

SUPPLEMENT AND MODIFICATION REQUEST TO THE BROADBAND LIFELINE PILOT PROGRAM AWARDED TO PR WIRELESS, INC.

Introduction

On December 19th, 2012 the Wireline Competition Bureau issued Order granting to PR Wireless, Inc. (“Open Mobile”) and 13 other operators their participation in the Lifeline and Link Up Reform and Modernization (the “Order”).

The Bureau then held a meeting in Washington, DC on January 15, 2013 for all the operators that were granted participation in the Lifeline pilot program (the “Pilot Program”). We found this meeting very helpful regarding the data compliance requirements to the Pilot Program. From what we learned at the seminar and upon reviewing all the rules, goals and new dates, we have determined that we need to modify our target group (geographically). And, upon inquiries from our clients we will also like to add the offer to qualified customers (within the same geographic area) that would be interested in smart phones with the “hot spot” capability.

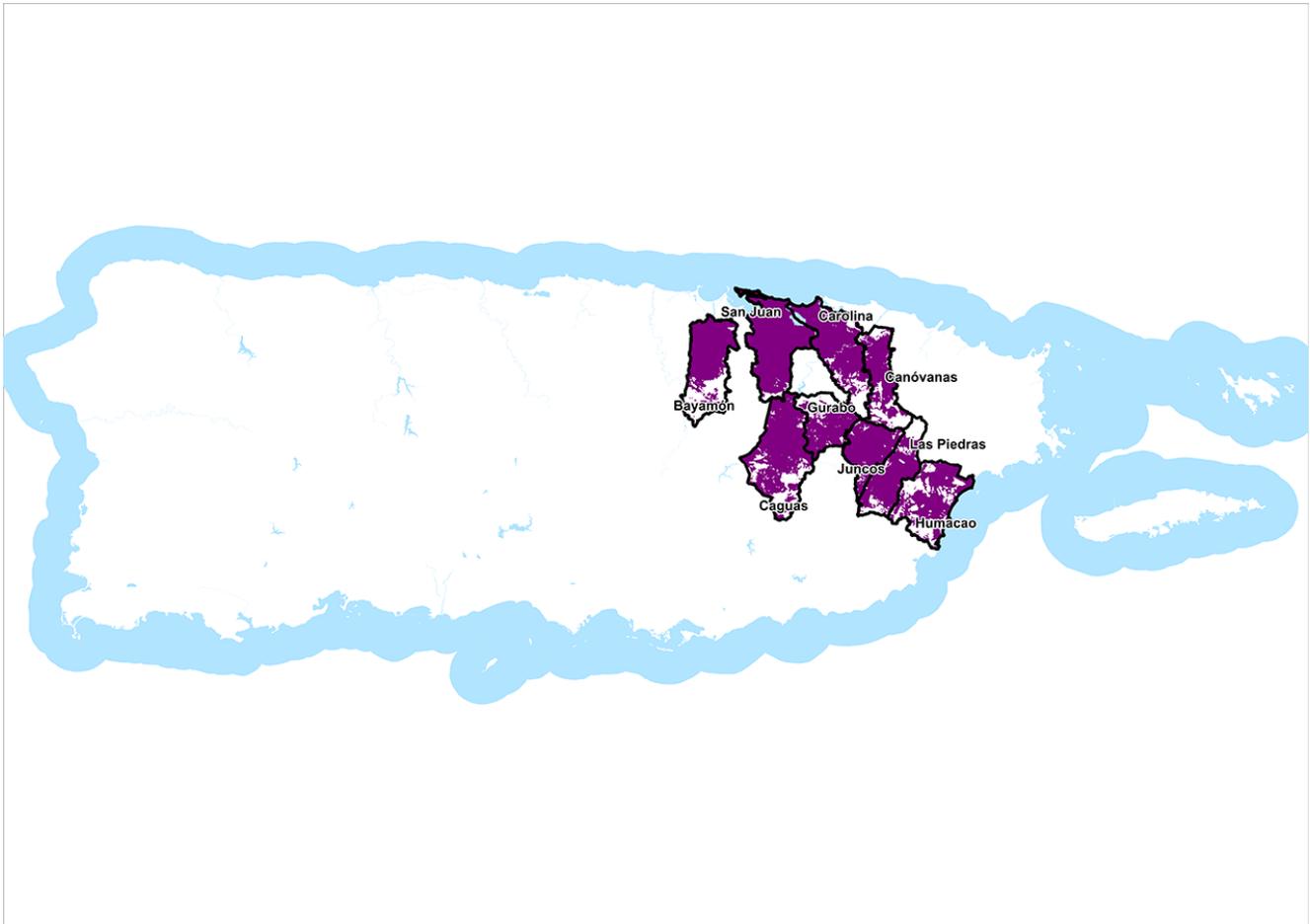
As we have been able to further study our offerings for the Pilot Program, we present a revision to our Price Plans (as defined in the Application). Our revisions take into consideration certain principles that we believe are necessary for a successful implementation of the Pilot Program.

I. Geographic Area and Target Group

In order to be able to comply with all the requirements of the Pilot Program in an efficient manner and due to the fact that the school year in Puerto Rico ends in early May, we have decided to concentrate on our existing Lifeline customers and expand the geographic area.

Although the San Juan Schools project is one we would like to pursue in the future, the implementation time is longer than 3 months and we would end up with way to little time to fully develop the same. The reaching out to parents and students would be virtually impossible after school year has ended in mid-May. Therefore, we are simplifying our Pilot Plans to our current voice Lifeline customers. This will allow us to assure qualification of the participants as well as better control over the data gathering and surveys we are putting in place.

In our original application we described 3 different treatment groups with their corresponding 3 control groups. We were dedicating ourselves exclusively to the City of San Juan concentrating in 2 schools that are managed by the City Government and our current Lifeline customer base within the same municipality. For the aforementioned reasons, we will not be able to implement the Pilot Program in the schools but we are moving to start promptly with our Lifeline Customer Base. However, in order to assure the participation of the 2,500 households we intend to impact we need to expand the geographic area to what is referred to as the Northeast Region: Bayamón, Caguas, Canóvanas, Carolina, Gurabo, Humacao, Juncos, Las Piedras and San Juan. Please see the Map below:



The shaded area is our current 4G/LTE coverage within the 7 municipalities selected for the Pilot Program. Within this region we have approximately 11,000 Lifeline voice customers. The reason for this expansion is because we estimate we will have between a 20% and 25% take rate of the offer and we have good 4G/LTE coverage throughout the region. We also want to limit the territory to have better control of the data gathering on both groups.

There is going to be now only one control group and one treatment group. We plan to make a randomized telemarketing campaign to no less than 1,250 Lifeline subscribers that reside within the described region. The offer will be equal to our current market offers that are essentially doubled of the Pilot Program Pricing. Those of the group that accept the offers will be directed to the closest point of sale and they will be treated as any walk-in customer but we will have all their data as part of our control group.

II. Adding a Price Plan

All the plans that we presented on the Application include the first month free. For example if the eligible customer chooses the “Hotspot” plan and package, for a price payment of \$50 the customer will receive a MiFi 4510 wireless modem and the first month free of 5GB quota and with data speeds of 12Mbps. However, as we mentioned in the introduction and upon receiving feedback from our community reach out team we were asked if it was possible to create a package plan that would include a smart phone with tethering capability. There thinking being that the equipment (which is our biggest

barrier to entry and in many cases our biggest challenge) would be cheaper for the customer if combined with their voice equipment. We immediately started working on it and procured the new Pantech – Breakout 4G/LTE Cell phone which carries a retail price of \$299.00 and that under the Pilot Plan we will offer for \$99.95. This will include unlimited voice calls, text messages and the same 5GB quota and 12Mbps data speeds as in the rest of the plans for \$50 a monthly fee with no contract, credit check or termination penalty.

We include a new table with all our Pilot Program Price Plans including the added Smartphone 4G/LTE plan:

Lifeline Data Pilot Program

Lifeline Plans	Monthly Fee	Data Quota	Data Speed	Package Price	Device
USB Modem	\$20	5GB	Up to 12Mbps	\$50	
Hotspot	\$20	5GB	Up to 12Mbps	\$50	
Tablet Bundle	\$20	5GB	Up to 12Mbps	\$300	  Motorola Xoom
Laptop Bundle	\$20	5GB	Up to 12Mbps	\$300	  CONNECTED NATION.
Smartphone 4G LTE	\$50	5GB	Up to 12Mbps	\$99.95	

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As we explained in Second Amendment, all of the plans above require a \$35 activation fee but with the purchase of the equipment and include the first month of service free.

III. Further Information on our Reach Out Plans

We are going to visit 200 communities in the first 3 months concentrating on our already certified Lifeline subscribers. To the Treatment Group (Price Offers) we will reach out and market exclusively by personal presence. We usually visit in the week-ends and in the late afternoon when the community leaders let us know of special activities, and we set up tents where we will have actual working equipment and connectivity by means of our 4G/LTE. The marketing-sales group that we have trained specifically for the Pilot Program will be constantly giving "seminars" of approximately 15 to 20 minutes: we call it a "Taste of Internet". One thing that we have found engaging to newcomers is to look for someone they know on Facebook.

After we have visited a particular community and have the list of Pilot (treatment) Clients, we will telemarket (from our call center) within this same area to already existing Lifeline subscribers of ours with what is the market price of the offerings which is essentially doubled of the Pilot Pricing. These customers will be the Lifeline-Control Group. Customers of this group that accept this offer will be directed to our closest store and our personnel will have the equipment ready for purchase and pick-up. Depending on the location of the community we also have couriers that will deliver the equipment for those that accept our Control Group offer.

As explained above, we expect our Pilot Program to be composed of:

1. Treatment Group - up to 2,500 current Lifeline Subscribers (within Northeast Region of Puerto Rico)
2. Control Group - at least 1,250 of current Lifeline Subscribers that we will contact by cell phone and offer the market price (Control Group Prices)

There are many reasons why we want to concentrate and create our Treatment and Control Group "just" out of our Lifeline Subscribers. The principal being that we have 2 other operators participating in the Program in Puerto Rico whom have not defined a smaller targeted area - we want to make sure we don't step on each other and this way we believe is the easiest possible way to minimize any possibility of a household double dipping in the Pilot Programs.

Conclusion

PR Wireless, Inc. d/b/a Open Mobile submits this Supplement and Modification Request to its project as selected under the Order of Lifeline and Link Up Reform and Modernization, adopted on December 19, 2012 and in accordance with the requirements of the *Lifeline Reform Order and FNPRM* and the Pilot Program Notice (Docket No. 11-42).

Respectfully submitted,
This 27th of February, 2013

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On behalf PR Wireless, In. d/b/a Open Mobile