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AZ CORP COMMISSION
DOCKET CONTROL

Debra McGuire Mercer
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June 3, 2010

VIA OVERNIGHT DELIVERY

Arizona Corporation Commission
Utilities Division
1200 West Washington
Phoenix, AZ 85007-2996

Re: Petition of TracFone Wireless Inc. for Designation as an Eligible
Telecommunications Carrier, Docket No. T-20664A-09-0148

Dear Madam/Sir:

Enclosed please find an original and 13 copies of TracFone Wireless, Inc.'s Notice of Filing Agreements. An additional copy is included to be date-stamped and returned in the enclosed envelope. Please contact me if you have any questions about this submission.

Sincerely,

Debra McGuire Mercer

Counsel for TracFone Wireless, Inc.

Enclosures

Arizona Corporation Commission
DOCKETED

JUN - 4 2010

DOCKETED BY

Before the
ARIZONA CORPORATION COMMISSION

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AZ CORP COMMISSION
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In the Matter of)
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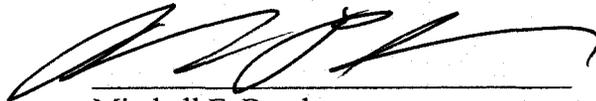
Petition of TracFone Wireless, Inc.)
for Designation as an Eligible Telecommunications)
Carrier in the State of Arizona for the Limited)
Purpose of Offering Lifeline Service to Qualified)
Households)
_____)

Docket No. T-20664A-09-0148

TRACFONE WIRELESS, INC.'S NOTICE OF FILING AGREEMENTS

TracFone Wireless, Inc. ("TracFone"), by its undersigned counsel and in accordance with the Procedural Order issued in this docket on May 25, 2010, hereby files copies of the agreements reached in the States of Nevada and Washington. See Attachment 1.

Respectfully submitted,



Mitchell F. Brecher
Debra McGuire Mercer

GREENBERG TRAURIG, LLP
2101 L Street, NW
Suite 1000
Washington, D.C. 20037
(202) 331-3100

Counsel for TracFone Wireless, Inc.

June 3, 2010

Attachment 1

BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA

Application of TracFone Wireless, Inc. d/b/a SafeLink)
Wireless to be designated as an Eligible)
Telecommunications Carrier in the state of Nevada) Docket No. 09-10037
pursuant to NAC 704.6804 and Section 254 of the)
Telecommunications Act of 1996.)
_____)

At a general session of the Public Utilities
Commission of Nevada, held at its offices on
March 31, 2010.

PRESENT: Chairman Sam A. Thompson
Commissioner Rebecca D. Wagner
Commissioner Alaina Burtenshaw
Assistant Commission Secretary Nancy Krassner

COMPLIANCE ORDER

The Public Utilities Commission of Nevada (“Commission”) makes the following findings
of fact and conclusions of law:

I. Introduction

TracFone Wireless, Inc. d/b/a SafeLink Wireless (“TracFone”) filed an Application to be
designated as an Eligible Telecommunications Carrier (“ETC”) in the state of Nevada pursuant to
Nevada Administrative Code (“NAC”) 704.6804 and Section 254 of the Telecommunications Act of
1996 (“Act”).

II. Summary

This Order accepts the Stipulation entered into by TracFone and the Regulatory Operations
Staff (“Staff”) of the Commission as a result of their negotiations regarding the issues in this docket
and grants the Application of TracFone as modified by the Stipulation. It requires TracFone to
comply with the terms of the Stipulation, and creates a compliance item that TracFone must satisfy
within 60 days.

///

DOCUMENT REVIEW AND COMMENT RECORD	
DRAFTED BY	Anna M. Penrose-Lutz
FINAL DRAFT ON	4/1/10 AT 10:00 AM
REVIEWED BY	
REVIEW COMMENTS	
X	LMB 4/1/10

III. Procedural History

- On November 10, 2009, TracFone filed an Application with the Commission for authority to be designated as an Eligible Telecommunications Carrier in the state of Nevada pursuant to NAC 704.6804 and the Act. The Application has been designated Docket No. 09-10037.

- This Application is filed pursuant to Chapters 703 and 704 of the Nevada Revised Statutes ("NRS") and the NAC, including but not limited to, NAC 704.680461 and Section 214(e) of the Act.

- Staff of the Commission participates as a matter of right, pursuant to NRS 703.301.

- On November 16, 2009, the Commission issued a Notice of Application to Be Designated an Eligible Telecommunications Carrier and Notice of Pendency of Hearing indicating that interested and affected persons could file: 1) written comments; 2) petitions for leave to intervene; or 3) notices of intent to participate as a commenter in order to be placed on the service list to receive the pleadings in this docket at either of the Commission's offices on or before Wednesday, December 9, 2009. The Notice set the hearing date for January 6, 2010.

- On December 9, 2009, Central Telephone Company d/b/a Centurylink submitted a Notice of Intent to Participate as a Commenter, and Initial Comments. Verizon Communications, Inc. submitted a Notice of Intent to Participate as a Commenter. Staff submitted Comments.

- On December 17, 2009, TracFone filed a Waiver of 90 Day Period and Motion to Continue Matter ("Motion"), and Staff filed its response to TracFone's Motion.

- On December 22, 2009, the Commission issued an Order granting TracFone's Motion.

- On December 22, 2009, the Commission issued a Procedural Order setting the procedural schedule.

- On December 30, 2009, the Commission issued a Notice of Rescheduled Hearing.

- On January 20, 2010, the Nevada Telecommunications Association filed a Notice of Intent to Participate as a Commenter.

- On February 24, 2010, TracFone filed direct testimony.

- On March 8, 2010, TracFone filed a Response to Comments.

- On March 11, 2010, the Commission issued Procedural Order No. 2, adjusting the due date for Staff's testimony.

- On March 16, 2010, Staff filed a Stipulation negotiated by TracFone and Staff.

IV. Commission Discussion and Findings

1. The Commission finds that the Stipulation, attached hereto and incorporated herein as Attachment 1, is a consensus resolution of the issues pursuant to the parties' negotiations, and as such, is a reasonable recommendation and resolution of the issues in this proceeding. Therefore, the Commission finds that it is in the public interest to accept the Stipulation.

2. The Commission finds that TracFone shall comply with the terms of the Stipulation including, but not limited to, the items that follow.

- a) TracFone shall timely pay all applicable Nevada fees and assessments, including but not limited to Nevada USF fees, annual CMRS fees and TDD assessments;
- b) TracFone shall provide to the Commission filing containing TracFone's General Terms of SafeLink Wireless Lifeline Service within 60 days of the effective date of this Order;
- c) TracFone shall report in its annual report pursuant to NAC 704.680465 the number of Nevada Lifeline customers on a quarterly basis;
- d) TracFone shall seek federal USF support for lifeline service only, and shall not seek federal USF high cost funds; and
- e) TracFone shall not seek Nevada USF support for lifeline service or for high cost support.

THEREFORE, it is ORDERED that:

1. The Stipulation, attached hereto as Attachment 1, entered into by and between the Regulatory Operations Staff of the Commission and TracFone Wireless, Inc. d/b/a SafeLink Wireless, is ACCEPTED as filed.
2. TracFone Wireless, Inc. d/b/a SafeLink Wireless shall comply with all terms and conditions of the Stipulation.
3. TracFone Wireless, Inc. d/b/a SafeLink Wireless shall file its General Terms of SafeLink Wireless Lifeline Service with the Commission as an informational filing within 60 days of the effective date of this Order.
4. Failure to comply with the compliance items in this Order may subject TracFone Wireless, Inc. d/b/a SafeLink Wireless to administrative fines pursuant to NRS 703.380 and/or revocation of the underlying relief granted as appropriate.

5. Upon filing by TracFone Wireless, Inc. d/b/a SafeLink Wireless of the compliance item described in paragraph 3 above, the Commission Secretary is AUTHORIZED to close Docket No. 09-10037.

6. Except as specifically set forth herein, the Commission's acceptance of this Stipulation does not constitute approval of, or precedent regarding, any legal or factual issue in this proceeding.

7. The Application of TracFone Wireless, Inc. d/b/a SafeLink Wireless is GRANTED as modified by the Stipulation.

8. The Commission may correct any errors that may have occurred in the drafting or issuance of this Order without further proceedings.

By the Commission,

Sam Thompson

SAM A. THOMPSON, Chairman

Rebecca D. Wagner

REBECCA D. WAGNER, Commissioner and Presiding Officer

Alaina Burtenshaw

ALAINA BURTENSHAW, Commissioner

Attest: *Nancy Krassner*
NANCY KRASSNER,
Assistant Commission Secretary

Dated: Carson City, Nevada

4/5/10
(SEAL)



Attachment 1

1 WHEREAS, Staff filed Comments on December 9, 2009, in this Docket and requested a hearing;

2 WHEREAS, in its Comments Staff indicated that it was continuing to review and analyze the
3 information submitted by TracFone regarding Staff's discovery questions and it needed additional time to
4 analyze new information from TracFone regarding its ETC Application;

5 WHEREAS, TracFone filed a waiver of the 90-day time period and motion to continue the matter
6 for an additional 90 days on December 17, 2009;

7 WHEREAS, Staff filed a response to TracFone's requested Waiver on December 17, 2009;

8 WHEREAS, the Commission issued a Procedural Order on December 22, 2009;

9 WHEREAS, the Commission issued a notice of rescheduled hearing on December 30, 2009;

10 WHEREAS, TracFone is registered as a CMRS provider with the Commission and holds
11 registration CMRS 95, issued in Docket No. 09-08029;

12 WHEREAS, NAC 704.7862 requires CMRS providers in Nevada to register with the
13 Commission;

14 WHEREAS, CMRS providers are not required to obtain a Certificate of Public Convenience and
15 Necessity ("CPCN") from the Commission;

16 WHEREAS, NAC 704.680461(1)(a) requires that an ETC affirm that it holds a CPCN from the
17 Commission;

18 WHEREAS, pursuant to NAC 704.0097, TracFone requested a deviation from NAC
19 704.680461(1)(a) and requested that TracFone not be obligated to hold a CPCN issued by the
20 Commission in order to be designated as an ETC;

21 WHEREAS, pursuant to 47 U.S.C. § 214(e)(1) any "common carrier" is eligible for ETC status;

22 WHEREAS, a CMRS provider is considered a common carrier under 47 U.S.C. § 332(a)(1),
23 unless otherwise determined by the Federal Communications Commission ("FCC");

24 WHEREAS, TracFone represents that it is a common carrier as required by Section 214(e)(1) of
25 the Communications Act of 1934, as amended (the "Act"), 47 U.S.C. § 214(e)(1);

26 WHEREAS, TracFone offers telecommunications to the public or to such classes of users as to be
27 effectively available directly to the public,

28

1 WHEREAS, TracFone is a reseller of CMRS services and provides service in areas served by T-
2 Mobile, Verizon Wireless and AT&T Mobility (Underlying Wireless Network Carriers”);

3 WHEREAS, TracFone is seeking ETC designation in the areas served by the Underlying Wireless
4 Network Carriers, which includes areas served by rural incumbent local exchange carriers and non-rural
5 incumbent local exchange carriers;

6 WHEREAS, Section 214(e)(1) of the Act and 47 C.F.R. § 54.201(d) provide that carriers
7 designated as ETCs shall, throughout their service area, offer the services that are supported by federal
8 universal service support mechanisms either using their own facilities or a combination of their own
9 facilities and resale of another carrier’s services;

10 WHEREAS, the FCC granted TracFone a forbearance on the facilities-based service requirement
11 in an Order dated September 8, 2005.¹

12 WHEREAS, Section 214(e)(1) of the Act and 47 C.F.R. § 54.201(d) provide that carriers
13 designated as ETCs shall, throughout their service area, advertise the availability of such services and the
14 charges therefore using media of general distribution;

15 WHEREAS, the services which are supported by the federal Universal Service Fund (“USF”)
16 pursuant to 47 C.F.R. § 54.101(a) are voice grade access to the public switched network, local usage,
17 dual tone multi-frequency signaling or its functional equivalent, single-party service or its functional
18 equivalent, access to emergency services, access to operator services, access to interexchange service,
19 access to directory assistance, and toll limitation for qualifying low-income consumers;

20 WHEREAS, TracFone will offer all of the supported services required of federal USF ETC
21 recipients;

22 WHEREAS, to provide the supported services required of federal USF ETC recipients, TracFone
23 states that it will rely on the facilities of the fore-mentioned Underlying Wireless Network Carriers in
24 order to meet its obligation under Section 214(e) of the Act;

25
26
27 ¹ See TracFone Wireless, Inc. Petition For Forbearance, CC Docket No. 96-45, filed June 8, 2004, as amended by
28 TracFone Wireless, Inc. Amendment to Petition for Designation as an Eligible Telecommunications Carrier in the State of
Florida, CC Docket No. 96-45, filed August 16, 2005 and TracFone Wireless, Inc. Clarification of Petition for
Forbearance, CC Docket No. 06-45, filed September 24, 2004 (“Petition for Forbearance”).

1 WHEREAS, TracFone will provide voice grade access to the public switched network at
2 bandwidth between 300 and 3,000 hertz as required by 47 C.F.R. § 54.101(a)(1);

3 WHEREAS, TracFone will offer a lifeline plan for qualified low-income customers that will
4 provide local usage consistent with 47 C.F.R. § 54.101(a)(2);

5 WHEREAS, TracFone will provide customers with dual tone multi-frequency ("DTMF")
6 signaling to facilitate the transportation of signaling throughout its network by using out-of-band digital
7 signaling and in-band multi-frequency ("MF") signaling that is functionally equivalent to DTMF
8 signaling;

9 WHEREAS, TracFone will provide customers with single party service, as that term is defined in
10 47 C.F.R. § 54.101;

11 WHEREAS, TracFone will provide customers 911 access to emergency services and will
12 continue to provide E-911 access to customers in compliance with all FCC rules applicable to CMRS
13 carriers;

14 WHEREAS, TracFone has the ability to remain functional in emergency situation in accordance
15 with 47 C.F.R. § 54.202(a)(2), as the Underlying Wireless Network Carriers have implemented state-of-
16 art network reliability standards;

17 WHEREAS, TracFone will provide customers access to operator services in the traditional
18 manner by dialing "0";

19 WHEREAS, TracFone customers can use TracFone services to complete toll calls as required by
20 47 C.F.R. § 54.101(a)(6);

21 WHEREAS, TracFone will provide customers access to directory assistance services by dialing
22 "411" or "555-1212";

23 WHEREAS, there is no need for TracFone to offer a toll limitation feature, as TracFone's service
24 is a CMRS service on a pre-paid basis and no customers will be disconnected for failure to pay toll
25 charges;

26 WHEREAS, TracFone will comply with the CTIA, The Wireless Association Consumer Code for
27 Wireless Service, in accordance with 47 C.F.R. § 54.202(a)(3);

28

1 WHEREAS, pursuant to 47 U.S.C. § 214(e)(1)(B) and 47 C.F.R. § 54.201(d)(2), TracFone will
2 ensure that the availability of the supported services it offers and the charges for such supported services
3 will be advertised using media of general distribution throughout TracFone's proposed designated service
4 area;

5 WHEREAS, pursuant to NAC 704.680461, TracFone will ensure that, at least once every three
6 months, the availability of each of the supported services detailed above, as well as the rates and charges
7 applicable to those services, are advertised through prominent presentation in media of general
8 distribution throughout its designated service area;

9 WHEREAS, TracFone will promote the availability of Lifeline throughout its service area in
10 advertising and will ensure that community health, welfare, and employment offices are provided with
11 information about Lifeline to ensure that this information reaches those most likely to qualify for Lifeline
12 benefits;

13 WHEREAS, TracFone's application for competitive ETC status is restricted to providing CMRS
14 service to eligible low-income customers;

15 WHEREAS, TracFone has stated that it will provide a free handset and will provide customers
16 with a set amount of free minutes based on the amount of federal USF low income support provided
17 within Nevada;

18 WHEREAS, TracFone has stated that Nevada customers will receive 54 minutes of airtime each
19 month and will be able to purchase additional minutes at the cost of 20 cents per minute in varying usage
20 blocks;

21 WHEREAS, TracFone has stated that it will follow state and federal procedures for verifying a
22 customer's income eligibility when initially obtaining service and will take steps to verify continued
23 eligibility;

24 WHEREAS, TracFone has stated that it will monitor a customer's usage. If a handset is inactive
25 for more than 60 days it will attempt to contact the customer to determine if the customer is still qualified
26 to receive Lifeline service, and if the customer cannot be contacted, TracFone will terminate the Lifeline
27 service and no longer request federal USF support for that phone;

28

1 WHEREAS, TracFone will only seek federal USF support for lifeline service and will not seek
2 federal USF high cost funds;

3 WHEREAS, TracFone is not seeking Nevada USF support for lifeline service or for high cost
4 support;

5 WHEREAS, TracFone will fulfill the annual ETC reporting obligations pursuant to NAC
6 704.680465;

7 WHEREAS, TracFone acknowledges a licensed CMRS provider will pay an annual registration
8 fee of \$200.00, contribute to the TDD surcharge on a per-access line (or hand-set) basis, and contribute to
9 the Nevada USF;

10 WHEREAS, TracFone commits to paying these regulatory fees;

11 WHEREAS, TracFone is aware that the Commission institutes an annual show-cause proceeding
12 where companies that are not current on their regulatory obligations can lose their license and/or CPCN;

13 WHEREAS, TracFone said it was not aware that Nevada had a CMRS registration requirement
14 until it applied for ETC status;

15 WHEREAS, TracFone has said it will pay past licensing fees and is aware of its regulatory
16 obligations on a going-forward basis;

17 WHEREAS, this Stipulation does not address whether or when TracFone provided service in
18 Nevada prior to obtaining its CMRS license; nor does it resolve whether past regulatory fees and fines are
19 owed;

20 WHEREAS, the Commission has the discretion to request this payment or to take other action,
21 such as opening an investigatory docket (or including TracFone in its annual show cause proceeding), to
22 determine if fines are appropriate;

23 WHEREAS, Staff has conducted a extensive review of the Application through data requests and
24 discussions with TracFone;

25 WHEREAS, Staff believes that TracFone's service is a unique model for providing telephone
26 access to low income customers and provides the safety and convenience of a mobile phone at no cost (or
27 relatively low cost if additional minutes are purchased);

28

1 WHEREAS, the Parties agree the request for deviation from NAC 704.680461(1)(a) is for just
2 cause, is in the public interest, is not contrary to statute and should be granted;

3 WHEREAS, the Parties agree that TracFone meets all applicable state and federal requirements
4 and is entitled to be designated an ETC for the purpose of receiving federal universal service support for
5 lifeline customers in the areas served by AT&T Mobility, T-Mobile and Verizon Wireless;

6 WHEREAS, the Parties believe this Stipulation is in the public interest; and,

7 WHEREAS, the Parties have agreed to resolve the outstanding issues as set forth herein.

8 NOW THEREFORE, based upon the mutual covenants and obligations reflected in this
9 Stipulation, it is hereby agreed by and between the Parties as follows:

10 1. Subject to and conditioned on TracFone's ongoing and timely payment of all applicable
11 Nevada fees and assessments, including but not limited to, Nevada USF fees, annual CMRS fees and
12 TDD assessments, the Parties stipulate, agree and recommend to the Commission that it grant the
13 Application of TracFone Wireless, Inc. d/b/a Safelink Wireless to be designated as a competitive ETC for
14 the purpose of receiving federal Universal Service Fund support to provide wireless phone service to
15 qualified low-income customers.

16 2. TracFone stipulates that it will provide to the Commission initial and updates to its
17 *General Terms of SafeLink Wireless Lifeline Service for informational purposes only.*

18 3. TracFone stipulates that it will report in its annual report (pursuant to NAC 704.680465)
19 the number of Nevada Lifeline customers on a quarterly basis.

20 4. TracFone stipulates that it will only seek federal USF support for lifeline service and will
21 not seek federal USF high cost funds.

22 5. TracFone stipulates that it is not seeking Nevada USF support for lifeline service or for
23 high cost support.

24 6. This Stipulation is made upon the express understanding that it constitutes a negotiated
25 settlement. It is not severable. In the event this Stipulation is not approved by the Commission without
26 changes, it shall be deemed withdrawn without prejudice to any claims or contentions which may have
27 been made by any Party, and it shall not be admissible as evidence or in any way described or discussed
28 in any proceeding hereafter.

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7. This Stipulation represents a compromise of the Parties. Except as set forth herein, the provisions of this Stipulation shall not be construed as or deemed to be a precedent by any party or the Commission with respect to any issue, principle, or interpretation or application of law and regulations, for any purpose or in connection with any proceeding before a court of law, or any state or federal government regulatory body.

8. This Stipulation may be executed in counterparts and via facsimile.

REGULATORY OPERATIONS STAFF

By: Louise Uttinger Dated: 3/16/10
Louise Uttinger, Assistant Staff Counsel

TRACFONE OF NEVADA, LLC

By: Debra McGuire Mercer Dated: 3/16/10
Debra McGuire Mercer, Esq.

PROOF OF SERVICE

I hereby certify that I have this day served the foregoing document upon all parties of record in this proceeding by electronic mail to the recipient's current electronic mail address and mailing a copy thereof, properly addressed to:

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DATED at Carson City, Nevada, on the 16th day of March, 2010.


An employee of the Public Utilities
Commission of Nevada

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of)	DOCKET UT-093012
)	
TRACFONE WIRELESS, INC.)	
)	SETTLEMENT AGREEMENT
For Exemption From WAC 480-123-030(1)(d),)	
(f) and (g); and Designation as an Eligible)	
Telecommunications Carrier For the Purpose of)	
Receiving Lifeline Support From the Federal)	
Universal Service Fund)	
_____)	

SETTLEMENT AGREEMENT

1 This Settlement Agreement (“Agreement”) is entered into between TracFone Wireless, Inc. (“TracFone”) and the Staff of the Washington Utilities and Transportation Commission (“Staff”) (collectively the “Parties” or individually a “Party”).

A. Background

2 This docket involves a petition by TracFone requesting (1) designation as an eligible telecommunications carrier (ETC) pursuant to Section 214(e)(2) of the Communications Act of 1934, as amended (the Act), and Washington Administrative Code (WAC) 480-123-030, and (2) exemption from subsections (d), (f), and (g) of WAC 480-123-030(1) (hereafter, “Petition”). TracFone seeks ETC designation in Washington for the purpose of receiving low income support from the federal Universal Service Fund, including Lifeline support and Link Up support. TracFone does not seek to participate in the state Lifeline program or

Washington Telephone Assistance Program (WTAP) (RCW 80.36.410-.470). TracFone seeks ETC designation for all of Washington State.

3 TracFone filed its petition on March 13, 2009 and amended its petition on July 10, 2009; October 26, 2009; November 5, 2009; and December 29, 2009. The Commission considered TracFone's petition at its open meetings on November 25, 2009; February 25, 2010; and March 11, 2010. At each open meeting, Staff recommended that the Commission approve the petition subject to conditions. At the March 11, 2010, open meeting the Commission set the matter for hearing.

4 The Commission conducted a prehearing conference on this matter on April 12, 2010 before Administrative Law Judge Ann Rendahl, at which time the Commission granted a motion to intervene by the Washington Independent Telecommunications Association ("WITA"). At the time of the prehearing conference, the Parties informed the Commission that a settlement had been reached, and a procedural schedule was established for the filing and consideration of the Settlement Agreement and supporting documents. On April 14, 2010, WITA filed a motion to withdraw its intervention in this docket, conditioned upon the filing of, and the Commission's approval of, this Settlement Agreement between TracFone and Staff.

B. Nature of Agreement

5 This Agreement is a settlement of all issues within the meaning of WAC 480-07-730. The Parties present this Agreement to the Commission for its approval as a compromise to resolve all issues arising from the Commission's review of TracFone's ETC application and request for rule exemption,

C. Positions Are Not Conceded

6 Subject to the terms of this Agreement, each of the Parties maintains the positions espoused throughout the proceeding. No Party necessarily accedes to any argument made by any other Party.

D. Agreement Subject to Commission Approval

7 The Parties understand and agree that this Agreement in no manner binds the Commission in ruling on the pending proceeding until such a time as the Commission approves the Agreement. This Agreement is expressly subject to Commission approval except for ¶ I (Support of the Agreement) below. The Parties agree that if the Commission approves the Agreement without material change, this docket will be concluded.

E. Agreed Terms of Settlement

8 The Parties agree that TracFone meets the federal requirements for ETC designation set forth in 47 U.S.C. § 214(e)(1), and that the Commission should approve TracFone's amended Petition requesting designation as an ETC pursuant to 47 U.S.C. § 214(e)(2), and an exemption from subsections (d), (f), (g) of WAC 480-123-030(1), subject to the conditions stated in Attachment 1 and Attachment 2 to this Agreement. Attachment 1 represents a restatement of conditions imposed on TracFone by the Federal Communications Commission and is the same as Attachment 1 to Staff's February 25, 2010, open meeting memorandum. Attachment 2 represents additional conditions developed by Staff. These conditions are revised from those in Attachment 2 of Staff's February 25, 2010, open meeting memorandum in order to address certain concerns raised by commissioners during the open meeting discussion.

F. Effective Date

9 This Agreement is effective upon Commission approval, without material change, of the Agreement. Notwithstanding the effective date of the Agreement as a whole, ¶ I below, which requires the Parties to support the Agreement, is effective as of the date the Agreement has been executed by both parties.

G. Filing of the Agreement

10 The Parties agree to use the following procedures to seek Commission approval of the Agreement. The Parties will file this Agreement no later than April 23, 2010. The Parties will file the required narrative supporting this Agreement (“Narrative”) no later than April 28, 2010. Staff will file this Agreement and the Narrative with the Commission on behalf of it and TracFone. The transmittal letter will recommend that the Commission accept the settlement as the resolution of all issues in the case.

H. Agreement Approval

11 The Parties understand the Commission has discretion, consistent with applicable law, to determine whether it will approve this Agreement. Pursuant to WAC 480-07-740(1), the Parties urge the Commission to approve the Agreement.

I. Support of the Agreement

12 The Parties agree to use their best efforts to support the Agreement as a settlement of all contested issues in the pending proceeding. If the Commission requests, the Parties will present witnesses in support of the Agreement at a Commission hearing and recommend that the Commission issue an order adopting this Agreement in its entirety as the appropriate resolution of this proceeding, and provide such other documentation that the Commission may require pursuant to WAC 480-07-740(2). No Party to this Agreement or their agents,

employees, consultants or attorneys will engage in any advocacy inconsistent with the Agreement or contrary to the Commission's prompt consideration of this Agreement. Nothing in this Agreement, however, requires any Party to support a material modification to this Agreement, if one is ordered by the Commission.

J. Procedure if the Commission Provides Less than Full Approval

13 If the Commission rejects this Agreement, the provisions of WAC 480-07-750(2)(a) shall apply. If the Commission accepts the Agreement subject to conditions not proposed herein, each Party reserves the right, upon written notice to the Commission and the other Parties within five (5) days of the Commission's Order, to state its rejection of the conditions and to withdraw from the Agreement. In such event, the objecting Party may request the prompt convening of a prehearing conference for purposes of establishing a procedural schedule for the completion of the case pursuant to WAC 480-07-750(2)(a).

K. The Agreement as Precedent

14 The Parties have entered into this Agreement to avoid further expense, inconvenience, uncertainty and delay. Nothing in this Agreement (or any testimony, presentation or briefing offered by the Parties to support the Agreement), shall be cited or construed as or deemed to be precedent by any Party to this Settlement with respect to any issue, principle, or interpretation or application of law and regulations, for any purpose or in connection with any proceeding before any court of law or any state or federal government regulatory body.

15 Because this Agreement represents a compromise position of the Parties, no conduct, statements or documents disclosed in the negotiation of the Agreement shall be admissible

as evidence in this or any other proceeding. This paragraph does not apply to non-privileged, publicly available documents.

L. Entire Agreement

16 The Parties acknowledge that this Agreement is the product of negotiations and compromise and shall not be construed against any Party on the basis that it was the drafter of any or all portions of this Agreement. This Agreement constitutes the Parties' entire agreement on all matters set forth herein, and it supersedes any and all prior oral and written understandings or agreements, on such matters that previously existed or occurred in this proceeding, and no such prior understanding or agreement or related representations shall be relied upon by the Parties.

M. Integrated Agreement

17 The Parties have negotiated this Agreement as an integrated document. Accordingly, the Parties request that the Commission approve this Agreement with no material changes.

N. Manner of Execution

18 This Agreement is considered executed when all Parties sign the Agreement. A designated and authorized representative may sign the Agreement on a Party's behalf. The Parties may execute this Agreement in counterparts, and as executed, all counterparts shall constitute one agreement. Copies sent by facsimile are as effective as original documents.

O. Advance Review of News Releases

19 The Parties agree to provide each other the right to review in advance of publication any and all announcements or news releases that the other party intends to make about the Agreement. This right of advance review includes a reasonable opportunity to request

changes to the text of such announcements. However, no Party is required to make any change requested by the other party. The Parties agree to include in any news release or announcement a statement that Staff's recommendation to approve the Agreement is not binding on the Commission itself, unless the news release or announcement otherwise makes no reference to Staff.

DATED this 23rd day of April, 2010

TRACFONE WIRELESS, INC.

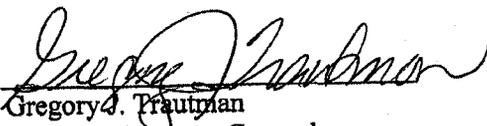
**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION
STAFF**

By



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By



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Attachment 1

Federal Communications Commission's Conditions on TracFone Forbearance from the Facilities Requirement for ETC Designation for Lifeline Support Only

1. TracFone must provide its lifeline customers with access to 911 and enhanced 911 (E911) access immediately upon activation of service, and continue to provide access to 911 and E911 regardless of activation status and availability of prepaid minutes.
2. TracFone must provide its Lifeline customers with E911-compliant handsets and must replace any non-compliant handset of an existing customer that obtains Lifeline-supported service, at no charge to the customer.
3. TracFone must comply with conditions 1 and 2 as of the date it provides Lifeline service.
4. TracFone must request a certification from each Public Safety Answering Point (PSAP) where TracFone provides Lifeline service confirming that TracFone provides its customers with access to basic and E911 service. If, within 90 days of TracFone's request for such certification, a PSAP has not provided the certification and the PSAP has not made an affirmative finding that TracFone does not provide its customers with access to 911 and E911 service within the PSAP's service area, TracFone may self-certify that it meets the basic and E911 requirements.
5. TracFone must require its Lifeline customers to self-certify under penalty of perjury at time of service activation and annually thereafter that they are the head of household and the household receive Lifeline-supported service only from TracFone. TracFone must deal directly with the customer to certify and verify the customer's Lifeline eligibility. TracFone must have direct contact with the customer, whether by telephone, fax, Internet, in-person consultation or otherwise, when establishing initial and continued eligibility.
6. TracFone must track its Lifeline customer's primary residential address and establish safeguards to prevent its customers from receiving multiple TracFone Lifeline subsidies at the same address.

References:

In the Matter of Federal-State Joint Board on Universal Service and Petition of TracFone Wireless, Inc. for Forbearance from 47 USC § 214 (e) (1) (A) and 47 CFR § 54.201 (i), Order, CC Docket No. 96-45. FCC 05-165 (Released September 8, 2005).

In the Matter of Federal-State Joint Board on Universal Service, et al., Order, CC Docket No. 96-45. FCC 09-17 (Released March 5, 2009).

Attachment 2

Washington State Conditions on TracFone Designation as an Eligible Telecommunications Carrier

1. TracFone's designation as an Eligible Telecommunications Carrier (ETC) shall be for an interim period of one year from the effective date of the Commission's Order approving such designation, subject to Commission review. At the end of the interim period, TracFone's ETC designation thereafter may be modified or revoked by the Commission pursuant to WAC 480-123-050, depending upon the result of the Commission's review.
2. Within 30 days of approval of its ETC designation in Washington and prior to offering Lifeline services, TracFone must make a compliance filing for approval by the Commission containing the following:
 - a. TracFone's Lifeline rate plans, terms and conditions. The rates, terms and conditions shall include all provisions that apply to the Lifeline services offered by TracFone in Washington state and detailed procedures explaining how customers can participate in a particular Lifeline plan.
 - b. TracFone's proposed language to be used in all advertising of Lifeline services and on its websites. The language shall include information directing customers to the Washington State Office of the Attorney General for complaints regarding any Lifeline service issues.
 - c. TracFone's Lifeline Customer Application Form.

Commission Staff shall review TracFone's compliance filing and recommend to the Commission whether it should be approved or rejected within ten business days. TracFone shall not offer Lifeline services until the Commission has approved its compliance filing.

3. TracFone shall file with the Commission any future changes to its rates, terms, or conditions at least one day prior to the effective date of the change.
4. The information on TracFone's rates, terms and conditions shall be provided in a welcome package sent to Lifeline customers after enrollment in TracFone's Lifeline program, as well as at TracFone's official Lifeline websites.
5. TracFone shall also provide Lifeline customers with the choice of all other rate plans available to regular customers.
6. TracFone must offer Washington customers a discounted version of its Straight Talk plans, as described in its petition and amendments to the petition, within four months after the Commission approves its ETC application. Within one year after the

Commission approves TracFone's ETC application, Tracfone shall offer Washington customers a discounted version of its Straight Talk plans through retail locations in Washington. At least 30 days prior to offering its discounted version of its Straight Talk plans to Lifeline customers, TracFone must make a compliance filing for approval by the Commission containing the rates, terms and conditions of service that apply to the discounted Straight Talk Lifeline services offered by TracFone in Washington state and detailed procedures explaining how eligible customers may participate in its discounted Straight Talk Lifeline services. Commission Staff shall review TracFone's compliance filing and recommend to the Commission whether it should be approved or rejected within ten business days. TracFone shall not offer discounted Straight Talk lifeline services until the Commission has approved its compliance filing specific to Straight Talk's Lifeline services.

7. TracFone shall deactivate a SafeLink Wireless account if the customer has no usage for 60 consecutive days. No fewer than eight business days before deactivation, TracFone shall send the customer a written notice by mail about the potential deactivation and ways to avoid unwanted deactivation. The customer shall have a 30 day grace period from the deactivation date to reactivate the SafeLink Wireless account and restore the minutes accrued during the 60 day non-usage period and the 30 day grace period.
8. On a quarterly basis beginning with the quarter ending on June 30, 2010, TracFone shall provide the number of Lifeline customers by service plan (SafeLink, Straight Talk Unlimited and Straight Talk All You Need) that it enrolls each month. TracFone shall also report the number of deactivated Lifeline customers each month by service plan and the reasons for deactivation (e.g., no usage for 60 consecutive days, annual verification unsuccessful, or voluntary exit). Quarterly reports shall be filed with the Commission no later than 30 days after the end of each quarter, beginning with the quarter ending on June 30, 2010.
9. TracFone shall respond within 30 days to Commission Staff's information requests on TracFone's Lifeline operations, including but not limited to Lifeline customers' usage patterns and Lifeline customer records.
10. Tracfone shall cooperate with the Commission and the Department of Social and Health Services (DSHS) to work out a procedure to verify TracFone Lifeline customers' eligibility.
11. TracFone must modify its Lifeline services in Washington so that airtime minutes are not deducted for calls to customer care made from the customer's handset by dialing 611. TracFone shall explicitly state the policy of free 611 calls in its Lifeline service agreements. TracFone may require the customer to call the toll-free customer care number from another phone if necessary to resolve technical issues related to the handset or its programming.

12. By March 31 of each year, TracFone shall file with the Commission its complete Lifeline customer records of the prior calendar year. The customer records are subject to review of the Commission and DSHS. The records must have all the necessary information and be in an electronic format required by DSHS. After the Commission and DSHS notify TracFone of the results of the review, TracFone must take appropriate measures to either correct the customer records or stop providing services to ineligible customers and report the resolutions to the agencies within 60 days of the notice.
13. TracFone shall provide the Commission a copy of its annual Lifeline Verification survey results that it files with the Universal Service Administration Company (USAC) by August 31 of each year.
14. TracFone shall file with the Commission, by March 31 of each year, a report on the number of complaints, categorized by the different nature of complaints, that it received from Washington Lifeline customers during the prior calendar year (e.g., billing disputes and service quality complaints). This report shall include complaints filed with TracFone, the Commission's Consumer Protection and Communications Section, the Washington State Office of the Attorney General, and the Federal Communications Commission (FCC). The Commission reserves the rights to revoke TracFone's ETC designation if TracFone fails to provide reasonable quality of service.
15. TracFone shall cooperate with the Washington State Enhanced 911 Program (E911) and all Public Safety Answering Points on E911 issues and shall, upon request, designate a representative to serve as a member or alternate member of the Washington State E911 Advisory Committee or its Communications Sub-committee.
16. TracFone shall participate in the Washington State E911 Program's "What's Your Location" public information campaign if the E911 Program requests the participation of wireless carriers.
17. TracFone shall collaborate with the Washington State E911 Program to test the compatibility of its handsets with the new Emergency Service Information Network in Washington, including supplying handsets representative of TracFone's proprietary software and technical assistance should call delivery discrepancies be discovered.
18. TracFone shall comply with rules on cessation of business as specified in WAC 480-120-083.
 - a. Prior to cessation of business, TracFone shall make arrangements with its underlying carriers to provide minutes already sold to customers under the same terms and conditions it has with the customers, or provide refunds to the existing customers.

- b. TracFone shall provide written notice to the following persons at least 30 days in advance of cessation of service:
 - i. The Commission;
 - ii. The state 911 program;
 - iii. Each of its customers;
 - iv. The national number administrator.
 - c. The notice to the Commission and the state 911 program must include the same information required by WAC 480-120-083 (3).
 - d. The notice to the customers must include the same information required by WAC 480-120-083 (4).
 - e. The notice to the national number administrator must include the same information required by WAC 480-120-083 (7).
 - f. TracFone shall file with the Commission at least 30 days in advance of its cessation of business and request the relinquishment of its ETC designation in Washington.
19. TracFone shall collect and maintain necessary records and documentation to ensure its compliance with the applicable FCC and Commission requirements, including existing requirements and any future modifications. The records and documentation shall be provided to Commission staff upon request.
20. TracFone shall cooperate with Commission staff on phone number conservation issues and shall comply with 47 C.F.R. §52.
21. TracFone shall comply with all applicable federal and Washington state statutes and regulations.

Docket UT-093012
CERTIFICATE OF SERVICE

I hereby certify that I have this day served the attached Settlement Agreement upon the persons and entities listed on the Service List below by depositing a copy of said document in the United States mail, addressed as shown on said Service List, with first class postage prepaid.

DATED at Olympia, Washington this 23rd day of April, 2010.

ELIZABETH M. DeMARCO

For TracFone Wireless, Inc.:

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For WITA:

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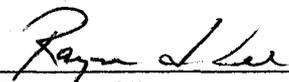
CERTIFICATE OF SERVICE

This is to certify that I have duly served TracFone Wireless, Inc.'s Notice of Filing Agreements electronically and by U.S. Mail on all parties listed, this 3rd day of June, 2010, addressed as follows:

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