

Robin L. Main
Direct Dial 401-457-5278
rmain@haslaw.com

June 24, 2010

HAND DELIVERY

Luly E. Massaro, Commission Clerk
Public Utilities Commission
89 Jefferson Boulevard
Warwick, Rhode Island 02888

**Re: In Re: Petition of TracFone Wireless, Inc. for Designation as an Eligible
Telecommunications Carrier in the State of Rhode Island for the Limited Purpose of
Offering Lifeline Service to Qualified Households
Docket No. 4153**

Dear Luly:

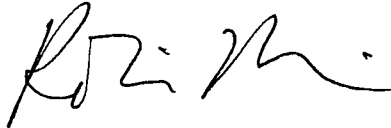
Enclosed please find one original and nine copies of the following:

- TracFone Wireless, Inc.'s Petition for Waiver
- CMRS Registration with exhibits and a check in the amount of \$250. Please also note that Exhibit B is provided under seal as it contains trade secret and confidential information.
- TracFone's responses to the data requests and Exhibit 1-5.

Luly E. Massaro, Commission Clerk
June 24, 2010
Page 2

If you have any questions on this matter, please do not hesitate to contact me.

Very truly yours

A handwritten signature in black ink, appearing to read 'RLM', written in a cursive style.

Robin L. Main

RLM/lsg

Enclosures

cc: Jon Hagopian, Esq. (With enclosures)
Cindy Wilson, Esq. (Without enclosures)
Brian Kent (Without enclosures)
Debra McGuire Mercer, Esq.
Mitchell F. Brecher, Esq.

#1059255v1 (63696/142980)

**STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION AND
DIVISION OF PUBLIC UTILITIES AND CARRIERS**

COMMERCIAL MOBILE RADIO SERVICE REGISTRATION

TRACFONE WIRELESS, INC.

1. STATEMENT OF BUSINESS OPERATIONS¹

- a. What is the company's corporate name, complete address, telephone/fax numbers, and e-mail address?**

TracFone Wireless, Inc.
9700 N.W. 112th Avenue
Miami, Florida 33178
Telephone: (305) 640-2000
Facsimile: (305) 640-2070
CorporateOffice@tracfone.com

- b. What is the company's local name, complete address, telephone/fax numbers, and e-mail address?**

TracFone is a wireless reseller that sells its service through independent vendors and the Internet. TracFone does not maintain any offices or retail locations in Rhode Island.

- c. What are the company's business locations?**

TracFone sells its wireless service through independent vendors and the Internet. TracFone does not maintain any offices or retail locations in Rhode Island.

- d. Who is the company's service agent? Provide the complete address, telephone/fax numbers, and e-mail address.**

¹ The Commission does not require CMRS providers to register with the Commission. However, TracFone was advised by Commission Staff that it must file a CMRS registration form that provides the information set forth in the Requirements Package for Telecommunications Providers as a prerequisite to the Commission designating TracFone as an Eligible Telecommunications Carrier to provide Lifeline service in Rhode Island. Therefore, TracFone is submitting this registration form in accordance with Commission Staff's request.

Corporate Creations Network Inc.
7 Eva Lane
Cranston, RI 02921
Telephone: (401) 622-4509
Facsimile: (561) 694-1639
contactus@corpcreations.com

- e. **Who is the company's attorney of record? Provide the complete address, telephone/fax numbers, and e-mail address.**

Robin L. Main
HINCKLEY, ALLEN & SNYDER LLP
50 Kennedy Plaza, Suite 1500
Providence, RI 02903-2319
Telephone: (401) 457-5278
Facsimile: (401) 457-5279
rmain@haslaw.com

Mitchell F. Brecher
Greenberg Traurig, LLP
2101 L Street, NW
Suite 1000
Washington, D.C. 20037
Telephone: (202) 331-3100
Facsimile: (202) 331-3101
brecherm@gtlaw.com

- f. **Who are the company's corporate officers and major stockholders holding a 10% or greater equity interest?**

Frederick J. Pollak
President and Chief Executive Officer
9700 N.W. 112th Avenue
Miami, Florida 33178

Gustavo Blanco
Chief Financial Officer
9700 N.W. 112th Avenue
Miami, Florida 33178

Richard B. Salzman
Executive Vice President, General Counsel and Secretary
9700 N.W. 112th Avenue
Miami, Florida 33178

g. Provide a general description of the company's operations.

TracFone Wireless, Inc. is a 98%-owned subsidiary of America Movil. America Movil is the 4th largest wireless carrier in the world, serving over 200 million customers throughout Latin America, the Caribbean and the United States. TracFone is the largest provider of prepaid wireless in the United States serving over 15 million customers under the brands TracFone®, NET10®, and SafeLink Wireless® today. TracFone's market share in prepaid wireless continues to grow, now at over 30% according to Neilson and others. TracFone is also the 5th largest wireless carrier and mobile virtual network operator in the United States in terms of total customer counts.

TracFone provides service through a "virtual network" consisting of services obtained from numerous licensed operators of wireless networks. TracFone does not maintain or operate facilities in Rhode Island. TracFone has provided CMRS service throughout the State of Rhode Island continuously for the past ten years. TracFone's arrangements with operators of wireless networks enable it to offer services wherever any of those providers offer service in the State of Rhode Island. Therefore, TracFone has the technical resources necessary to provide quality wireless service to Rhode Island residents.

h. Describe the customer service organization to be employed in serving carriers and end users.

TracFone does not resell its service to carriers. TracFone has a customer service department that responds to inquiries from consumers. TracFone's customers can contact the customer service department by calling a toll free number or by sending an electronic mail message through TracFone's website. There are 3 levels of escalation within TracFone to meet the customer's needs.

1. Contacting customer service. The majority of customer inquiries or complaints are resolved at this level. Most calls to customer service relate to the following issues: customer cannot activate his or her phone; prepaid minutes have not been added to a phone; customer upgraded his or her phone and minutes did not roll over. The customer service representative at this level has the level of authority necessary to address a customer's concerns and expedite the resolution of any issues.
2. If for some reason the customer service representative cannot satisfy customer's concern or if the individual wishes to speak to a manager or supervisor, the issue is escalated to this second level. The manager or supervisor has broad authority to resolve the customer's concerns and to facilitate service to the customer.

3. If a customer's needs remain unaddressed or unresolved, the customer is immediately transferred directly to TracFone's corporate office. The corporate office will respond to a customer's concerns within 24 hours .

i. Who is the company's customer service contact? Provide the complete address, telephone/fax numbers, and e-mail address.

Cynthia A. Jacobs
Senior Vice President - Legal
TracFone Wireless, Inc.
9700 N.W. 112th Avenue
Miami, Florida 33178
Telephone: (305) 418-2419
Facsimile: (305) 715-3738
cjacobs@tracfone.com

j. Who is the company's regulatory contact person? Provide the complete address, telephone/fax numbers, and e-mail address.

Richard B. Salzman
Executive Vice President, General Counsel and Secretary
TracFone Wireless, Inc.
9700 N.W. 112th Avenue
Miami, Florida 33178
Telephone: (305) 640-2054
Facsimile: (305) 715-3738
rsalzman@tracfone.com

k. What is the company's website URL?

www.tracfone.com
www.safelink.com
www.net10.com

2. EVIDENCE OF AUTHORIZATION TO DO BUSINESS IN RHODE ISLAND

A copy of TracFone's authorization from the Rhode Island Secretary of State to do business in Rhode Island and the fictitious business name statements for SafeLink Wireless® and NET10® are provided in Exhibit A.

3. FINANCIAL INFORMATION

A copy of TracFone's Financial Statements for 2008 and 2009 are provided as Exhibit B. This document contains confidential and financial information. It is marked "CONTAINS PRIVILEGED INFORMATION - DO NOT RELEASE" on the first page in accordance with the

Rule 1.2(g) of the Commission's Rules of Practice and Procedure. Exhibit B is being submitted to the Commission in a separate sealed envelope.

4. INFORMATIONAL TARIFF

An informational tariff regarding TracFone's SafeLink Wireless® Lifeline service is attached as Exhibit C.

Exhibit A



State of Rhode Island and Providence Plantations

A. Ralph Mollis

Secretary of State

The Office of the Secretary of State of the State of Rhode Island and Providence Plantations, HEREBY CERTIFIES, that

TracFone Wireless, Inc.

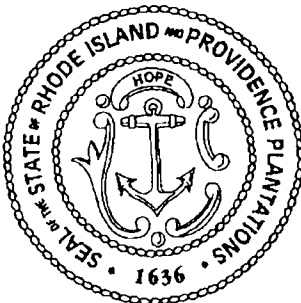
a DELAWARE corporation, qualified to do business in Rhode Island on the 1st day of September, 2009; and

IT IS FURTHER CERTIFIED that as of this date said foreign corporation is authorized to transact business in this state and is in good standing according to the records of this office.

SIGNED AND SEALED this twenty-sixth day of January, A.D. 2010.

Secretary of State

BY:



Filing and License Fee: \$310.00 minimum

ID Number: _____



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
Office of the Secretary of State
Corporations Division
148 W. River Street
Providence, Rhode Island 02904-2615

FILED
SEP 01 2009

BUSINESS CORPORATION

By JMD
12:05
29-97858

APPLICATION FOR CERTIFICATE OF AUTHORITY

Pursuant to the provisions of Section 7-1.2-1405 of the General Laws of Rhode Island, 1956, as amended, the undersigned foreign corporation hereby applies for a Certificate of Authority to transact business in the State of Rhode Island, and for that purpose submits the following statement:

- The name of the corporation is TracFone Wireless, Inc.
- It is incorporated under the laws of Delaware
- The name, if different, which it elects to use in Rhode Island is:

(a) If the name of the corporation in its jurisdiction of incorporation does not contain the word "corporation," "company," "incorporated," or "limited," or an abbreviation thereof, then list the name of the corporation with the addition of one of the above corporate endings for use in Rhode Island:

(b) If the corporate name is not available in Rhode Island, then set forth below the fictitious name under which the corporation will qualify and transact business in Rhode Island as stated in the "Fictitious Business Name Statement" to be filed with this application:

- The date of its incorporation is May 9, 2007 and the period of its duration is perpetual
- The address of its principal office in the state or country under the laws of which it is incorporated is 9700 N.W. 112th Avenue Miami, FL 33178

- The address of its proposed registered office in Rhode Island is 7 Eves Lane (Street Address, not P.O. Box)
Cranston, RI 02921 and the name of its proposed registered agent in Rhode Island at
(City/Town) (Zip Code)
(that address is Corporate Creations Network Inc. (Name of Agent)

- The purpose or purposes which it proposes to pursue in the transaction of business in Rhode Island are:
Reseller of TracFone Wireless Service and seller of cellular phones

- (a) The names and respective addresses of its directors (optional unless directors are required under the laws of the state or country of which it is incorporated).

	Name	Address
Director	Frederick J. Follek	9700 N.W. 112th Avenue Miami, FL 33178
Director	Alejandro Centu Jimenez	9700 N.W. 112th Avenue Miami, FL 33178
Director	Carlos Garcia Moreau	9700 N.W. 112th Avenue Miami, FL 33178
Director	Osstavo Blanco	9700 N.W. 112th Avenue Miami, FL 33178

(b) The names and respective addresses of its principal officers (mandatory if directors are not required under the laws of the state or country of which it is incorporated).

	<u>Name</u>	<u>Address</u>
President	<u>Frederick J. Pollak</u>	<u>9700 N.W. 112th Avenue Miami, FL 33178</u>
Vice President		
Treasurer	<u>Gustavo Blanco</u>	<u>9700 N.W. 112th Avenue Miami, FL 33178</u>
Secretary	<u>Richard E. Salzman</u>	<u>9700 N.W. 112th Avenue Miami, FL 33178</u>

9. The aggregate number of shares which it has authority to issue, itemized by classes, par value of shares, shares without par value, and series, if any, within a class, is:

<u>Number of Shares</u>	<u>Class</u>	<u>Series</u>	<u>Par Value or Statement that Shares are without Par Value</u>
<u>100,000,000</u>	<u>Common</u>		<u>\$ 20.75</u>

10. (a) An estimate of the value of all property to be owned by the corporation for the following year, wherever located, is \$ 174,046,737.
- (b) An estimate of the value of the corporation's property to be located within Rhode Island during the following year is \$ 0.
- (c) An estimate, expressed as a percentage, of the proportion that the estimated value of the property of the corporation to be located within this state during the following year bears to the value of all property of the corporation to be owned during the following year, wherever located, is 0 % (divide (b) by (a) and multiply by 100 to obtain the percentage).
11. (a) An estimate of the gross amount of business to be transacted by the corporation during the following year is \$ 1,552,443,992.
- (b) An estimate of the gross amount of business to be transacted by the corporation at or from places of business in Rhode Island during the following year is \$ 0.
- (c) An estimate, expressed as a percentage, of the proportion that the gross amount of business to be transacted by the corporation at or from places of business in this state during the following year bears to the gross amount thereof which will be transacted by the corporation during the following year is 0 % (divide (b) by (a) and multiply by 100 to obtain the percentage).
12. This application is accompanied by a certificate of Good Standing issued by the proper officer of the state or country under the laws of which it is incorporated.
13. This Application for Certificate of Authority shall be effective upon filing unless a specified date is provided which shall be no later than the 90th day after the date of this filing _____

Under penalty of perjury, I declare and affirm that I have examined this Application for Certificate of Authority, including any accompanying attachments, and that all statements contained herein are true and correct.

Date: 8-28-09

Cynthia A. Jacobs
 Signature of Authorized Officer of the Corporation
Cynthia A. Jacobs, SVP-Legal
 Type or Print Name of Authorized Officer

Delaware

PAGE 1

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "TRACFONE WIRELESS, INC." IS DULY INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL CORPORATE EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE SECOND DAY OF JUNE, A.D. 2009.

AND I DO HEREBY FURTHER CERTIFY THAT THE SAID "TRACFONE WIRELESS, INC." WAS INCORPORATED ON THE NINTH DAY OF MAY, A.D. 2007.

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL REPORTS HAVE BEEN FILED TO DATE.


AND I DO HEREBY FURTHER CERTIFY THAT THE FRANCHISE TAXES HAVE BEEN PAID TO DATE.

4334531 8300

090578780

You may verify this certificate online
at corp.delaware.gov/authver.shtml




Jeffrey W. Bullock, Secretary of State
AUTHENTICATION: 7334967

DATE: 06-02-09



State of Rhode Island and Providence Plantations

A. Ralph Mollis
Secretary of State

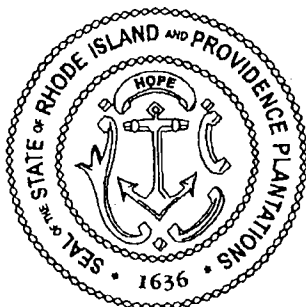
STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

I, A. RALPH MOLLIS, Secretary of State of the State of Rhode Island
and Providence Plantations, hereby certify that this document, duly
executed in accordance with the provisions of Title 7 of the General Laws
of Rhode Island, as amended, has been filed in this office on this day:
September 01, 2009 12:05 PM

A handwritten signature in black ink that reads "A. Ralph Mollis".

A. RALPH MOLLIS

Secretary of State



Filing Fee: \$50.00

ID Number: _____



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Office of the Secretary of State
Corporations Division
148 W. River Street
Providence, Rhode Island 02904-2615

FICTITIOUS BUSINESS NAME STATEMENT

Pursuant to the provisions of Section 7-1.2-402, 7-16-9 or 7-13-2 of the General Laws of Rhode Island, 1956, as amended, the undersigned business corporation, limited liability company, or limited partnership hereby submits the following statement for authority to transact business in the state of Rhode Island under a fictitious business name:

1. The legal name of the applicant business corporation, limited liability company or limited partnership is: TracFone Wireless, Inc.
2. The fictitious business name to be used is NET10
3. The state or territory under the laws of which it is incorporated, organized or formed is Delaware
4. The date of incorporation, organization or formation is 05/09/2007
5. If a business corporation, the address of its registered office within Rhode Island is c/o Corporate Creations Network Inc. 7 Eva Lane Cranston, RI 02921
6. If a business corporation, the business in which it is engaged Reseller of wireless service and seller of cellular phones
7. Applicant is otherwise authorized to do business in the state of Rhode Island.

Under penalty of perjury, I declare that the information contained herein is true and correct.

Date: 09/01/09

TracFone Wireless, Inc.
Name of Applicant Corporation, Limited Liability Company or Limited Partnership

By Arthur Jacobs
Signature of Authorized Officer of the Corporation

or

By _____
Signature of Authorized Person for the Limited Liability Company

or

By _____
Signature of Authorized Person for the Limited Partnership

FILED

SEP 01 2009

By J.R. 05
29-97853

SEP - 1 12:05
CORPORATIONS DIVISION



State of Rhode Island and Providence Plantations

A. Ralph Mollis
Secretary of State

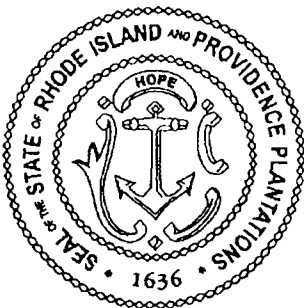
STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

I, A. RALPH MOLLIS, Secretary of State of the State of Rhode Island
and Providence Plantations, hereby certify that this document, duly
executed in accordance with the provisions of Title 7 of the General Laws
of Rhode Island, as amended, has been filed in this office on this day:
September 01, 2009 12:05 PM

A handwritten signature in black ink that reads "A. Ralph Mollis".

A. RALPH MOLLIS

Secretary of State



Filing Fee: \$50.00

ID Number: _____



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Office of the Secretary of State
Corporations Division
148 W. River Street
Providence, Rhode Island 02904-2615

FICTITIOUS BUSINESS NAME STATEMENT

Pursuant to the provisions of Section 7-1.2-402, 7-16-9 or 7-13-2 of the General Laws of Rhode Island, 1956, as amended, the undersigned business corporation, limited liability company, or limited partnership hereby submits the following statement for authority to transact business in the state of Rhode Island under a fictitious business name:

- The legal name of the applicant business corporation, limited liability company or limited partnership is: TracFone Wireless, Inc.
- The fictitious business name to be used is SafeLink Wireless
- The state or territory under the laws of which it is incorporated, organized or formed is Delaware
- The date of incorporation, organization or formation is 05/09/2007
- If a business corporation, the address of its registered office within Rhode Island is _____
c/o Corporate Creations Network Inc. 7 Eva Lane Cranston, RI 02921
- If a business corporation, the business in which it is engaged _____
Reseller of wireless service and seller of cellular phones
- Applicant is otherwise authorized to do business in the state of Rhode Island.

Under penalty of perjury, I declare that the information contained herein is true and correct.

Date: 020-09

TracFone Wireless, Inc.

Name of Applicant Corporation, Limited Liability Company or Limited Partnership

By [Signature]
Signature of Authorized Officer of the Corporation
or

By _____
Signature of Authorized Person for the Limited Liability Company
or

By _____
Signature of Authorized Person for the Limited Partnership

FILED
SEP 01 2009
By [Signature]
12:05
29-97858

Exhibit B

**CONTAINS PRIVILEGED
INFORMATION - DO NOT RELEASE**

Exhibit C

**TRACFONE WIRELESS, INC.
D/B/A SAFELINK WIRELESS®**

Rhode Island Tariff

Issued Date: July __, 2010

Original Page 1
Effective Date: July __, 2010

**INFORMATIONAL TARIFF
APPLICABLE TO LIFELINE SERVICE
OFFERED IN THE STATE OF RHODE ISLAND**

**ISSUED BY
TRACFONE WIRELESS, INC. D/B/A SAFELINK WIRELESS®**

Issued: July __, 2010

Effective: July __, 2010

TracFone Wireless, Inc.
9700 N.W. 112th Avenue
Miami, Florida 33178

Issued Date: July __, 2010

Original Page 2
Effective Date: July __, 2010

This informational tariff is provided for informational purposes only.

CHECK SHEET

The sheets listed below, which are inclusive of this price list are effective as of the date shown at the bottom of the respective sheet(s). Original and revised sheets as named below comprise all changes from the original Price List and are currently in effect as of the date on the bottom of this page.

<u>SHEET</u>	<u>REVISION</u>
1	Original
2	Original
3	Original
4	Original
5	Original
6	Original
7	Original
8	Original
9	Original
10	Original
11	Original
12	Original
13	Original
14	Original
15	Original
16	Original
17	Original
18	Original
19	Original
20	Original
21	Original
22	Original
23	Original

Issued: July __, 2010

Effective: July __, 2010

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Issued Date: July __, 2010

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Effective Date: July __, 2010

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Issued: July __, 2010

Effective: July __, 2010

TracFone Wireless, Inc.
9700 N.W. 112th Avenue
Miami, Florida 33178

SECTION 1. APPLICATION OF TARIFF

This tariff is provided for informational purposes only and contains the regulations, rates, and charges applicable to the Company's Lifeline Service provided under the trade name SafeLink Wireless® in the areas of Rhode Island for which the Company is designated as an Eligible Telecommunications Carrier.

SECTION 2. EXPLANATION OF SYMBOLS

When changes are made on any tariff page, a revised page will be issued cancelling the tariff page affected; such changes will be identified with the following symbols:

C	-	Change in the existing rate or regulation
D	-	Deletion or Discontinuance of a rate or regulation
I	-	A rate Increase
M	-	Movement of a matter to another location within the tariff
N	-	New rate or regulation
R	-	A rate Reduction
T	-	Text changed, but no change in the rate
Z	-	Correction

SECTION 3. DEFINITIONS

Certain terms used generally throughout this price sheet are defined below.

3.1. Company or Carrier

TracFone Wireless, Inc. ("TracFone"), doing business under the trade name SafeLink Wireless®.

3.2. Customer

The person who applies for and receives Lifeline service from TracFone.

3.3. Service

SafeLink Wireless ("SafeLink") Lifeline service provided under the federal Lifeline program.

3.4. Underlying Carrier

A facilities-based provider of telecommunication services from whom the Company acquires services which it resells to its customers.

SECTION 4. RULES AND REGULATIONS

4.1. Lifeline Service.

4.1.1. Federal Lifeline Program

The Federal Lifeline Program is designed to ensure that quality telecommunications services are available to low-income customers at just, reasonable, and affordable rates. Lifeline discounts are available to one customer per household at the customer's principal place of residence. The terms and conditions governing TracFone's Lifeline service comply with the Federal Communications Commission's orders, rules, regulations, and policies.

4.1.2. Lifeline Service

TracFone's Lifeline service provides the following functions:

1. Access to the public switched telephone network
2. Local usage
3. Dual Tone Multi-Frequency (DTMF) Signaling or its functional equivalent
4. Single-party service or its functional equivalent
5. Access to 911 and E911 emergency service
6. Access to operator service
7. Access to interexchange service
8. Access to directory assistance
9. Text messaging
10. Voicemail
11. Call waiting
12. Caller ID

4.1.3. Lifeline Benefit

Each Lifeline customer is provided with 67 minutes of use each month. Those minutes will be automatically added to each customer's prepaid account balance each month. Unused minutes will roll over from month-to-month so long as the

customer remains enrolled in the Lifeline program. In addition, Lifeline customers may purchase additional usage cards at a rate of \$0.20 per minute. TracFone provides wireless handsets to its participating Lifeline customers at no charge. The handsets will be delivered to customers upon enrollment in the program with the first month's free usage allotment already activated.

4.2. Eligibility

4.2.1. A single Lifeline benefit is available for each household and only the head of household may apply for Lifeline service. A individual's eligibility may be program-based by participating in a qualified program or income-based by meeting an income level.

4.2.2. Program-based eligibility: An individual qualifies for Lifeline service if the individual currently participates in one of the following programs:

1. Federal Public Housing Assistance/Section 8
2. Food Stamps
3. Medicaid
4. Low Income Home Energy Assistance Program (LIHEAP)
5. Supplemental Security Income (SSI)
6. National School Lunch (free program)
7. Temporary Assistance for Needy Families (TANF)

4.2.3. Income-based eligibility: An individual qualifies for Lifeline service if the individual has total household income at or below 150% of the Federal Poverty Guidelines.

4.3. Application

4.3.1. Any individual applying for Lifeline service must complete an application form. Application forms are available online at www.safelink.com or can be requested by calling 1-800-SAFELINK.

4.3.2. An individual that applies for Lifeline service based on participation in a qualified program must indicate the program in which the individual participates and certify under penalty of perjury that the individual is a participant in the identified program

- 4.3.3. An individual that applies for Lifeline service based on having a total household income at or below 150% the Federal Poverty Guidelines must provide documentation of income eligibility. Acceptable documentation of income eligibility includes the prior year's state or federal tax return, current income statement from an employer or paycheck stub, a Social Security statement of benefits, a Veterans Administration statement of benefits, a retirement/pension statement of benefits, an Unemployment/Workmen's Compensation statement of benefits or other official document
- 4.3.4. TracFone will determine at its sole discretion whether or not an applicant meets the eligibility requirements to participate in Lifeline service. Persons who do not meet the eligibility requirements will be notified by U.S. Mail and the reason for the non-eligibility will be provided.

4.4. Service Description

- 4.4.1. A person who submits a Lifeline application, together with supporting documentation (when required), and who meets the eligibility requirements, will receive a free cellular phone provided by TracFone together with a free allotment of airtime minutes each month for one year.
- 4.4.2. To continue qualifying each year for Lifeline Service, each customer will be required and is responsible to re-qualify on an annual basis. If TracFone determines that a customer fails to re-qualify for Lifeline service, such customer will immediately be deemed ineligible to participate in Lifeline service and will no longer receive the free monthly minutes. Once a customer no longer participates in Lifeline service (either by choice, disqualification, cancellation or termination), such customer may retain their handset, as well as any remaining service days and minutes for their use. Such person may remain as a TracFone customer as long as he/she complies with the TracFone's Terms and Conditions of Service set forth at www.tracfone.com. Upon the request of a state and/or federal authority, a Lifeline customer's enrollment may also be cancelled.
- 4.4.3. TracFone reserves the right to cancel the enrollment of any customer and/or ban the customer's phone from being reactivated for any fraud related issues as determined solely by TracFone Wireless.
- 4.4.4. While participating in Lifeline service, a customer shall not be permitted to sell, rent, give away or in any way allow another person to use the cellular phone or Service provided to him/her by TracFone. If it is determined that a Lifeline participant violates these requirements, then such person will be de-enrolled from Lifeline service, the person's handset will be permanently deactivated and the person's personal information will be permanently flagged so that such person may not qualify in the future for SAFELINK Lifeline service.

4.5. Activation and Use of Handset

- 4.5.1. If a customer's Lifeline application is accepted, the customer will receive a pre-activated handset delivered to customer's home address noted in the application.
- 4.5.2. The customer must accept the telephone number assigned to the handset at the time of activation and the customer will acquire no proprietary interest in any number assigned to customer.
- 4.5.3. The wireless telecommunications networks used to transmit calls for the Lifeline service are owned and operated by various licensed commercial mobile radio service providers ("Underlying Carriers"), not SafeLink or TracFone.
- 4.5.4. The telephone number assigned to the customer's handset at the time of activation will not be changed for any reason, unless required by an Underlying Carrier, nor may a customer select a number to be assigned to his/her handset.
- 4.5.5. SafeLink handsets can only be used through TracFone, and cannot be activated with any other wireless or cellular service.
- 4.5.6. Services are provided at TracFone's discretion. Some functions and features referenced in the Manufacturer's manual provided with the SafeLink handset may not be available on all SafeLink handsets.
- 4.5.7. Once a customer no longer participates in Lifeline Service (either by choice, disqualification, cancellation or termination), such customer may retain the handset provided by TracFone, as well as any remaining service days and minutes for their use. Such person may remain as a TracFone customer as long as he/she complies with the TracFone Terms and Conditions of Service set forth at www.tracfone.com.

4.6. Retrieval of Airtime Minutes

- 4.6.1. While eligible and participating in Lifeline service, each customer will receive a free monthly allotment of airtime minutes. However, in order to receive the monthly allotment customers will need to turn on and leave on their handset the first few days of each month.
- 4.6.2. If a customer does not receive the monthly allotment of minutes because the phone was not on at the beginning of the month or does not automatically retrieve minutes when turned on, the allotted minutes may be self-retrieved by following the instructions below. If for any reason these instructions do not work on the handset, assistance is available at 1-800-SafeLink.

4.6.2.A. Turn SafeLink phone ON.

4.6.2.B. From the Main screen, press the MENU key. Select "Prepaid."

4.6.2.C. From the menu select, "Add Airtime/ Redeem Airtime."

4.6.2.D. Dial 5 5 5 and press OK. If are prompted for a promotional code, press "No".

4.7. Airtime Rates

Airtime is issued in minute/unit increments. ("Units" are the same as minutes.) Minutes/units are deducted from the handset in the following manner: all calls are charged at a rate of one (1) unit per minute. There is no additional charge for nationwide long distance or for international long distance.

4.8. Text Messaging

4.8.1. The rates to send or receive a text message to another person's phone from a SafeLink handset are 0.3 minutes/units per text message, for sending and 0.3 minutes/units per text for receiving. Minutes/units are not deducted for incoming text messages unless the text message is opened.

4.8.2. Lifeline service does not allow international text messages. Attempting to send international messages could result in service deactivation.

4.8.3. Please note that TracFone does not generally participate in Premium SMS services or campaigns. Premium SMS refers to activities that usually involve sending a text message to a designated "short code" or buying or attempting to buy SMS services from anyone other than TracFone. Premium SMS campaigns include activities such as casting a vote, expressing opinions, playing a game, subscribing to a service, or interactive television programs. Customers should not attempt to participate in Premium SMS campaigns, unless it is a TracFone authorized campaign. Any text message sent to a "short code" will in all likelihood not go through. Any charges incurred as a result of any attempts to participate in Premium SMS services or campaigns (not authorized by TracFone) whether incurred as deductions from the SafeLink phone or from credit card, are not refundable.

4.9. International Calling

4.9.1. SafeLink phones may be used to make international calls to landlines (including some cellular phones in some countries) at no additional charge (see www.tracfone.com for available countries). The available countries are subject to change without prior notice.

4.9.2. In order to place an international call, customers will need to dial the international long distance access number 1-800-706-3839 and follow the instructions. From

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Alaska, Hawaii and the U.S. Virgin Islands customers will need to dial 305-938-5673 as the international long distance access number.

- 4.9.3. Airtime deductions for international calls begin the moment the International Long Distance ("ILD") access number is dialed and apply to dropped calls, misdialed numbers and busy destination numbers.
 - 4.9.4. When making international calls, customers may experience connection failures more frequently than calls made within the United States. The Company will not credit airtime minutes deducted for unsuccessful calls.
 - 4.9.5. Customers will not be able to make or receive calls on SafeLink phones when located outside of the United States, Puerto Rico or the U.S. Virgin Islands.
- 4.10. Adding Airtime
- 4.10.1. SafeLink phones will only operate when customers have airtime minutes/units available on the SafeLink handset.
 - 4.10.2. If customers run out of the free monthly allotment of airtime, additional minutes may be purchased to add airtime to the phone by entering the PIN (obtained from the TracFone airtime card). Airtime must be added to the SafeLink phone within one year from the date of purchase; otherwise the card/PIN expires and minutes cannot be added to the SafeLink phone; nor can a refund be received for any unused minutes.
- 4.11. Airtime Cards
- 4.11.1. Customers may purchase and use for their SafeLink handset any TracFone airtime cards, including Double Minute Airtime cards. Each TracFone airtime card comes with a number of minutes and a service period that begins to run from the day customers add airtime to their SafeLink phones.
 - 4.11.2. The free monthly allotment of minutes received by the customer while enrolled in the Double Minutes for Life program will not double with the purchase and addition of any airtime cards.
 - 4.11.3. On the 60, 90 and 120 minute TracFone airtime cards, customers will receive an additional 40, 35 and 30 minutes respectively, and these minutes do not double with any TracFone Double Minute airtime cards.

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4.11.4. For each TracFone airtime card purchased and used on a SafeLink handset, the customer will receive the following:

Card	Minutes	Service Days	Other
60	100	90	N/A
90	125	90	N/A
120	150	90	N/A
200	200	90	N/A
450	450	90	N/A
One Year Service Card	250 or 400	365	N/A
One Year plus Double Minute	800	365	Double minutes for life of single handset after customers purchase and add this card; not transferable to another handset even if phone is damaged, lost or stolen. The minutes that come with this card will not double. Free monthly minutes to SafeLink customers do not double.
Double Minute Card	0	0	Double minutes for life of single handset after customers purchase and add this card; not transferable to another handset even if phone is damaged, lost or stolen. The minutes that come with this card will not double. Free monthly minutes to SafeLink customers do not double.

4.11.5. For each additional TracFone airtime card added, the Service End Date will be extended by the number of days specified on the card or cash register receipt, without limitation. "Service End Date" is the last day of the service period. Airtime minutes added to the SafeLink handset do not expire with active service and at least one Transaction during a consecutive sixty day period. A "Transaction" shall be defined as any one of the following (i) the phone's receipt of the monthly allotment of airtime or the purchase; (ii) addition of a TracFone airtime card or (ii) usage of the phone (making a call, text or data usage). Airtime minutes do not have any cash value. Promotional, bonus and other non-purchased airtime minutes will not double. The purchase of any airtime card is non-refundable. Airtime cards, airtime rate plans, and card denominations are subject to change without prior notice.

4.12. Service End Date and Deactivation

4.12.1. Customers will receive 365 days of service upon qualification, enrollment and then another 365 days of service for re-qualification and re-enrollment. If customers use their phones regularly and receive monthly minutes, but do not re-

qualify or re-enroll and/or do not purchase and add airtime prior to the Service End Date, which is the date displayed on the handset screen, service will be deactivated on the last day of service (Service End Date).

- 4.12.2. In the event TracFone requires a customer to re-qualify and re-enroll in the Service and the customer fails to do so and does not purchase a TracFone airtime card providing service days, then service will be deactivated on the Service End Date and customer will lose his handset phone number, even if there are minutes remaining. To prevent this from occurring, customers are encouraged to keep their handset service active by both re-qualifying and re-enrolling or by purchasing and adding TracFone airtime cards before the Service End Date.
- 4.12.3. Notwithstanding the Service End Date displayed on the handset, SafeLink and TracFone reserve the right to cancel the enrollment of any handset from the Service when the handset remains 60 consecutive days with no Transaction. If Service is deactivated because of 60 consecutive days with no Transaction, the handset may be reactivated by calling 1-800-SafeLink within the twelve month period from the initial enrollment or requalification date. When re-activated within the twelve month period of service, customers will receive the monthly minutes that they were entitled to receive until being deactivated but will lose any minutes that would have received during the deactivation period. If a customer attempts to re-activate after twelve months from the initial enrollment or requalification date then the customer will need to re-qualify and re-enroll and no compensation or replacement of unused minutes will be provided.
- 4.12.4. Once reactivated, the SafeLink handset may be assigned a new phone number. Airtime which remained at the time of deactivation will remain on the handset if it is reactivated within 60 days from the deactivation date. However, airtime which remained at the time of deactivation may be lost if the handset service remains deactivated for longer than 60 days.

4.13. Airtime Usage

- 4.13.1. Airtime minutes will be deducted for all time during which a SafeLink phone is connected to, or using, the wireless system of any Underlying Carrier.
- 4.13.2. Use of a wireless system typically begins when the user presses the "send", "call" or other key to initiate or answer a call and does not end until the user presses the "end" key or the call is otherwise terminated.
- 4.13.3. Airtime minutes are deducted for all incoming and outgoing calls, including incoming call waiting calls, calls to toll free numbers, 411, 611, Customer Care, and to access voice mail.

- 4.13.4. Airtime minutes are deducted for all text messages sent and all incoming text messages which are opened.
 - 4.13.5. Airtime minutes are not deducted for calls to 911.
 - 4.13.6. For outbound calls, customers may be charged airtime for incomplete and/or busy-no answer calls.
 - 4.13.7. Airtime minutes are deducted in full unit increments; partial minutes are rounded up to the next minute.
 - 4.13.8. Airtime minutes will also be deducted for use of other services such as text messaging and accessing the TracFone Mobile Web ("WAP").
 - 4.13.9. No credit is given for dropped calls.
- 4.14. Unauthorized Usage; Tampering
- 4.14.1. The SafeLink handset is provided exclusively for use by the end consumer with the SafeLink Service available solely in the United States, Puerto Rico and the U.S. Virgin Islands. Any other use of the SafeLink handset, including without limitation, any resale, unlocking and/or re-flashing of the handset is unauthorized and constitutes a violation of the customer's agreement with TracFone. Customers agree not to unlock, re-flash, tamper with or alter the SafeLink phone or its software, enter unauthorized PIN, engage in any other unauthorized or illegal use of the SafeLink phone or the Service, or assist others in such acts, or to sell and/or export SafeLink handsets outside of the United States. These acts violate TracFone rights and state and federal laws. Improper, illegal or unauthorized use of the SafeLink phone is a violation of this agreement and may result in immediate discontinuance of Services and legal action. TracFone will prosecute violators to the full extent of the law. Customers must agree that any violation of their agreement through their improper, illegal or unauthorized use or sale of their SafeLink phone shall entitle TracFone to recover liquidated damages from customer in an amount of not less than \$5,000 per SafeLink handset purchased, sold, acquired or used in violation of this agreement.
 - 4.14.2. Some SafeLink handsets have SIM cards. If a SafeLink phone has a SIM card, then customer must agree to safeguard the SIM card and not to allow any unauthorized person to use the SIM card. Customer must 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, the SIM card. The Underlying Carriers, TracFone, or its service providers, may, from time to time, remotely update or change the encoded information on the SIM card. The SafeLink phone is restricted from operating when customers are located anywhere outside of the United States, Puerto Rico or the U.S. Virgin Islands, including offshore or in

international waters. Any such calls are considered unauthorized usage by TracFone for which Service will be immediately suspended. In the event of suspension for this or any other unauthorized usage, customers will not be entitled to receive any refunds for the handset or unused airtime.

4.15. Coverage Maps

Coverage maps may be found on the Company's website, www.tracfone.com. These maps are for general informational purposes only. TracFone 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 equipment may interfere with actual service, quality and availability. Thus, it is possible a phone will roam even in the area depicted as the customer's home calling area. Actual coverage and service areas may vary from the maps and may change without notice.

4.16. Roaming

"Roaming" occurs when a subscriber of one wireless service provider uses the facilities of another wireless service provider. Roaming most often occurs when a customer makes and receives calls outside the home calling area. When a SafeLink phone is roaming, an indicator light on the handset may display the word "Roam" or "RM" on the screen while the phone is not in use. There are no additional charges for roaming calls for the SafeLink phone provided. Availability, quality of coverage and Services while roaming are not guaranteed.

4.17. Limitations of Service and Use of Equipment

4.17.1. 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 Underlying Carrier, or because of equipment modifications, upgrades, repairs or relocations or other similar activities necessary or proper for the operation or improvement of the Underlying Carrier's radio telephone system. At anytime, TracFone reserves the right to substitute and/or replace any SafeLink equipment (including handsets) with other SafeLink equipment including handsets of comparable quality. Some functions and features referenced in the Manufacturer's manual for a particular SafeLink handset may not be available on all phones. TracFone does not warrant or guarantee availability of network or of any Services at any specific time or geographic location or that the Services will be provided without interruption. Neither TracFone nor any Underlying Carrier, shall have any liability for Service failures, outages or limitations of Service. Because of the risk of being struck by lightning, customers should not use SafeLink phones outside during a lightning storm. Customers should also unplug

the SafeLink phone power cord and charger to avoid electrical shock and/or fire during a lightning storm.

4.18. Warranty Exchange and Lost or Stolen Phone Policy

4.18.1. **Warranty Exchange Policy:** SafeLink customers shall have up to one year from the activation date of their phone to return any defective phone to TracFone. TracFone will exchange a defective phone for another phone during this period of time only. For a defective phone replacement, customers may call SafeLink Customer Care at 1-800-378-1684.

4.18.2. **Exclusions and Conditions:** This limited warranty does not cover damage or failure caused by abuse or misuse of the phone or accessories. TracFone does not provide refunds. All applicable implied warranties, including the implied warranties of merchantability and fitness for a particular purpose, are limited to the duration of this limited warranty, unless otherwise provided by law. This limited warranty excludes all incidental or consequential damages, unless otherwise provided by law. Some states do not allow the exclusion or limitation of incidental or consequential damages, so the above limitation or exclusion may not apply to all customers. This limited warranty gives customers specific legal rights, and customers may also have other rights which vary from state to state.

4.18.3. **Lost or Stolen Phone Policy:** For any lost or stolen SafeLink phone, customers may request and receive only one replacement phone per customer (The replacement phone will be a refurbished phone). All reported lost and stolen phones will be permanently deactivated. For the replacement phone resulting from a lost or stolen phone, SafeLink will only replace the airtime minutes equivalent to the last Transaction (either the last monthly allocation of free minutes or the last airtime card redemption added to the phone). In the event customers lose replacement phones or they are stolen, customers will need to purchase an additional phone. If a phone is lost or stolen in transit to the customer, before the customer receives the phone, then the airtime minutes will be reimbursed and the phone replaced (one time only). TracFone reserves the right to determine if a phone was lost or stolen in transit and decide whether to provide the customer with a new handset.

4.19. Hearing, Visual, or Speech Impaired Accommodations

Any hearing, visual or speech impaired persons interested in applying for a specially equipped SafeLink must specify the need(s) in the application and TracFone will make every effort to assist such customer in obtaining a handset and at the same time be in compliance with all applicable laws, rules, and regulations.

4.20. Emergency Calls

4.20.1. If a customer is in an area where the SafeLink phone is searching for a wireless signal or there is no wireless signal or wireless service, it is highly probable that a call to 911 will not go through. Customers are advised to not rely solely on the SafeLink in an emergency situation and directed to locate the nearest landline phone and call for help in an emergency.

4.21. Limitation of Liability

TracFone will not be liable to customers for any 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 Services. TracFone 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 a SafeLink phone is returned to SafeLink for any reason, TracFone is not responsible and shall not be liable to customers or anyone else for any personal information such as user names, passwords, contacts, pictures, SMS, MMS and/or additional downloads customers may have stored on the phone or which may remain on the phone.

4.22. Indemnification

Customers must agree to indemnify and hold harmless TracFone 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 customers' use of a SafeLink phone and/or use of the SafeLink Services, whether based in contract or tort (including strict liability) and regardless of the form of action.

4.23. Binding Arbitration

4.23.1. THIS SECTION AFFECTS RIGHTS THAT CUSTOMERS 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 SAFELINK PHONES, ITS SOFTWARE, THE SERVICE AND/OR PIN NUMBERS, THROUGH ARBITRATION INSTEAD OF SUING IN COURT IN THE EVENT THE PARTIES ARE UNABLE TO RESOLVE A DISPUTE OR CLAIM. ARBITRATION IS BINDING AND SUBJECT TO ONLY A VERY LIMITED REVIEW BY A COURT. THIS ARBITRATION CLAUSE SHALL SURVIVE TERMINATION OF TRACFONE AGREEMENT WITH CUSTOMERS.

4.23.2. This provision is intended to encompass all disputes or claims arising out of customers' relationship with TracFone, arising out of or relating to the Service or any equipment used in connection with the Service (whether based in contract, tort, statute, fraud, misrepresentation or any other legal theory). Nothing

contained in this arbitration provision shall preclude TracFone from bringing claims concerning the unauthorized resale, export, alteration, and/or tampering of SafeLink phones, its software, the Service and/or PIN numbers in state or federal court. References to customers and TracFone include our respective subsidiaries, affiliates, predecessors in interest, successors, and assigns. All claims will be resolved by binding arbitration where permitted by law. Customers must first present any claim or dispute to TracFone by contacting Customer Care to allow an opportunity to resolve the dispute prior to initiating an arbitration. The arbitration of any dispute or claim shall be conducted in accordance with the American Arbitration Association ("AAA") under the Commercial Dispute Resolution Procedures and the Supplementary Procedures for Consumer Related Disputes (collectively, "AAA Rules"), as modified by this agreement. The AAA Rules are available online at www.tracfone.com or by calling the AAA at 1-800-778-7870. Customers and TracFone agree that use of the 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. Customers and TracFone agree that any arbitration will be conducted on an individual basis and not on a consolidated, class wide or representative basis. Further, customers must 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 an arbitration will be divided between customers and TracFone in accordance with the AAA Rules, except that TracFone will reimburse customers for the amount of the filing fee in the event customers 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, customers waive to the fullest extent permitted by law, (i) the right to a trial by jury and (ii) any claims for punitive or exemplary damages. Unless TracFone and customers agree otherwise, the location of any arbitration shall be Miami, Florida. Except where prohibited by law, TracFone and customers 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 customers nor TracFone 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 into by any court having jurisdiction thereof.

4.24. Privacy Policy

The Privacy Policy governing the Service is available at the SafeLink website found at www.safelink.com.