy copies of proof documentation and contact the customer to confirm whether or not the customer can receive a SIM card or must purchase a phone.¹⁹ Free Mobile will then mail the phone, once purchased, or SIM card to the customer and the customer's account will be activated upon the customer's personal initiation or actual use of the phone/SIM card. Customers will be directed to call a toll free number when they receive their phone in order to activate their service and/or visit an online website, at

¹⁹ *See supra* note 17.

which point they will be required to enter the PIN (personal identification number) that they selected during the application process. This enables Free Mobile to ensure that only the intended recipient is able to activate the Lifeline service.

Enrollment by phone. Beginning with the initial launch of Free Mobile's Lifeline service, the Company will also provide the option for customer to enroll via phone. When a prospective customer calls in, Company personnel will be able to verbally explain the Lifeline program and its eligibility requirements, including required information and disclosures, as well as collect and input electronically the application form information and obtain the applicant's signature via IVR. If the customer indicates on the application form that their address is a multi-household residence, personnel will require the applicant to complete USAC's one-per-household template as well. The Company will have the information needed to qualify the applicant by accessing necessary databases (USPS/Melissa, duplicates database, eligibility databases). If no eligibility database is available, the application will be placed in a "hold" status until Free Mobile receives copies of the applicant's proof documentation and government-issued ID, at which point Company personnel will review the documentation and complete the "Office Use Only" section of the application form, which must be completely filled out and signed by personnel in order to record a description about the specific documentation reviewed as part of the eligibility verification process, including type of documentation (i.e. Food Stamps) and a unique identifier (last 3 digits of document ID). Once verification of eligibility is complete, Free Mobile will destroy copies of proof documentation and contact the customer to confirm whether or not the customer can receive a SIM card or must purchase a phone.²⁰ Free Mobile will then mail the phone, once purchased, or SIM card to the customer and the customer's account will be activated upon the customer's personal initiation or actual use of the phone/SIM card. Customers will be directed to call a toll free number

²⁰ See *supra* note 17.

when they receive their phone in order to activate their service and/or visit an online website, at which point they will be required to enter the PIN (personal identification number) that they selected during the application process. This enables Free Mobile to ensure that only the intended recipient is able to activate the Lifeline service.

Enrollment in person. While the Company believes that enrollment in person will ultimately be more effective and efficient than enrollment online or by phone, Free Mobile anticipates that this method will logistically take longer to launch. Free Mobile intends to roll out its in-person Lifeline enrollment first through events (foreseeably beginning in 2013, pending Compliance Plan approval and ETC designations) and eventually through retail locations.²¹

Events. When a prospective customer applies at a Company event, personnel will assist the customer in filling out an electronic application form on a Company computer or tablet, will ask to see a government issued ID and will validate the address via a USPS/Melissa Database and simultaneously input the name/address combination into CGM, LLC's aggregate duplicate database to confirm that the applicant is not already receiving a Lifeline subsidy from Free Mobile or any other CGM client that has agreed to share their data (see section III.D below). If the customer indicates on the application form that their address is a multi-household residence, personnel will require the applicant to complete USAC's one-per-household template as well. In cases where an eligibility database exists, personnel will query the database to determine eligibility. In states where eligibility databases are not available, personnel will advise the applicant that they are required to provide proof of identity and proof of participation in one of the Lifeline eligible programs or proof that their annual household income is at or below 135% of the federal poverty

²¹ See attached Exhibit B for an enrollment flow diagram. At this time, Free Mobile intends to use only direct Free Mobile employees for the enrollment process. However, Free Mobile may in the future elect to use agents and enroll customers at retail locations. All agents and retail representatives will be trained and monitored by direct Free Mobile employees.

guidelines before their Lifeline service can be activated; if applicants do not have the necessary documentation in hand, they will be made aware of how to submit the required documentation to the Company as well as what documentation qualifies as proof of benefits, and the application will be placed in a “hold” status until the Company receives the required documentation. When Company personnel review the proof documentation, they will complete the “Office Use Only” section, which must be completely filled out and signed in order to record a description about the specific documentation reviewed as part of the eligibility verification process, including type of documentation (i.e. Food Stamps) and a unique identifier (last 3 digits of document ID). Eligibility documents are returned to the customer after review, if in person, or destroyed. Finally, Free Mobile personnel will verbally review all certifications and disclosures with the applicant before they sign the application form, making sure the applicant verbally acknowledges each required certification before moving on to the next. Once the Lifeline application is complete, it is scanned into the Company’s database. Upon successful completion of the certification process, eligible customers are allowed to choose a service plan and either receive their SIM card or purchase their phone in person.²² In instances where eligibility databases cannot be accessed in real-time or proof of eligibility cannot be confirmed in person, Free Mobile will contact the customer once verification of eligibility is complete and will confirm whether or not eligible customers can receive a SIM card or must purchase a phone.²³ Free Mobile will then mail the phone, once purchased, or SIM card to the customer and the customer’s account will be activated upon the customer’s personal initiation or actual use of the phone. Customers will be directed to call a toll free number and/or visit an online website when they receive their phone in order to activate their service, at which point they will be required to enter the PIN (personal identification number) that they selected during the application

²² See *supra* note 17.

²³ See *id.*

process. This enables Free Mobile to ensure that only the intended recipient is able to activate the Lifeline service.

Retail Locations. Free Mobile anticipates that it will be well into 2013 before the Company is able to enroll Lifeline customers via retail locations, due to the negotiations required with retail operators and the logistics of stocking inventory and training retail employees (“clerks”) for their role in the enrollment process. Free Mobile has access to over 50,000 retail distribution points throughout the United States through its affiliate, Ztar Mobile, Inc. (see section IV.A). Because of the difficulty to effectively train and monitor clerks in so many locations, Free Mobile will not launch enrollment in retail stores until the Company has automated the process so that clerks do not play a discretionary role in the process; clerks will have access to informational materials for the Company’s Lifeline program and be able to direct potential subscribers either to apply via the automated process or by contacting the Company, but they will not play an active role in the eligibility verification process.

For example, Free Mobile intends to utilize the CGM, LLC enrollment app or similar software which allows the subscriber to electronically fill out and sign an application form, complete with all required certifications and disclosures, but also captures an image of the subscriber’s proof documentation in the absence of an eligibility database. The app itself will either communicate with available eligibility databases or, in the alternative, communicate in real-time with a trained Company representative who will make the determination as to whether or not the documentation submitted is valid proof of eligibility. The app will also automatically validate the applicant’s address via a USPS/Melissa Database and simultaneously check CGM, LLC’s aggregate duplicate database to confirm that the applicant is not already receiving a Lifeline subsidy from Free Mobile or any other CGM client that has agreed to share their data (see section III.D below). Like

events, eligible customers are allowed to choose a service plan and either receive their SIM card or purchase their phone in person upon successful completion of the certification process.²⁴ In instances where eligibility databases cannot be accessed or proof of eligibility cannot be confirmed in real-time, Free Mobile will contact the customer once verification of eligibility is complete and will confirm whether or not eligible customers can receive a SIM card or must purchase a phone. Free Mobile will then mail the phone, once purchased, or SIM card to the customer and the customer's account will be activated upon the customer's personal initiation or actual use of the phone. Customers will be directed to call a toll free number and/or visit an online website when they receive their phone in order to activate their service, at which point they will be required to enter the PIN (personal identification number) that they selected during the application process. This enables Free Mobile to ensure that only the intended recipient is able to activate the Lifeline service.

Free Mobile will determine eligibility utilizing the income and program criteria currently utilized by federal default states (47 C.F.R. § 54.409(a),(b)), as well as any additional state-specific criteria. Prior to enrolling a new subscriber, Free Mobile will check the eligibility of low-income consumers first by accessing state or federal social services electronic eligibility databases, where available.²⁵ If a database is used to establish eligibility, Free Mobile will not require documentation of the consumer's participation in a qualifying federal program; instead, Free Mobile or its representative will note in its records a description of what specific data was relied upon to confirm the consumer's initial eligibility for Lifeline.²⁶ However, in states where there is no state administrator, the state commission or other state agency is not making eligibility determinations, and there is no automated means for Free Mobile to check electronic databases

²⁴ See *supra* note 17.

²⁵ See *Order* at ¶ 97.

²⁶ See *Order* at ¶ 98.

for eligibility, Free Mobile will review documentation to determine eligibility for new subscribers until such time as a qualifying eligibility database is available.²⁷ Free Mobile will require acceptable documentation both for income eligibility and for program eligibility. The Company will not retain copies of the documentation but rather will establish policies and procedures to review such documentation and keep accurate records detailing how the consumer demonstrated his or her eligibility.²⁸ Free Mobile understands that it may permit agents or representatives to review documentation of consumer program eligibility for Lifeline, and in such cases Free Mobile remains liable for ensuring the agent or representative's compliance with the Lifeline program rules.²⁹

Free Mobile will provide employees, agents, and representatives with training designed to give them an understanding of Lifeline program requirements and permit them to review customer documentation and determine whether it is sufficient to establish a customer's eligibility to participate in the Lifeline program under the Commission's rules. No Company employee, agent, or representative may accept a Lifeline application unless he or she has first completed this training program and demonstrated an understanding of the underlying material. Among other things, the Lifeline program training will discuss the Company's Lifeline application form (see Exhibit A) on a section-by-section basis. The training will explain what sections of the form must be completed by the customer and review the form disclosures in detail, to facilitate an employee's ability to explain each item contained therein and answer any customer questions.

3. Annual Re-Certification

Free Mobile understands that it must re-certify the eligibility of its entire Lifeline subscriber base as of June 1, 2012 by the end of 2012 and report the results to USAC by January

²⁷ See Order at ¶ 99.

²⁸ See Order at ¶ 101.

²⁹ See Order at ¶ 110.

31, 2013, and the Company may elect to perform this re-certification on a rolling basis throughout the year.³⁰ Free Mobile does not have any existing Lifeline customers, and therefore will have no results to report to USAC for the January 31, 2013 deadline. Free Mobile will, however, re-certify the continued eligibility of all of its subscribers on an annual basis going forward by contacting them—either in person, in writing, by phone, by text message, by email, or otherwise through the Internet—to confirm their continued eligibility.³¹ The re-certification notice will explain the actions the customer must take to retain Lifeline benefits, when Lifeline benefits may be terminated, and how to contact the Company. Free Mobile will obtain a signed certification from the subscriber that meets the certification requirements of 47 C.F.R. § 54.410(d), as amended, as detailed in section C.2 above. The Company will provide written notice of impending service termination to subscribers who do not respond to the annual re-certification within 30 days. Free Mobile understands that such certifications may be obtained through a written format, an IVR system, or a text message, and will use one or more of such options for its certifications.³²

Alternatively, where a database containing consumer eligibility data is available, Free Mobile (or state agency or third-party, where applicable) will instead query the database and maintain a record of what specific data was used to re-certify eligibility and the date of re-certification. If a subscriber's address cannot be verified through the state data, Free Mobile will contact the subscriber every year during the annual certification process to obtain a valid address.³³ After 2012, Free Mobile may elect to have USAC administer the self-certification

³⁰ See *Order* at ¶ 130.

³¹ See *id.*

³² See *Order* at ¶ 132.

³³ See *Order* at ¶ 131.

process on the Company's behalf.³⁴

Free Mobile will certify its compliance with Commission rules on an annual Lifeline eligible telecommunications carrier certification form and when submitting FCC Forms 497 to USAC for reimbursement. As part of Free Mobile's submission of re-certification data pursuant to 47 C.F.R. § 54.416, an officer of the Company will certify annually to USAC:

(1) that the Company has procedures in place to review consumers' documentation of income-and program-based eligibility. In instances where the Company confirms consumer eligibility by relying on official program eligibility data, such as a state or federal database, an officer of the Company will attest to what data the Company uses to confirm consumer eligibility in each state, and

(2) that the Company is in compliance with all federal Lifeline certification procedures.³⁵

D. Other Reforms to Eliminate Waste, Fraud and Abuse

Free Mobile shares the Commission's concern about abuse of the Lifeline program and is thus committed to the safeguards stated herein, with the belief that the procedures it will implement will prevent Company customers from engaging in such abuse of the program, inadvertently or intentionally.

Free Mobile has implemented enrollment procedures designed to prevent subsidies for duplicate, ineligible, or inactive subscribers. The Company contracts with a third party Lifeline service bureau, currently CGM, LLC, a Georgia-based company that is the leading provider of lifeline management services in the industry, for compliance, 497 calculation, fraud prevention, and to edit all subsidy request data. CGM will process and validate the Company's subsidy data to

³⁴ See Order at ¶ 133.

³⁵ See Order at ¶ 126-27.

prevent: (1) Duplicate Same-Month Lifeline Subsidies (Double Dip): any name/address that is already receiving a lifeline subsidy from the Company will be automatically prevented from receiving a second lifeline subsidy in that same month; and (2) Inactive lines receiving subsidy: CGM's systems compare all subsidy requests to underlying network status to ensure that subsidies are requested only for active lines. Through the processes described herein, Free Mobile ensures that it does not over-request from support funds.

As detailed in section III.C.2, Free Mobile first validates each applicant's identity via a government issued ID card, passport, etc. Additionally, as mentioned above, Free Mobile requires the applicant to provide their date of birth (DOB) and last four digits of their social security number (SSN). Requiring DOB and SSN ensures that neither the applicant nor the Company representative can forge certification forms based on false names and addresses. Once the applicant's identity is confirmed, Free Mobile verifies that the applicant is eligible to receive the Lifeline subsidy. To do this, Free Mobile checks an available eligibility database. If one is not available, the applicant is required to provide proof of income or program participation. This prevents ineligible applicants from receiving the subsidy.

Free Mobile plans to employ the services of IDology for address and identity validation, and intends to develop its provisioning platform so that the name/address combination will also be dipped into CGM's aggregate duplicate database to confirm that the applicant is not already receiving a Lifeline subsidy from Free Mobile or any other CGM client that has agreed to share their data. Representatives will be prompted to detail the one-per-household rule with the applicant.

Finally, Free Mobile believes that the subscriber education and attestation measures detailed in section III.C.2 above will effectively safeguard against the potential for duplicate subsidies introduced by Free Mobile providing a SIM card in lieu of a handset. The potential for duplicate

subscribership is essentially the same whether an ETC is giving out SIM cards or handsets, because in either instance the ETC is relying upon customer attestations and available duplicates databases in order to prevent fraud, and in Free Mobile's case the Company is adding additional attestations to ensure the subscriber is fully aware that, for purposes of the Lifeline program, SIM cards and handsets are treated as one. On the other hand, the use of SIM cards may actually present additional safeguards against waste, fraud and abuse. Typically, phones with SIM cards are sold or distributed locked, so that the customer must contact their provider to unlock the phone, thereby cancelling their service. Free Mobile is only able to provide a SIM card to customers with unlocked phones. Furthermore, if a subscribers is intent on trying to enroll in more than one Lifeline service, then such customer will seek to receive more than one Lifeline service whether the services are provided through multiple handsets or a handset/SIM card combination. If a subscriber is able to somehow remove their existing SIM card from their Lifeline-supported phone and replace it with Free Mobile's SIM card (unlikely), then the waste will at least be detected during the 60-day non-usage policy because the SIM card that was removed will be inactive; whereas, if a customer is able to circumvent the system and receive two phones (also unlikely, given the safeguards in place as a result of the *Order*), they would be able to continue drawing more than one Lifeline subsidy and the waste may not be detected within 60 days.

1. National Lifeline Accountability Database

Free Mobile will participate in the NLAD, once it is established. As required by the *Order*, Free Mobile will provide to the NLAD subscriber name, address, phone number, the last four digits of Social Security number, date of birth, Lifeline service initiation and de-enrollment date (when applicable), and amount of federal Lifeline support being sought for that subscriber.³⁶ Free Mobile will provide the information listed above for existing subscribers within 60 days of Commission

³⁶ See *Order* at ¶ 189.

notice that the NLAD is capable of accepting subscriber information.³⁷

Furthermore, on its certification form, Free Mobile will 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 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.³⁸

Within 30 days following Commission notice that the NLAD is capable of accepting queries, Free Mobile will query the NLAD to check to see if a prospective subscriber is already receiving service from another ETC at a residential address prior to seeking reimbursement from the Fund.³⁹

2. Subscriber Usage

Free Mobile will not seek reimbursement from the USF for new subscribers until they have personally activated the service, either by initiation and/or actual use of the service by the subscriber. Furthermore, Free Mobile will not seek reimbursement from the USF for inactive subscribers who have not used the service for a consecutive 60-day period.⁴⁰ Free Mobile will notify its subscribers at service initiation, via the certification form and via script that is reviewed with every customer, about the non-transferability of the phone service, its usage requirements, and the de-enrollment and deactivation that will result following non-usage in any 60-day period of time.⁴¹ 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 Company to add to an existing pre-paid Lifeline account; completes an outbound call;

³⁷ See Order at ¶ 190.

³⁸ See Order, Appendix C.

³⁹ See Order at ¶ 203.

⁴⁰ See Order at ¶ 257.

⁴¹ See *id.*

answers an incoming call from anyone other than the Company, its representative, or agent; or affirmatively responds to a direct contact from the Company confirming that he or she wants to continue.⁴² Free Mobile utilizes tracking software to notify the customer if the customer has not used their service for more than 30 or 60 consecutive days. Furthermore, a third party contractor validates the Company's subsidy data to prevent a subsidy request for customers that are inactive under the Company's non-usage policy.⁴³ After notification, if the customer fails to use the phone, it is automatically de-enrolled pursuant to the procedures outlined in section E below. Free Mobile will continue to comply with applicable public safety, including transmitting 911 calls to the appropriate PSAP even if the Company is no longer providing Lifeline service to a consumer.⁴⁴

3. Marketing & Outreach

Free Mobile will implement the measures outlined herein to help ensure that only eligible consumers enroll in the program and that those consumers are fully informed of the limitations of the program, so as to prevent duplicative or otherwise ineligible service as well as other forms of waste, fraud, and abuse. Free Mobile will explain in clear, easily understood language the following disclosures in all marketing materials related to the supported service:⁴⁵ (1) the offering is a Lifeline-supported service; (2) only eligible consumers may enroll in the program; (3) the program is limited to one benefit per household, consisting of either wireline or wireless service; and (4) Lifeline is a government benefit program. Free Mobile's website and printed

⁴² See *Order* at ¶ 261.

⁴³ CGM, LLC is currently the Company's third party contractor.

⁴⁴ See *Order* at ¶ 262. 911 transmission will actually be performed by the Company's underlying facilities-based CMRS provider.

⁴⁵ See Exhibit C for a sample advertisement. The Company understands the term "marketing materials" includes materials in all media, including but not limited to print, audio, video, Internet (including email, web, and social networking media), and outdoor signage, that describe the Lifeline-supported service offering, including application and certification forms. See *Order* at ¶ 275.

collateral will explain the documentation necessary for enrollment, and the details of Free Mobile's plans. Such collateral and website information, as well as its application, will make clear that 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.⁴⁶ For broadcast advertisements and outdoor signs, and any other situation in which inclusion of documentation information and warnings against willful false statements are not practicable, Free Mobile will include the URL link for its website where disclosures will be listed. Additionally, Free Mobile will disclose the company name under which it does business.⁴⁷

4. Audits

The *Order* requires ETCs that draw \$5 million or more in the aggregate on an annual basis from the low-income program, as determined on a holding company basis taking into account all operating companies and affiliates, to hire an independent licensed certified public accounting firm to conduct a biennial audit according to government accounting standards to assess the ETC's overall compliance with the program's requirements.⁴⁸ Free Mobile will comply with this requirement if and when it is approved, including applicable rules regarding the dissemination of audit findings to the Commission, USAC, and relevant state and Tribal governments within 30 days upon issuance.⁴⁹

E. De-Enrollment

If at any time a Free Mobile Lifeline customer wishes to de-enroll from the Company's Lifeline program, Company customer service representatives will handle such elective de-enrollment requests. Free Mobile Lifeline customers simply call the Company, via 611 or the

⁴⁶ See *Order* at ¶ 275.

⁴⁷ See *id.*

⁴⁸ See *Order* at ¶ 291.

⁴⁹ See *Order* at ¶ 294. As of the date of filing of this Compliance Plan, the audit requirement has not been approved pursuant to the Paperwork Reduction Act.

toll-free customer service number, and they can speak to a live operator to de-enroll from Free Mobile's Lifeline program. Free Mobile will de-enroll consumers from the Company's Lifeline program in the following instances, according to C.F.R. § 54.405(e):

Ineligibility. Any subscriber who indicates that he or she is receiving more than one Lifeline-supported service per household, or neglects to make the required one-per-household certification on his or her certification form, will be de-enrolled from Lifeline pursuant to the process for resolving duplicative Lifeline subscriptions described in section 54.405(e)(2).⁵⁰

If a customer does not respond to the Company's annual verification survey within 30 days, or if Free Mobile has reasonable basis to believe that the subscriber no longer meets the Lifeline-qualifying criteria (including instances where a subscriber informs the Company or the state that he or she is ineligible for Lifeline), Free Mobile will provide a written notice of impending service termination to the subscriber and then give the subscriber 30 days after the date of the letter to demonstrate that his or her Lifeline service should not be terminated.⁵¹ Similarly, Free Mobile will de-enroll a subscriber if they fail to respond to the Company's attempt to verify a temporary address within 30 days.⁵²

Duplicative Support. Subject to USAC's Duplicate Resolution Process and anticipated Duplicate Scrubbing Process,⁵³ Free Mobile will de-enroll a subscriber within 5 business days if the Company is informed by USAC that the subscriber is receiving Lifeline service from another ETC or that more than one member of a subscriber's household is receiving Lifeline service.

Non-Usage. Free Mobile will de-enroll any subscriber that has not used the Company's Lifeline service for 60 consecutive days, as discussed in section IV.B above. Free Mobile will

⁵⁰ See Order at ¶ 122.

⁵¹ See *id.* In states that have dispute resolution procedures applicable to Lifeline termination, the Company will comply with the state requirements.

⁵² See Order at ¶ 89.

⁵³ See Order at ¶ 214-16.

provide the subscriber 30 days' notice, using clear, easily understood language, that the subscriber's failure to use the Lifeline service within the 30-day notice period will result in service termination for non-usage; such notice may be initiated after 30-days of non-usage. Free Mobile will update the national database, once in place, within one business day of de-enrolling a subscriber for non-use and will submit a non-usage de-enrollment report annually to USAC.⁵⁴

F. Additional Rule Amendments

1. Terms and Conditions of Service

Free Mobile has attached as Exhibit D its Lifeline terms and conditions of service. The Company's Lifeline offering is summarized in section IV.C below. These terms and conditions are subject to change as needed, and the most current version will be maintained at www.freemobileusa.com.

2. Reporting Requirements

Free Mobile will report all information required by section 54.422, including as it may heretofore be amended. This includes the names of the Company's holding company, operating companies and affiliates, and any branding ("doing-business-as company" or brand designation), and provide to the Commission and USAC general information regarding the terms and conditions of the Lifeline plans for voice telephony service offered specifically for low income consumers through the program offered during the previous year, including the number of minutes provided, and whether there are additional charges to the consumer for service, including minutes of use and/or toll calls.⁵⁵

⁵⁴ See Order at ¶ 257.

⁵⁵ See Order at ¶ 296, 390. Section 153 of the Communications Act defines "affiliate" as "a person that (directly or indirectly) owns or controls, is owned or controlled by, or is under common ownership or control with, another person."

3. Reimbursement from USAC

In seeking reimbursement for Lifeline, Free Mobile will comply with the requirements of C.F.R. § 54.407, as revised by the *Order*.⁵⁶ Free Mobile will certify when seeking reimbursement that the Company has obtained a valid certification form for each consumer for whom the Company seeks Lifeline reimbursement,⁵⁷ and the Company will seek reimbursement for actual lines served, not projected lines.⁵⁸

4. Section 54.202 Certifications

Free Mobile certifies the following in accordance with newly amended C.F.R. § 54.202: (1) Free Mobile will comply with the service requirements applicable to the support that it receives; (2) Free Mobile is able to remain functional in emergency situations; (3) Free Mobile will satisfy applicable consumer protection and service quality standards.

IV. COMPANY INFORMATION

Free Mobile is a Texas corporation. Free Mobile will provide prepaid wireless telecommunications services to consumers by using the network of its underlying carrier(s), currently AT&T and Sprint Spectrum L.P. (“Sprint”). AT&T and Sprint are nationwide carriers that provide wholesale capacity on their wireless networks to resellers like Free Mobile. Free Mobile obtains directly from AT&T and Sprint the network infrastructure and transmission facilities to allow Free Mobile to operate as a Mobile Virtual Network Operator (“MVNO”).

A. Names and Identifiers

Free Mobile is affiliated with the following companies: Ztar Mobile, Inc. (“Ztar”),⁵⁹ a

⁵⁶ See *Order* page 221.

⁵⁷ See *Order* at ¶ 128.

⁵⁸ See *Order* at ¶ 302.

⁵⁹ Ztar was involved in a consent decree with the FCC; see EB-11-SE-061; EB-10-SE-126; EB-08-TC-6092. The consent decree covered two previously outstanding enforcement issues: i) a CPNI reporting violation for the annual report for 2007 (CPNI issue); and ii) a Hearing Aid

Delaware corporation (owner/controller of Ztar Mobile Singapore Branch); Ztar Mobile Canada, Inc., a Texas corporation; Ztar Mobile Asia, a Texas corporation; Good2GO Mobile, Inc., a Texas corporation; Blitz Mobile, Inc., a Texas corporation; Pavo Communications, Inc., a Texas corporation (owner/controller of Pavo Communications Sdn Bhd., a Malaysian corporation); GE Holdings, Inc., a Texas corporation (not yet organized); Spring Card Systems, LLC, a Texas limited liability company; and MGTCO Holdings, LLC, a Texas limited liability company. Ztar is the only affiliate currently providing telecommunications service in the United States.

B. Financial and Technical Capability

Free Mobile is financially and technically capable of providing Lifeline-supported services.⁶⁰ Free Mobile has received the necessary private funding to launch its wireless services and, if necessary, has access to additional capital from private investors. Free Mobile is able to draw from the financial and technical resources of its affiliates, which have been providing service since 2005 under several brands and with major retailers – with a presence not only throughout the United States but also in Canada, Singapore, and Malaysia. Free Mobile was incorporated as a new and separate company to essentially serve as the Lifeline arm of Ztar’s retail wireless service. Therefore, in launching its prepaid wireless Lifeline service Free Mobile will be able to draw from

Compatibility rules violation for the offer of one too many non-compatible handsets in 2009 (HAC issue). The CPNI issue was solely a paperwork violation, since Ztar typically does not handle CPNI in the normal course of its business, and has not received any complaints. In 2007, Ztar was unaware of the CPNI annual report requirement until too late to submit that year’s report on time. The remedy in the consent decree was for Ztar to submit reports of its plan for compliance and status reports to the FCC for 2 years; in addition, Ztar has been in full compliance with all CPNI requirements through 2012. The HAC issue was based on the online offer of a handset that was never actually sold. Nevertheless, because Ztar was truthful in its reporting of the potential availability of that handset on its website, the Commission noticed a violation (Ztar failed to meet the required ratio by one handset) and in 2010 began putting Ztar through the consent decree process and eventually extracted a voluntary contribution and 2 years of status reports. Ztar was not accused of being in default of any other rules in any other years, and believes it is currently in full compliance. Ztar is current with all its obligations under the consent decree. To Ztar’s knowledge, all investigations have been terminated.

⁶⁰ See *Order* at ¶ 387.

Ztar's proven operations, sales and marketing strategies, network of world class retail partners,⁶¹ and almost a decade of experience in the prepaid wireless industry. Free Mobile has not been subject to enforcement action or ETC revocation proceedings in any state. Free Mobile intends to provide service to both Lifeline and non-Lifeline customers and will not rely exclusively on USF disbursements to operate. Furthermore, the senior management of Free Mobile has great depth in the telecommunications industry and offers extensive telecommunications business technical and managerial expertise to the Company.⁶² Free Mobile will be providing resold wireless service, and therefore will also rely upon the managerial and technical expertise of its underlying carrier.

C. Lifeline Offering

Free Mobile will offer its Lifeline service in the states where it is designated as an ETC and throughout the coverage area of its underlying carriers, currently AT&T and Sprint. Free Mobile offers two wireless technologies: GSM (AT&T network) and CDMA (Sprint network), and customers will be able to purchase both GSM-compatible and CDMA-compatible handsets at a discounted cost. Or, Free Mobile will provide a Company SIM card for free to customers that already have a GSM-compatible phone. The type of network a customer is on will be determined by the phone that they choose (GSM = AT&T, CDMA = Sprint), and they will be able to check their respective network coverage on the Company's website. As summarized in Exhibit F attached hereto, the Company's Lifeline offering will provide customers with the following options:⁶³

BASIC: 68 anytime, anywhere minutes/month, with unlimited rollover of unused minutes.

⁶¹ Ztar has distribution arrangements with major retail partners such as 7-Eleven, RadioShack, Race Trac, Fry's Electronics, and GameStop, with a combined total of over 50,000 locations nationwide. Even if Free Mobile does not utilize Ztar's network of retail locations for enrollment purposes, its Lifeline customers will still benefit from being able to purchase additional minute refill cards at these locations.

⁶² See Exhibit E for key management resumes.

⁶³ Free Mobile reserves the right to alter the proposed Lifeline rate plans on a state-by-state basis, particularly as required by state public utility commissions (PUC). Free Mobile commits to pass through the entire Lifeline subsidy amount directly to the consumer.

Includes 3 to 1 texting, no web.

PLUS: 125 domestic minutes/month, with limited rollover of unused minutes (90 days). Includes 1 to 1 texting, no web.

DELUXE: 250 domestic minutes/month, with no rollover. No text, no web.

ELITE: \$35 for Unlimited talk and text, no web.

ELITE PLUS: \$45 for Unlimited talk, text, and 200MB of data.

ELITE PLATINUM: \$55 for Unlimited talk, text, and 600MB of data.

Minutes are credited to a customer's account on their monthly anniversary date - which is set on their Lifeline activation date. In addition to wholly-supported voice services, prepaid Lifeline customers also will have access to voice mail, caller I.D., call waiting, and 3-way calling services at no additional charge, even after their initial allotment of included minutes has been consumed. Customers may place calls to 911 for free, regardless of account balance or activation status, and airtime minutes are not deducted for calls to customer service either via 611 or the toll free number. Lifeline customers can also purchase additional airtime if needed (at a retail location, via phone, or online), always at the cost of \$0.10 cents per minute or less. Free Mobile customers will receive convenient low balance alerts at no charge to the customer. All Company plans come with domestic long distance at no extra charge and exceptional nationwide digital coverage on either the AT&T Wireless or Sprint PCS Networks. Free Mobile currently blocks roaming features, so Lifeline customers are not at risk for incurring unexpected roaming charges. Customers may also elect to block international calling features. Free Mobile does not impose burdensome credit checks or long-term service contracts. Free Mobile's prepaid offering will be an attractive alternative for consumers who need the mobility, security, and convenience of a wireless phone, but who are concerned about usage charges or long-term contracts.

V. **CONCLUSION**

Free Mobile submits that its Compliance Plan fully satisfies the conditions of forbearance set forth in the Commission's *Order*. Implementation of the procedures described herein will promote public safety and should ensure that Lifeline customers have access to 911 and E911 services while safeguarding against misuse of the Company's Lifeline services. Accordingly, Free Mobile respectfully requests that the Commission expeditiously approve its Compliance Plan so that the Company may begin providing the benefits of much-needed Lifeline service to qualifying low-income consumers as quickly as possible.

Respectfully submitted,

Free Mobile, Inc.

/s/ Lance J.M. Steinhart

Lance J.M. Steinhart
Lance J.M. Steinhart, P.C.
1725 Windward Concourse
Suite 150
Alpharetta, Georgia 30005
(770) 232-9200

Its Counsel

Dated August 31, 2012

Exhibit A

Sample Lifeline Certification Form

Free Mobile, Inc.

16 Village Ln, Suite 250
Colleyville, TX 76034

1-855-281-9333
www.freemobileusa.com

LIFELINE APPLICATION

A Complete and signed Lifeline Service Application and Certification ("Certification") is required to enroll you in Free Mobile, Inc.'s ("Company's") Lifeline service program in your state. The Certification is only for the purpose of verifying your eligibility in the Lifeline service and will not be used for any purpose other than the Lifeline program. Service requests will not be processed until this electronic form has been received and verified by the company.

Things to know about the Lifeline Program:

- (1) Lifeline is a federal benefit.
- (2) Lifeline Service is available for only one line per household. A household cannot receive benefits from multiple providers; and
- (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.

Applicant Information:

First Name: _____ MI: _____ Last Name: _____ Date of Birth: Month ____ Day ____ Year ____

Social Security Number or Tribal ID Number (Last 4 digits): ____ _ Contact Telephone Number: _____

Residence Address (No P.O. Boxes, Must be your principal address): This address is Permanent Temporary Multi-Household

_____ APT/ Floor/ Other _____ City: _____ State: _____ ZIP Code: _____

Billing Address (May Contain a P.O. Box)

_____ APT/ Floor/ Other _____ City: _____ State: _____ ZIP Code: _____

_____ I hereby certify that I participate in at least one of the following programs: (Check all that apply)

- Initial Here
- _____ Supplemental Nutrition Assistance Program (SNAP)
 - _____ Supplemental Security Income (SSI)
 - _____ Federal Public Housing Assistance
 - _____ Low- Income Home Energy Assistance Program (LIHEAP)
 - _____ National School Lunch Program (free program only)
 - _____ Temporary Assistance for Needy Families (TANF)
 - _____ Medicaid

FOR OFFICE USE ONLY:

Company Representative: _____

Documentation Verified (description): _____

Representative Signature: _____

Date: _____

Is this a multi- family dwelling? _____

_____ I certify that my household income is at or below 135% of the Federal Poverty Guidelines (FPG). There are _____ individuals in my household.

I certify, under penalty of perjury: (Please certify by checking each Checkbox for each Certification)

- (1) The information contained in my application remains true and correct to the best of my knowledge and I acknowledge that willfully providing false or fraudulent information to receive Lifeline benefits is punishable by law and may result in me being barred from the program.
- (2) I am a current recipient of the program checked above, or have an annual household income at or below 135 percent of the Federal Poverty Guidelines.
- (3) I have provided documentation of eligibility if required to do so.
- (4) I understand that I and my household can only have one Lifeline-supported telephone service. Free Mobile, Inc. has explained the one-per household requirement. I understand that violation of the one-per-household requirement constitutes a violation of the FCC's rules and will result in my de-enrollment from the lifeline program, and could result in criminal prosecution by the United States Government.
- (5) I attest to the best of my knowledge, that I and no one in my household is receiving a Lifeline supported service from any other land line or wireless company such as Safelink, Assurance, or Reachout Wireless.
- (6) I understand my Free Mobile, Inc. Lifeline service is a non-transferable. I may not transfer my service to any individual, including another eligible low-income consumer.
- (7) I understand that if my service goes unused for sixty (60) days, my service will be suspended, subject to a thirty (30) day period which I may use the service or contact Free Mobile, Inc. to confirm that I want to continue receiving their service.
- (8) I will notify Free Mobile, Inc. within thirty (30) days if I no longer qualify for Lifeline. I understand this requirement and may be subject to penalties if I fail to notify my phone company. Specifically, I will notify my company if:
 - (1) I or my household cease to participate in the above federal or state program, or my annual household income exceeds 135% FPG.
 - (2) My household is receiving more than one Lifeline supported service;
 - (3) I or my household no longer satisfy the criteria for receiving Lifeline support.
- (9) I will notify Free Mobile, Inc. within thirty (30) days of moving. Additionally, if my address listed above is a temporary address, I understand that I must verify my address with Free Mobile, Inc. every ninety (90) days. If I fail to respond to Free Mobile, Inc.'s address verification attempts within thirty (30) days, my Free Mobile, Inc. Lifeline service may be terminated.
- (10) Free Mobile, Inc. has explained to me that I am required each year to re-certify my continued eligibility for Lifeline. If I fail to do so within thirty (30) days, it will result in the termination of my Free Mobile, Inc. Lifeline service.
- (11) I authorize and understand that the Free Mobile, Inc. may provide to state and Federal agencies, as required by law, for the purposes of complying with the Lifeline program all the information related to my account including but not limited to my name, date of birth, social security, usage history, address and phone number.
- (12) I understand that my name, telephone number, date of birth, 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 I do not receive more than one Lifeline subsidy.
- (13) I understand that if USAC identifies I am receiving more than one Lifeline subsidy, all carriers involved may be notified so that I may select one service and be de-enrolled from the other. I further understand that some states may impose more stringent rules including but not limited to barring me from re-enrolling in the program.
- (14) I authorize the company to access any records required to verify my statements on this form and to confirm my eligibility for the Lifeline program.

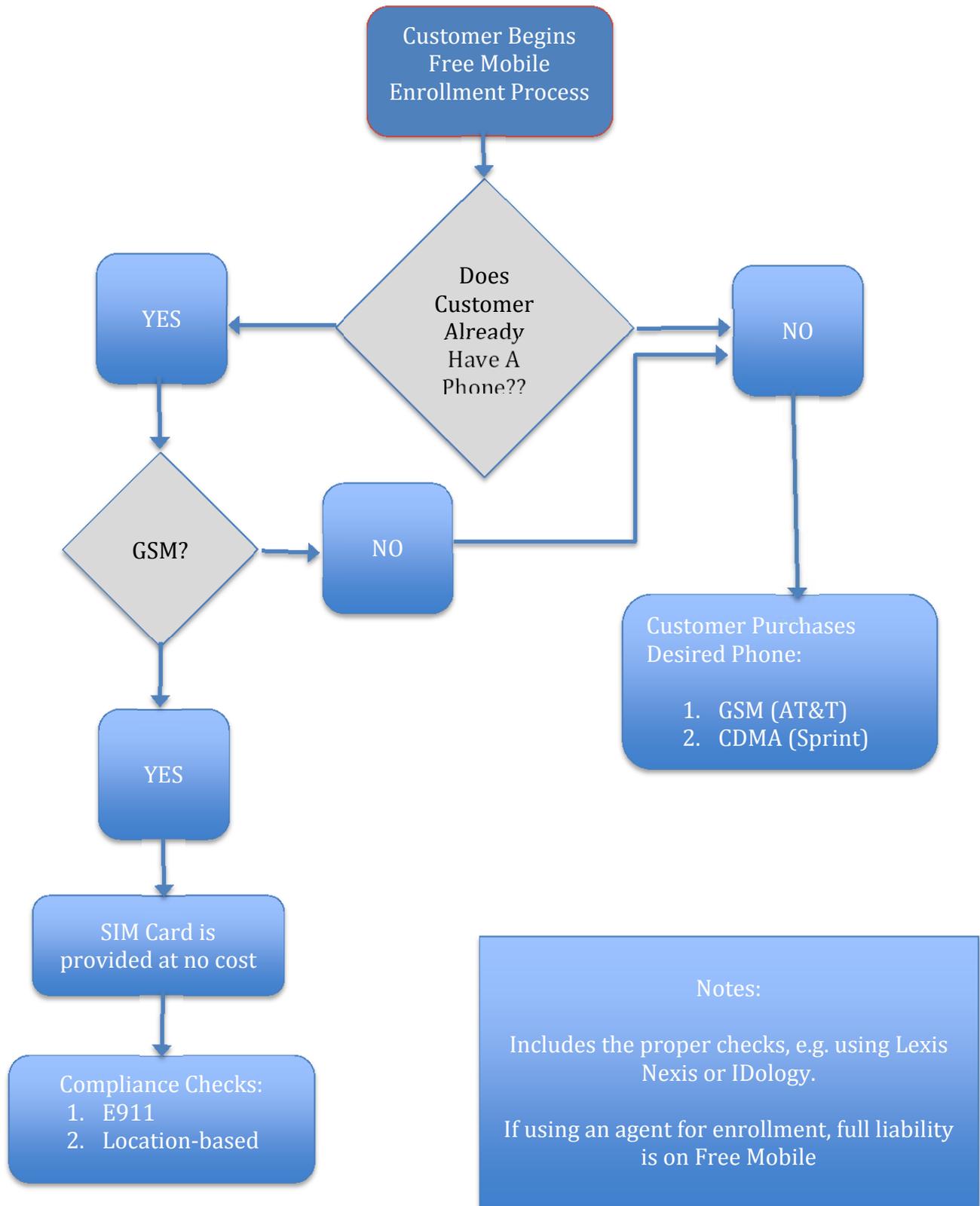
APPLICANT'S SIGNATURE

DATE

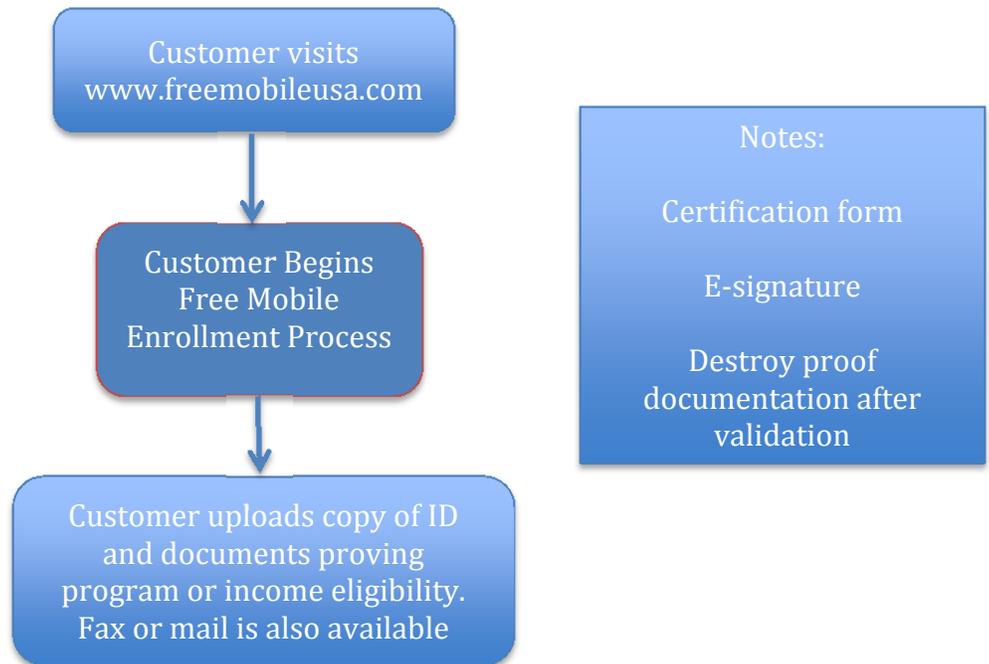
Exhibit B

Enrollment Flow Diagram

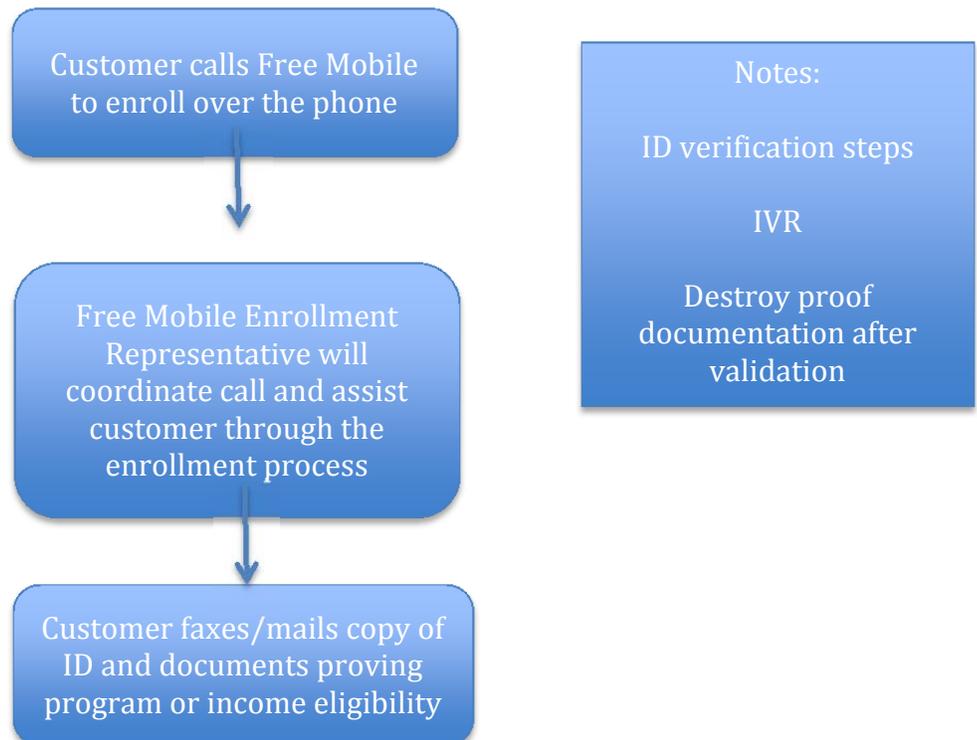
FREE MOBILE, INC. – ENROLLMENT PROCESS FLOW



ENROLLMENT METHOD #1 - ONLINE



ENROLLMENT METHOD #2 - PHONE



ENROLLMENT METHOD #3 - EVENT



CGM Checks:

1. Good Address
2. Duplicate (not already receiving service)
3. Is User within state boundaries
4. ID verification
5. State eligibility

ENROLLMENT METHOD #4 - RETAIL

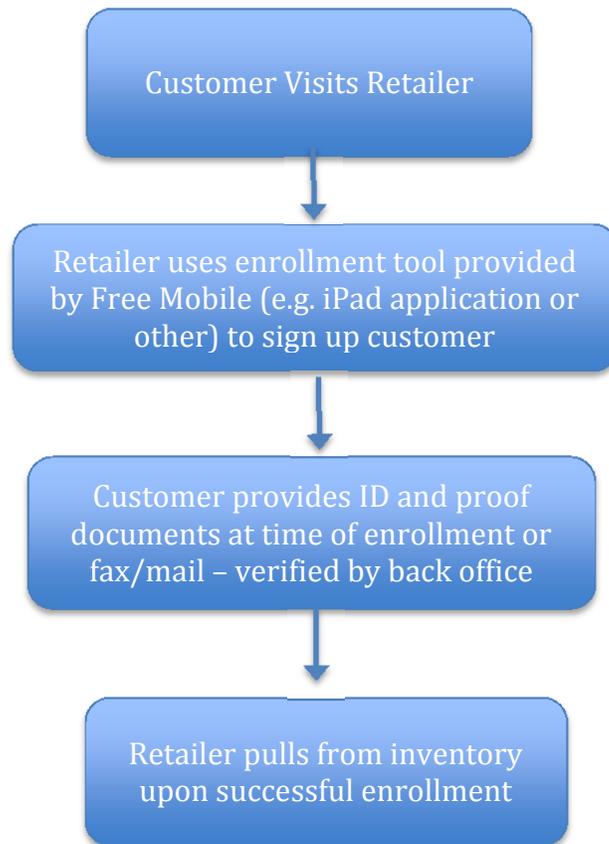


Exhibit C

Sample Advertisement

Introducing *Free Mobile*



The premier **Lifeline service** provider of wireless service for Lifeline-eligible customers

Use our SIM card in your GSM compatible wireless phone.

If you don't have a GSM compatible phone, you can purchase one from us for \$20.

PLANS

Free Mobile offers the following plans:

FREE PLANS

BASIC (68 mins per month; 3 texts/min)

PLUS (125 mins per month; 1 text /min)

DELUXE (250 mins per month)

PREMIUM PLANS

\$35: ELITE (Unlimited talk and text)

\$45: ELITE PLUS (Unlimited talk, text and 200 mb of web)

\$55: ELITE PLATINUM (Unlimited talk, text, 600 mb of web)



We've Got You Covered



Free Mobile, Inc.

16 Village Ln, Suite 250 Colleyville, TX 76034

www.freemobileusa.com

Free Mobile

Wireless Service for those in need

What is a SIM card?



A SIM card or *Subscriber Identity Module* is a memory chip used in most models of cellular phones. The SIM card makes it easy to switch to a new phone by simply sliding the SIM out of the old phone and into the new one. The SIM holds personal identity information, cell phone number, phone book, text messages and other information related to your FREE MOBILE account.

A SIM card can come in very handy. Just slide your SIM card into whatever phone you wish to use.

Buy a phone from us or use the one you already have!

Visit www.freemobileusa.com for
more information

Eligibility is determined by providing documentation that you meet income requirements or participate in any of the following government-sponsored programs:

- *Food Stamps*
- *Energy Assistance*
- *Supplemental Security Income*
- *TANF*
- *Section 8*
- *SNL*
- *Medicaid*

Only eligible consumers may enroll in the program

The program is limited to one benefit per household, consisting of either wireline or wireless service

Lifeline is a government benefit program; 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

Lifeline service is non-transferable

Exhibit D

Lifeline Terms and Conditions

FREE MOBILE, INC™ Terms and Conditions of Service

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

By enrolling in the FREE MOBILE, INC Program (the “FREE MOBILE, INC Program” or “FREE MOBILE Program”) and by using the FREE MOBILE, INC service (the “FREE MOBILE, INC Service” or “FREE MOBILE Service”), you (“You”), the participant, acknowledge and agree to the following terms and conditions:

1. FREE MOBILE, INC PROGRAM DESCRIPTION. FREE MOBILE, INC Service is funded by the Universal Service Fund Lifeline program and administered by the Universal Service Administrative Company. In order to qualify for enrollment in the FREE MOBILE, INC Program, a person must meet certain eligibility requirements set by each state where the FREE MOBILE Program is offered. These requirements are based on a person's participation in a state or federal support program(s) or by meeting certain income requirements based upon the Income Poverty Guidelines as defined by the US Government. Federal law limits the availability of the FREE MOBILE Program. The FREE MOBILE Program allows one (1) enrollment per “household” (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). Applicants for the FREE MOBILE Program must complete an application form, provide supporting documentation that they meet the eligibility requirements and certify, under penalty of perjury, that they: • Are eligible for and currently receive benefits from the public assistance program(s) identified in the application form or have an annual household income at or below 135 percent of the Federal Poverty Guidelines. • Do not currently receive Lifeline support for a telephone line serving their residential address and no other resident in their household participates in the Lifeline program. If the applicant is already participating in another Lifeline program, then the applicant agrees to cancel their current household Lifeline support provider in order to enroll in the FREE MOBILE Program. • Will notify FREE MOBILE, INC by calling 1-855-281-9333 if and when they no longer qualify for any of the public assistance programs identified in their application form or when their annual household income is above 135 percent of the Federal Poverty Guidelines. • Will notify FREE MOBILE, INC of any change of address by calling 1-855-281-9333. • Reviewed the information contained in their application and it is true and correct to the best of their knowledge and belief. Applicants who qualify and are enrolled in the FREE MOBILE Program will receive a free SIM card provided by FREE MOBILE together with a free allotment of airtime minutes each month for up to one year. FREE MOBILE will determine at its sole discretion whether or not an applicant meets the eligibility requirements to participate in the FREE MOBILE Program. The monthly airtime minutes provided by the FREE MOBILE Program will vary from state to state and will be based upon the Plan Option selected. Please call FREE MOBILE, INC at 1-855-281-9333 or visit our website at www.FREEMOBILEUSA.com for further information. Applicants who do not meet the eligibility requirements will receive written notification, via US Mail, of the reason for their non-eligibility. Upon enrollment in the FREE MOBILE Program, You will be qualified to participate for up to one (1) year. To continue your enrollment in the FREE MOBILE Program after the initial year, You must verify annually that you are qualified for continued enrollment in the FREE MOBILE Program as required by your state Public Service Commission, Public Utility Commission or other agency administering the FREE MOBILE Program in Your state. FREE MOBILE will also conduct verification drives for each state according to its rules. If FREE MOBILE determines during its verification drive, or at any other time, that a customer fails to continue to qualify for the FREE MOBILE Program, such customer will immediately be deemed ineligible to participate in the FREE MOBILE Program, will be de-enrolled from the FREE MOBILE Program and will no longer receive the free monthly minutes. FREE MOBILE Customers who are no longer eligible (for any reason) for enrollment in the FREE MOBILE Program must immediately notify FREE MOBILE, INC that they no longer meet the eligibility

requirements for enrollment. A FREE MOBILE customer's enrollment may also be cancelled upon the request of a state and/or federal authority. FREE MOBILE and FREE MOBILE, INC reserve the right to cancel the enrollment of any customer and/or permanently deactivate any customer's FREE MOBILE airtime card for fraud, misrepresentation or other misconduct as determined solely by FREE MOBILE. While participating in the FREE MOBILE Program, a customer shall not be permitted to sell, rent, give away or in any way allow another person to use the airtime card or FREE MOBILE Service provided to him/her by FREE MOBILE, INC. IT IS A VIOLATION OF FEDERAL AND STATE LAW TO SELL OR GIVE AWAY THE FREE MOBILE SIM CARD OR FREE MOBILE SERVICE PROVIDED TO YOU BY FREE MOBILE, INC. Any violation of this prohibition will be reported to the appropriate legal authorities for prosecution. In addition, if FREE MOBILE determines, in its sole discretion, that a FREE MOBILE, INC customer has violated these prohibitions, FREE MOBILE will the permanently de-enroll the customer from the FREE MOBILE Program, their airtime card will be permanently deactivated and the customer's personal information will be permanently flagged so that the customer may not re-enroll in the FREE MOBILE Program in the future. If you have any questions, concerns, comments or complaints regarding the FREE MOBILE Program or Service, offerings or products, please call FREE MOBILE, INC Customer Care at 1-855-281-9333. You may also contact your state's Public Service Commission/Public Utility Commission.

2. **ACTIVATION AND USE OF YOUR FREE MOBILE AIRTIME CARD.** Upon enrollment in the FREE MOBILE Program, you will receive a pre-activated FREE MOBILE, INC subscriber mobile identity (SIM) card delivered to your home address noted in the application. This SIM card, or airtime card, can either be used in your existing GSM phone, or you can purchase a phone from FREE MOBILE for \$20. You must accept the FREE MOBILE, INC telephone number assigned to your FREE MOBILE airtime card at the time of activation and you will acquire no proprietary interest in any number assigned to you. The wireless telecommunications networks used to transmit calls for the FREE MOBILE, INC Service are owned and operated by various licensed commercial mobile radio service providers ("Carriers"), not FREE MOBILE, INC or FREE MOBILE. The number assigned to your FREE MOBILE airtime card at the time of activation will not be changed for any reason unless required by a Carrier or if the number is lost following the deactivation of your airtime card. You may not select a number to be assigned to your FREE MOBILE airtime card. Your FREE MOBILE airtime card can only be used through FREE MOBILE, and cannot be activated with any other wireless or cellular service. FREE MOBILE, INC Services are provided at FREE MOBILE'S discretion. Some functions and features referenced in the Manufacturer's manual provided with your FREE MOBILE airtime card, if you purchase a phone from FREE MOBILE, may not be available on your FREE MOBILE, INC handset. FREE MOBILE may modify or cancel any FREE MOBILE Service or take corrective action at any time without prior notice and for any reason, including but not limited to your violation of these terms and conditions of service.

3. **AIRTIME RATES, USAGE AND INCLUDED MONTHLY MINUTES.** While you are enrolled in the FREE MOBILE Program, you will receive a free monthly allotment of airtime minutes as provided for the FREE MOBILE Program approved in your state and the minute Plan that you select. FREE MOBILE, INC airtime is issued in minute (or unit) increments. Units are deducted from the FREE MOBILE airtime card at a rate of one (1) unit per minute or partial minute of use. There is no additional charge for nationwide long distance. If you are on the BASIC plan, there is no additional charge for international long distance to countries designated at www.FREEMOBILEUSA.com. FREE MOBILE offers seven plans that are currently available to all new and existing FREE MOBILE customers. Each plan offers different benefits, features and carryover options.

The Plans that are currently available are:

Plan Name (your price)	Free Monthly Minutes Included in Plan	Unused Minutes Carryover Each Month	Text Message Charge*	Web	Additional Minutes Charge per Min	Voicemail Caller ID Call Waiting
BASIC (\$0)	68	Yes	3 Texts/1 Minute	n/a	\$0.10	Yes
PLUS (\$0)	125	Yes, Limited to 90 days	1 Text/1 Minute	n/a	\$0.10	Yes
DELUXE (\$0)	250	No**	1 Text/1 Minute	n/a	\$0.10	Yes
ELITE (\$35)	Unlimited	Unlimited	n/a	n/a	n/a	Yes
ELITE PLUS (\$45)	Unlimited	Unlimited	n/a	200mb	n/a	Yes
ELITE PLATINUM (\$55)	Unlimited	Unlimited	n/a	600mb	n/a	Yes

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

**With The DELUXE plan, your airtime card will reset to 250 minutes each month when your monthly minutes are delivered. Unused minutes will not automatically carry over to the next month.

New FREE MOBILE customers must choose a plan upon enrollment. Existing FREE MOBILE customers who wish to switch plans may do so at www.FREEMOBILEUSA.com or by calling 1-855-281-9333. If you switch plans before the 25th day of any given month, the change will be effective the following month. If you switch plans on or after the 25th day of the month, the change will be effective in the second month following your request to switch plans. You may use your free monthly allotment of airtime minutes to place or receive calls, to send or read text messages or multi-media messages and to access the internet (with certain models of phones). In order to receive your monthly allotment of minutes, you will need to leave your FREE MOBILE airtime card and GSM mobile phone powered "on" during the first few days of each month. If you DO NOT receive your monthly allotment of minutes because your phone was not "ON" at the beginning of the month or your phone does not automatically retrieve minutes when powered "ON." You may self-retrieve by following the instructions below. If for any reason these instructions do not work on your handset, please call us at 1-855-281-9333. Airtime minutes will be deducted for all time during which your FREE MOBILE airtime card is connected to, or using, the wireless system of any Carrier. Use of a wireless system typically begins when you press the "send," "call" or other key to initiate or answer a call and does not end until you press the "end" key or the call is otherwise terminated. Airtime minutes are deducted for all incoming and outgoing calls, including incoming call waiting calls, simultaneous calls, calls to toll free numbers including Customer Care, 411 and to access your voice mail. For simultaneous calls, such as incoming call waiting and 3-way calling (where available) airtime minutes will be deducted for each call. Airtime minutes are not deducted for calls to 911, and all handsets will be able to call 911 even if they have no airtime remaining. For outbound calls, you may be charged airtime for incomplete and/or busy-no answer calls. Airtime minutes will be deducted for use of other services such as text messaging and accessing the FREE MOBILE Mobile Web ("WAP"). No credit or refund is given for dropped calls.

4. SELF-RETRIEVAL AND ADDING AIRTIME. Self-Retrieve Your Monthly Minutes by visiting www.FREEMOBILEUSA.com. If you are having difficulty receiving your monthly allotment of minutes or you are having difficulty loading an airtime card, please call Technical Customer Care at 1-855-281-9333.

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

6. INTERNATIONAL CALLING. International calling is available only if you are enrolled in the BASIC plan. If you selected the BASIC plan, you may use your FREE MOBILE airtime card to make international calls to landlines and some cellular phones in some countries at no additional charge (see www.FREEMOBILEUSA.com for available countries, details, and dialing instructions). The countries where international calling is available under the BASIC plan are subject to change at any time without prior notice. Airtime deductions for international calls begin the moment the number is dialed and apply to dropped calls, misdialled numbers and busy destination numbers. When placing international calls, you may experience connection failures more frequently than calls made within the United States. FREE MOBILE, INC will not credit airtime minutes deducted for unsuccessful calls. You will not be able to make or receive calls on your FREE MOBILE airtime card when you are located outside of the United States, Puerto Rico or the U.S. Virgin Islands (the "Coverage Area"). Any attempt to make or receive calls when you are located outside of the Coverage Area could result in service deactivation and de-enrollment from the FREE MOBILE Program.

7. AIRTIME CARDS. Your FREE MOBILE airtime card will only operate when you have airtime minutes available on the FREE MOBILE airtime card. If you run out of your free monthly allotment of airtime, you may purchase and add additional airtime to your SIM card. See the instructions above for adding airtime. FREE MOBILE customers may purchase airtime at the rate of 10¢ per unit. FREE MOBILE reserves the right to adjust its airtime rates at any time in its sole discretion.

8. SERVICE END DATE, DEACTIVATION AND REACTIVATION. As a FREE MOBILE, INC customer, You will receive 425 service days upon Your enrollment and activation in the FREE MOBILE Program and another 365 service days following each successful annual verification for your continued program eligibility in the FREE MOBILE Program. If you fail to complete your annual verification within 120 days of the required verification date, you will be de-enrolled from the FREE MOBILE Program. Upon de-enrollment from the FREE MOBILE Program, you will cease receiving the free monthly allotment of airtime. If you are de-enrolled, your airtime card will remain active and you may continue to use your airtime card so long as you have available airtime minutes and service days remaining on your airtime card. You may purchase airtime and service days to keep your service active. If you are de-enrolled from the FREE MOBILE Program and You allow your remaining service days to expire or go "past due," Your service will be

deactivated, you may lose your unused minutes and you will lose your wireless telephone number. If you choose to reactivate your airtime card by completing the annual verification within 60 days after your verification due date, you will be re-enrolled in the program and continue receiving the free monthly allotment of airtime. If your service is deactivated, you may reactivate your service by either re-enrolling in the FREE MOBILE Program (if eligible) or purchasing and redeeming a FREE MOBILE airtime card with service days. Upon reactivation of your airtime card, you may be assigned a new telephone number. Any airtime remaining on your handset at the time of deactivation will be reinstated if your airtime card is reactivated within 60 days from the deactivation date. If your airtime card remains inactive for more than 60 days, you will lose any remaining airtime. If you have been de-enrolled from the FREE MOBILE Program and are not eligible to re-enroll but you wish to keep your service active, You must purchase and redeem additional airtime and service days before the "Service End Date". To prevent any interruption in your service, please keep your handset service active by timely completing your annual verification as required by the FREE MOBILE Program or, if no longer eligible, by purchasing and adding FREE MOBILE airtime cards before your Service End Date. "No Usage" De-Enrollment and Deactivation: Regardless of the Service End Date displayed on your handset, if you exceed 2 months without any Usage (as defined in this section), You will be de-enrolled from the FREE MOBILE Program. "Usage" is defined as any transaction including, but not limited to, making or receiving a call, sending or opening a text message, downloading data content, adding airtime or receiving Your free monthly airtime. Upon de-enrollment for non-Usage, You will have up to a 30 day grace period to reenroll in the FREE MOBILE Program by calling 1-855-281-9333. If you do not re-enroll, use your phone or call FREE MOBILE Customer Care within 30 days of your de-enrollment, your service will be deactivated. In order to reactivate your FREE MOBILE airtime card and re-enroll in the FREE MOBILE Program, you will need to call FREE MOBILE Customer Care. Upon successful re-enrollment, you will receive the monthly minutes that you were entitled to receive through the date your enrollment was cancelled. You will not, however, receive any airtime for the period of time you were not enrolled in the FREE MOBILE Program. In addition, you will be assigned the service days, which are the days you were granted when first enrolled in the program.

9. OUR RIGHT TO TERMINATE YOUR FREE MOBILE, INC SERVICE. You agree not to give away, resell or offer to resell the FREE MOBILE airtime card or Service provided by the FREE MOBILE Program. You also agree your FREE MOBILE airtime card will not be used for any other purpose that is not allowed by this agreement or that is illegal. WE CAN, WITHOUT NOTICE, LIMIT, SUSPEND, OR END YOUR SERVICE AND DE-ENROLL YOU FROM THE FREE MOBILE PROGRAM FOR VIOLATING THIS PROVISION OR FOR ANY OTHER GOOD CAUSE, including, but not limited to, if You: (a) violate any of the terms and conditions of service; (b) lie to us or attempt to defraud us; (c) allow anyone to tamper with your FREE MOBILE airtime card; (d) threaten or commit violence against any of our employees or customer service representatives; (e) use vulgar and/or inappropriate language when interacting with our representatives; (f) steal from us; (g) harass our representatives; (h) interfere with our operations; (i) engage in abusive messaging, emailing or calling; (j) modify your device from its manufacturer's specification; or (k) use the service in a way that adversely affects our network or the service available to our other customers. We reserve the right to, without notice, limit, suspend or end your service for any other operational or governmental reason. In addition to permanently terminating your Service, criminal offenses (i.e., selling or giving away your Service; threatening violence, etc.) will be reported to the appropriate legal authorities for prosecution.

10. UNAUTHORIZED USAGE; TAMPERING. The FREE MOBILE, INC airtime card is provided exclusively for use by you, the end consumer with the FREE MOBILE, INC Service available solely in the United States, Puerto Rico and the U.S. Virgin Islands. Any other use of your FREE MOBILE, INC handset, including without limitation, any resale, unlocking and/or re-flashing of the handset is unauthorized and constitutes a violation of your agreement with FREE MOBILE. You agree not to unlock, re-flash, tamper with or alter your FREE MOBILE airtime card or its software, enter unauthorized PIN's, engage in any other unauthorized or illegal use of your FREE MOBILE airtime card or the Service, or assist others in such acts, or to sell and/or export FREE MOBILE, INC airtime cards and handsets outside of the United States. These acts violate FREE MOBILE'S rights and state and federal laws. Improper, illegal or unauthorized use of your FREE MOBILE airtime card is a violation of this agreement and may result in immediate discontinuance of

Services and legal action against you. FREE MOBILE will prosecute violators to the full extent of the law. You agree that any violation of this agreement through your improper, illegal or unauthorized use or sale of your FREE MOBILE airtime card shall entitle FREE MOBILE to recover liquidated damages from you in an amount of not less than \$5,000 per FREE MOBILE, INC airtime card or handset purchased, sold, acquired or used in violation of this agreement. You agree to safeguard your airtime card and not to allow any unauthorized person to use it. You agree not to allow any other person to, directly or indirectly alter, bypass, copy, deactivate, remove, reverse-engineer or otherwise circumvent or reproduce the encoded information stored on, or the encryption mechanisms of, your airtime card. You can remove your airtime Card from your phone and place in any other GSM compatible phone so long as it's for your use only. The Carriers, FREE MOBILE, or its service providers, may, from time to time, remotely update or change the encoded information on your airtime card. Your FREE MOBILE airtime card is restricted from operating when you are located anywhere outside of the United States, Puerto Rico or the U.S. Virgin Islands, including offshore or in international waters. Any such calls are considered unauthorized usage by FREE MOBILE for which your service will be immediately suspended. In the event of suspension for this or any other unauthorized usage, you will not be entitled to receive any refunds for unused airtime.

11. COVERAGE MAPS AND ROAMING. You will find coverage maps on our website at www.FREEMOBILEUSA.com. These maps are for general informational purposes only. Actual coverage and service areas may vary from the maps and may change without notice. FREE MOBILE does not guarantee coverage or service availability. Even within a coverage area, factors such as terrain, weather, structures, foliage, signal strength, traffic volumes, service outages, network changes, technical limitations, and your equipment may interfere with actual service, quality and availability. "Roaming" occurs when a subscriber of one wireless service provider uses the facilities of another wireless service provider. Roaming most often occurs when you make and receive calls outside of the network coverage area of your service provider. When your FREE MOBILE airtime card is roaming, you will not be able to access service.

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

13. WARRANTY EXCHANGE AND LOST OR STOLEN SIM CARD AND PHONE POLICY. Limited Warranty Exchange Policy: FREE MOBILE, INC customers shall have up to one year from the activation date of their phone to return any defective phone or airtime card to FREE MOBILE. FREE MOBILE will exchange a defective phone or airtime card, if purchased through FREE MOBILE, INC, for a new or refurbished phone, or airtime card at FREE MOBILE's discretion, during this period of time only pursuant to the terms of the Limited Warranty set forth below. For a defective phone or airtime card replacement, call FREE MOBILE, INC Customer Care at 1-855-281-9333. Lost or Stolen Phone and Airtime Card Policy: For any lost or stolen FREE MOBILE airtime card or phone, you may request and receive only one replacement airtime card or phone per customer. The replacement airtime card or phone will be refurbished. All reported lost and stolen airtime cards or phones will be permanently deactivated. Any additional airtime that you may have had on your lost phone will not be replaced. In the event you lose your replacement airtime card or phone

or it is stolen, you will need to purchase an additional airtime card or phone. If an airtime card or phone is lost or stolen while in transit to the customer before the customer receives the phone, the lost phone and airtime card may be replaced as a onetime courtesy in FREE MOBILE's sole discretion.

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

15. **HEARING, VISUAL OR SPEECH IMPAIRED ACCOMMODATIONS.** Any hearing, visual or speech impaired persons interested in applying for a specially equipped FREE MOBILE, INC must call FREE MOBILE, INC at 1-855-281-9333 and specify the need(s) to an agent and FREE MOBILE will make every effort to assist such customer in obtaining an airtime card that is in compliance with all applicable laws, rules, and regulations.

16. **EMERGENCY CALLS.** FREE MOBILE, INC customers have access to 911. Occasionally, however, callers may attempt to call 911 in areas where there is no wireless coverage. If there is no wireless coverage, your call to 911 may not go through and You should dial 911 from the nearest landline phone.

17. **DATA SERVICES.** With certain FREE MOBILE airtime card models, you can download ring tones, graphics, access information services such as news, weather and sports ("Information Services") and utilize multi-media messaging services ("MMS") (ringtones, graphics, Information Services and MMS are collectively referred to as "Data Services") through our Wireless Mobile Web ("WAP"). Data Services are additional Services offered by us at an additional charge depending on the plan chosen.

Accessing and Purchasing Data Services. In order to purchase, download or access Data Services, your handset must have active service under a plan that offers data service. Access Charges begin when your handset makes a data connection. This should occur shortly after you open your browser, send or receive a multi-media message (e.g., a picture), initiate a content download, view subscribed Information Services or if WAP access is initiated for any other purpose. Access Charges end when the data connection terminates. This should occur shortly after you close your browser, successfully receive or send a multi-media message (e.g., a picture), after a successful content download or after any other closure of a WAP session. The WAP access duration and the related Access Charges are NOT determined from the exact moment you press a button on your handset to open or close the browser. In addition to the Access Charges, there will be an additional one-time charge for any content you select to download ("Content Charge"). The Content Charges vary depending on the type of content. You will be advised of the Content Charges prior to finalizing your purchase. The Data Services you purchase and download may only be used or viewed on the airtime card for which they were purchased. Data Services are non-refundable and non-transferable. Purchase Options for Data Services: You may purchase Data Services either through your handset's WAP browser or through the Internet (accessed with a personal computer) at www.FREEMOBILEUSA.com. When you purchase Data Services from the Internet at www.FREEMOBILEUSA.com, the Content Charge will be shown in both U.S. Dollars and in minutes. You will have the opportunity to select one of two payment options: (1) using a credit card to pay the purchase price shown, or (2) a direct deduction of minutes from your FREE MOBILE, INC airtime card. If you buy a FREE MOBILE card the number of minutes to be charged is based on the last airtime card added to your account. See Purchasing Data Services With Airtime Minutes below. How to purchase from the Internet (www.FREEMOBILEUSA.com): Go to www.FREEMOBILEUSA.com and enter your FREE MOBILE, INC SIM card number and FREE MOBILE, INC Number. This will take you to the Wireless Data Services content catalog where you can browse. You may not purchase Data Services through your handset using a Credit card.

Charges for MMS (e.g., picture messaging). You will be charged 1.0 unit to send or receive a multi-media message (the "MMS Charge"). In addition to the 1.0 unit MMS Charge, there will also be an additional WAP Access Charge of 0.5 units per minute for the time it takes to send or receive the multi-media message. The total WAP Access Charge will vary depending on the size of the multi-media message being sent or received. Partial minutes will be rounded up. Additional Access Charges for Data Services. In addition to the Content Charges and MMS Charges, and regardless of the payment option you use, there is always an additional Access Charge of 0.5 units per minute associated with downloading content, accessing/viewing Information Services or utilizing MMS. Total Access Charges will vary depending on the size of the content and the actual time it takes to download the content, access/view the Information Service or utilize MMS. Modifications, Interruptions, or Discontinuation of Data Service. FREE MOBILE, INC does not guarantee the availability of Data Services on all of its phone models nor does it guarantee the availability of Data Services at all times. FREE MOBILE, INC reserves the right to modify, suspend, interrupt, discontinue or permanently cancel Data Services, or portions thereof, without notice. Data Services are not available in certain areas. FREE MOBILE, INC is not responsible and will not be liable for any modifications, interruptions or discontinuation of the Data Services or for any failure in receipt of the purchased Data Services. If the Data Services, or any part thereof, for which you subscribe, are modified, interrupted, discontinued or canceled, you will not receive a refund or credit from FREE MOBILE, INC for any remaining used or unused subscription time. If you cancel or attempt to cancel a Data Service download, a subscription purchase or a multi-media message in progress, or if this process is otherwise interrupted through no action on your part, you may nevertheless be charged in accordance with the terms and conditions set forth herein.

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

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

20. BINDING ARBITRATION. PLEASE READ THIS SECTION CAREFULLY AS IT AFFECTS RIGHTS THAT YOU MAY OTHERWISE HAVE. IT PROVIDES FOR RESOLUTION OF ALL DISPUTES AND CLAIMS (INCLUDING ONES THAT ALREADY ARE THE SUBJECT OF LITIGATION), EXCEPT FOR CLAIMS CONCERNING THE UNAUTHORIZED RESALE, EXPORT, ALTERATION, AND/OR TAMPERING OF YOUR FREE MOBILE AIRTIME CARD, ITS SOFTWARE, THE SERVICE AND/OR PIN NUMBERS, THROUGH ARBITRATION INSTEAD OF SUING IN COURT IN THE EVENT THE PARTIES ARE UNABLE TO RESOLVE A DISPUTE OR CLAIM. ARBITRATION IS BINDING AND SUBJECT TO ONLY A VERY LIMITED REVIEW BY A COURT. THIS ARBITRATION CLAUSE SHALL SURVIVE TERMINATION OF FREE MOBILE™ AGREEMENT WITH YOU. This provision is intended to encompass all disputes or claims arising out of your relationship with FREE MOBILE, arising out of or relating to the FREE MOBILE Service or any equipment used in connection with the FREE MOBILE Service (whether based in contract, tort, statute, fraud, misrepresentation or any other legal theory). Nothing contained in this arbitration provision shall preclude FREE MOBILE from bringing claims concerning the unauthorized resale, export, alteration, and/or tampering of your FREE MOBILE airtime card, its software, the FREE

MOBILE Service and/or PIN numbers, in state or federal court. References to you and FREE MOBILE include our respective subsidiaries, affiliates, predecessors in interest, successors, and assigns. All claims, except those excluded above, will be resolved by binding arbitration where permitted by law. You must first present any claim or dispute to FREE MOBILE by contacting Customer Care to allow an opportunity to resolve the dispute prior to initiating arbitration. The arbitration of any dispute or claim shall be conducted in accordance with the American Arbitration Association ("AAA") under the Commercial Dispute Resolution Procedures and the Supplementary Procedures for Consumer Related Disputes (collectively, "AAA Rules"), as modified by this agreement. The AAA Rules are available online at www.FREEMOBILEUSA.com or by calling the AAA at 1-800-778-7870. You and FREE MOBILE agree that use of the FREE MOBILE Service evidences a transaction in interstate commerce and this arbitration provision will be interpreted and enforced in accordance with the Federal Arbitration Act and federal arbitration law. All issues are for the arbitrator to decide, including the scope of this arbitration clause, but the arbitrator is bound by the terms of this agreement. You and FREE MOBILE agree that any arbitration will be conducted on an individual basis and not on a consolidated, class wide or representative basis. Further, you agree that the arbitrator may not consolidate proceedings or more than one person's claims, and may not otherwise preside over any form of a representative or class proceeding, and if this preclusion of consolidated, class wide or representative proceedings is found to be unenforceable, then this entire arbitration clause shall be null and void. All fees and expenses of arbitration will be divided between you and FREE MOBILE in accordance with the AAA Rules, except that FREE MOBILE will reimburse you for the amount of the filing fee in the event you prevail in the arbitration. Each party will bear the expenses of its own counsel, experts, witnesses, and preparation and presentation of evidence. If for any reason this arbitration provision is deemed inapplicable or invalid, or to the extent this arbitration provision allows for litigation of disputes in court, you waive to the fullest extent permitted by law, (i) the right to a trial by jury and (ii) any claims for punitive or exemplary damages. Unless FREE MOBILE and you agree otherwise, the location of any arbitration shall be in the state of Texas. Except where prohibited by law, FREE MOBILE and you agree that no arbitrator has the authority to award punitive damages or any other damages not measured by the prevailing party's actual damages. Neither you nor FREE MOBILE shall disclose the existence, contents, or results of any arbitration, except to the extent required by law. Judgment on the award rendered may be entered by any court of competent jurisdiction. This Agreement shall be construed under the laws of Texas, without regard to its choice of law rules, except for the arbitration provision contained in these Terms and Conditions, which will be governed by the Federal Arbitration Act. This governing law provision applies no matter where You reside, or where You use or pay for the Services.

21. PRIVACY POLICY. To view the FREE MOBILE, INC Privacy Policy please refer to the FREE MOBILE, INC website found at www.FREEMOBILEUSA.com

22. LIMITED WARRANTY. Your FREE MOBILE airtime card is covered by a one year limited warranty, set forth below, administered by FREE MOBILE. A reconditioned FREE MOBILE airtime card also has a one year limited warranty provided by FREE MOBILE and all FREE MOBILE accessories have a 90-day limited warranty against defects in materials and workmanship under normal use by the purchaser. You may obtain warranty service directly from FREE MOBILE. How to obtain Warranty Service. To obtain warranty service from FREE MOBILE on a new or reconditioned phone or FREE MOBILE accessories, please contact Technical Support at 1-855-281-9333 from a landline or another phone in order to avoid using up your minutes. If your problem cannot be resolved over the phone, our FREE MOBILE technicians will provide you with a Ticket Number, which you will use to send your phone and/or accessories to the designated FREE MOBILE Service Center for repair or replacement, at FREE MOBILE's discretion. Terms of Limited Warranty. FREE MOBILE warrants to you, the Customer, that your FREE MOBILE airtime card, and cellular phone, if you choose to purchase a FREE MOBILE handset ("Product") is free from defects in material and workmanship that result in Product failure during normal usage, according to the following terms and conditions: (1) The limited warranty for the Product extends for one (1) year beginning on the first date of activation of your airtime card. (2) The limited warranty extends only to the original customer ("Consumer") of the Product. (3) The limited warranty is not assignable or transferable to any subsequent

end-user. (4) During the limited warranty period, FREE MOBILE will replace or repair, at FREE MOBILE's sole option, any defective Products or parts (except as excluded below), or any Products or parts that will not properly operate for their intended use (except as excluded below) with new or refurbished replacement Products or parts if such replacement or repair is needed because of Product malfunction or failure during normal usage. FREE MOBILE may, at its sole discretion, replace the Product with a refurbished airtime card of the same model if available, or if not available, of a comparable model. The limited warranty does not cover loss of personal information, passwords, contacts, music, ringtones, pictures, videos, applications or other content, memory cards, software, defects in appearance, cosmetic, decorative or structural items, including framing, and any non-operative parts. FREE MOBILE's limit of liability under this limited warranty is the actual cash value of the Product at the time the Consumer returns the Product to FREE MOBILE for repair, determined by the price paid by the Consumer for the Product less a reasonable amount for usage. FREE MOBILE shall not be liable for any other losses or damages. These remedies are the Consumer's exclusive remedies for breach of warranty. (5) The Consumer shall have no coverage or benefits under this limited warranty if any of the following conditions are applicable: a) The Product has been subjected to abnormal use, abnormal conditions, improper storage, exposure to moisture or dampness, unauthorized modifications, unauthorized connections, unauthorized repair, misuse, neglect, abuse, accident, alteration, improper installation, or other acts which are not the fault of FREE MOBILE, including damage caused by shipping. b) The Product has been damaged from external causes such as collision with an object, or from fire, flooding, sand, dirt, windstorm, lightning, earthquake or damage from exposure to weather conditions, an Act of God, or battery leakage, theft, blown fuse, or improper use of any electrical source, damage caused by computer or internet viruses, bugs, worms, Trojan Horses, cancelbots or damage caused by the connection to other products not recommended for interconnection by FREE MOBILE. c) FREE MOBILE was not advised in writing by the Consumer of the alleged defect or malfunction of the Product within fourteen (14) days after the expiration of the applicable limited warranty period. d) The Product serial number plate or the enhancement data code has been removed, defaced or altered. e) The defect or damage was caused by the defective function of the cellular system or by inadequate signal reception by the external antenna, or viruses or other software problems introduced into the Product. f) The Product is outside of the one (1) year Limited Warranty period. (6) FREE MOBILE does not warrant uninterrupted or error-free operation of the Product or service. FREE MOBILE cannot and does not guarantee that your communications will be private or secure; it is illegal for unauthorized people to intercept your communications, but such interceptions can occur. (7) If a problem develops during the limited warranty period, the Consumer shall contact FREE MOBILE Customer Care for repair or replacement processing of the Product. FREE MOBILE shall, at its discretion, provide a replacement product that may consist of a refurbished airtime card of the same model if available, or of a comparable model. (8) You (the Consumer) understand that the product may consist of refurbished equipment that contains used components, some of which have been reprocessed. The used components comply with Product performance and reliability specifications. (9) FREE MOBILE EXPRESSLY DISCLAIMS ANY IMPLIED WARRANTY OF MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE OR USE. THE FOREGOING LIMITED WARRANTY IS THE CONSUMER'S SOLE AND EXCLUSIVE REMEDY AND IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED. FREE MOBILE SHALL NOT BE LIABLE FOR SPECIAL, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES, INCLUDING BUT NOT LIMITED TO LOSS OF ANTICIPATED BENEFITS OR PROFITS, LOSS OF SAVINGS OR REVENUE, LOSS OF DATA, PUNITIVE DAMAGES, LOSS OF USE OF THE PRODUCT OR ANY ASSOCIATED EQUIPMENT, COST OF CAPITAL, COST OF ANY SUBSTITUTE EQUIPMENT OR FACILITIES, DOWNTIME, THE CLAIMS OF ANY THIRD PARTIES, INCLUDING CUSTOMERS, AND INJURY TO PROPERTY, RESULTING FROM THE PURCHASE OR USE OF THE PRODUCT OR ARISING FROM BREACH OF THE WARRANTY, BREACH OF CONTRACT, NEGLIGENCE, STRICT TORT, OR ANY OTHER LEGAL OR EQUITABLE THEORY, EVEN IF FREE MOBILE KNEW OF THE LIKELIHOOD OF SUCH DAMAGES. FREE MOBILE SHALL NOT BE LIABLE FOR DELAY IN RENDERING SERVICE UNDER THE LIMITED WARRANTY, LOSS OF USE DURING THE PERIOD THAT THE PRODUCT IS RETURNED FOR REPLACEMENT OR WARRANTY SERVICE OR FOR THE LOSS OR UNAUTHORIZED USE OF CUSTOMER PASSWORDS, PERSONAL INFORMATION, CONTACTS, PICTURES, VIDEOS, APPLICATIONS, MUSIC, RINGTONES OR OTHER CONTENT. (10) Some states do not allow the exclusion or limitation of incidental and consequential damages, so certain of the above limitations or

exclusions may not apply to you (the Consumer). This limited warranty gives the Consumer specific legal rights and the Consumer may also have other rights which vary from state to state. (11) FREE MOBILE neither assumes nor authorizes any authorized service center or any other person or entity to assume for it any other obligation or liability beyond that which is expressly provided for in this limited warranty including the provider or seller of any extended warranty or service agreement. (12) This is the entire warranty between FREE MOBILE and the Consumer, and supersedes all prior and contemporaneous agreements or understandings, oral or written, relating to the Product, and no representation, promise or condition not contained herein shall modify these terms. (13) This limited warranty allocates the risk of failure of the Product between the Consumer and FREE MOBILE. The allocation is recognized by the Consumer and is reflected in the purchase price. Certain mobile phone features may not be available throughout the entire network or their functionality may be limited. All plan rates, features, functionality and other product specifications are subject to change without notice or obligation. Color of airtime cards and phones may vary. All talk and standby times are quoted in Digital Mode and are approximate. FREE MOBILE, and FREE MOBILE, INC, are registered trademarks of FREE MOBILE, Inc.

Exhibit E

Key Management Resumes

Kevin Haddad

Founder and CEO, Free Mobile, Inc. and Ztar Mobile, Inc.

In 2012, Kevin Haddad founded Free Mobile and serves as Chief Executive Officer. Since 2003, Kevin Haddad has served as President and Chief Executive Officer and Founder of Ztar Mobile.

Ztar Mobile is the preferred partner who provides our global retail client base with products, services, distribution, innovation, marketing and merchandising in order to deliver consumers a full suite of wireless products & services, mobile banking, and consumer offers. Mr. Haddad has distinguished himself through his comprehensive diversified experience in marketing and business development experience in wireless telecommunication.

Prior to start Ztar Mobile, Mr. Haddad was the Director of Professional Services at Nokia and Samsung Telecommunications where he played a strategic role in the development of technology and business models that enable operators and technology providers to deploy mobile services and applications. Mr. Haddad focused on the consultative selling of wireless Internet applications, products, solutions, and consultative services to fortune 500 enterprises, wireless carriers, and ASP. Mr. Haddad provided business and technical consulting to enterprises striving to extend their product and services to reach their mobile customers and employees.

Prior to Nokia, Kevin was with Nortel Networks where he was responsible for product marketing for GSM Networks voice/data and wireless terminal operations. Prior to Nortel, Mr. Haddad worked at Texas Instruments, responsible for concept and product design of mobile terminal device with GPS for assets tracking.

Kevin has a M.S. in Telecommunications Management from Southern Methodist University and a B.S. in Electrical Engineering from University of Texas, Arlington.

Exhibit F

Proposed Lifeline Rate Plans

	Basic	Plus	Deluxe	Elite	Elite Plus	Elite Platinum
Mins	68	125	250	Unlimited	Unlimited	Unlimited
Text	3:1	1:1	n/a	Unlimited	Unlimited	Unlimited
Rollover?	Unlimited	90 days	n/a	n/a	n/a	n/a
Web	n/a	n/a	n/a	n/a	200mb	600mb
Overage Per Min	\$ 0.10	\$ 0.10	\$ 0.10	n/a	n/a	n/a

Local Calls	X	X	X	X	X	X
Nationwide Long Distance	X	X	X	X	X	X
Voicemail, Caller ID	X	X	X	X	X	X
Call Waiting, 3-way Calling	X	X	X	X	X	X
Nationwide Text	X	X	X	X	X	X
Free 911	X	X	X	X	X	X
Free 611	X	X	X	X	X	X
Free 411	X	X	X	X	X	X
Rollover	X	X				

Cost	\$ 9.25	\$ 9.25	\$ 9.25	\$ 44.25	\$ 54.25	\$ 64.25
Federal Subsidy	\$ 9.25	\$ 9.25	\$ 9.25	\$ 9.25	\$ 9.25	\$ 9.25
Lifeline Consumer Cost	\$ -	\$ -	\$ -	\$ 35.00	\$ 45.00	\$ 55.00