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Before the ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

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In the Matter of the Application 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 in Arizona

ARIZONA CORPORATION COMMISSION DOCKET CONTROL Docket No. T-20664A-09-0148

TRACFONE WIRELESS, INC.'S COMPLIANCE FILING

TracFone Wireless, Inc. ("TracFone"), by its undersigned counsel, submits this Compliance Filing in accordance with the March 1, 2011 Order in this matter. TracFone provides the following information regarding the conditions and compliance items set forth in the March 1, 2011 Order ("Order").

1. Free Access to Customer Service. The Order states that TracFone shall evaluate providing Lifeline customers free access to Customer Service from TracFone's handsets. See Order, ¶ 38(a). TracFone's Lifeline customers in Arizona will have free access to Customer Service by dialing 611 from their handsets.

2. Rate for Additional Minutes. The Order states that TracFone shall evaluate offering a rate no more than \$0.10 per minute for additional minutes. See Order, ¶ 38(b). TracFone's Lifeline customers in Arizona will be able to purchase additional minutes at a rate of \$0.10 per minute.

3. Tariff. The Order states that TracFone shall file a tariff with the Commission, setting forth the rates, terms, and conditions for its Lifeline service. See Order, ¶ 38(c). TracFone's informational tariff for its SafeLink Wireless® Lifeline service is provided as Attachment A. The tariff refers to Exhibit 1, which is a list of zip codes in which TracFone's

Lifeline service is available. As will be explained in this filing, this list is not yet available. TracFone will supplement this filing with Exhibit 1 to the informational tariff as soon as it is available.

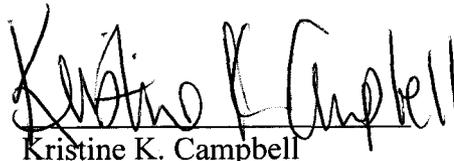
4. Regulatory Contact. The Order states that TracFone shall provide a regulatory contact to the Commission's Consumer Services Division. See Order, ¶ 38(g). A copy of the letter advising the Consumer Services Division of TracFone's regulatory contact is provided as Attachment B.

5. Tribal Lands Zip Codes. The Order states that TracFone shall file a document identifying zip codes located within Federally-Recognized Tribal Lands for which TracFone will not be providing service in Arizona. See Order, at 17. The Arizona Local Exchange Carriers Association ("ALECA") has agreed to work with TracFone to identify zip codes located within Federally-Recognized Tribal Lands for exclusion of service by TracFone. See Order, ¶ 63. In accordance with the Order, TracFone and ALECA are working together to identify the zip codes located within Federally-Recognized Tribal Lands. However, at this time, the zip code list is not complete. TracFone will supplement this filing as soon as it has a complete list of zip codes located within Federally-Recognized Tribal Lands.

6. Service Area Zip Codes. The Order states that TracFone shall file a list of all (rural and non-rural local exchange carrier) zip codes TracFone will be serving in Arizona for Staffs review and acceptance. See Order, at 17. As explained above, TracFone does not yet have a list of zip codes within Federally-Recognized Tribal Lands that it needs to exclude from its service area. TracFone will supplement this filing as soon as it has a complete list of zip codes that it needs to exclude from its service area.

7. Affidavit regarding Letters to State Agencies. The Order states that TracFone shall file an affidavit stating that it has submitted letters (as well as attach to its filing such letters) to the Arizona Department of Administration; the Arizona Commission on the Deaf and Hard of Hearing (Telecommunications Relay Service); and the Arizona Corporation Commission, seeking a determination as to whether the fees, over which the agencies have jurisdiction, apply to TracFone's services as an Eligible Telecommunications Carrier in Arizona. A copy of the Affidavit and the letters sent to the state agencies is provided as Attachment C.

Respectfully submitted,



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March 31, 2011

CERTIFICATE OF SERVICE

This is to certify that I have duly served TracFone Wireless, Inc.'s Compliance Filing electronically and by U.S. Mail on all parties listed, as indicated, on the 31st day of March, 2011, addressed as follows:

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Attachment A

TRACFONE WIRELESS, INC.
D/B/A SAFELINK WIRELESS®
Issued Date: April __, 2011

Arizona Tariff C.C. No. 1
Original Page 1
Effective Date: April __, 2011

INFORMATIONAL TARIFF
APPLICABLE TO LIFELINE SERVICE
OFFERED IN THE STATE OF ARIZONA

ISSUED BY

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

This informational tariff is provided for informational purposes only.

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

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 Informational Tariff 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
Exhibit 1	Original

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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 Arizona 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. TECHNICAL TERMS, ABBREVIATIONS, AND 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

Lifeline customers may select one of three monthly plans. The plans are as follows:

1. 250 free minutes each month, which do not carry over to the next month if unused (unless there are unused purchased minutes at the end of the month), with texting available at a rate of one text per minute of airtime; or
2. 125 free minutes each month, which carry over to the following month if unused, with texting available at a rate of one text per minute of airtime; or
3. 68 free minutes each month, which carry over to the following month if unused, with texting available at a rate of 3 texts per each minute of airtime, plus International Long Distance calling to over 60 destinations.

When a SafeLink Wireless® customer enrolls in the 250 minute plan and purchases additional airtime minutes, those purchased additional minutes, as well as the unused portion of the free allotment of 250 minutes, will be carried over for three succeeding months. In addition, Lifeline customers may purchase additional usage cards at a rate of \$0.10 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. Unauthorized Usage; Tampering

4.4.1. 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.

- 4.4.2. 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.

4.5. 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. A list of zip codes in which TracFone's SafeLink Lifeline service is available is attached as Exhibit 1.

4.6. 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.

4.7. Limitations of Service and Use of Equipment

4.7.1. 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.

4.8. Warranty Exchange and Lost or Stolen Phone Policy

4.8.1. 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.

4.8.2. 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.

4.8.3. 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.

4.9. 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.

4.10. Emergency Calls

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, a call to 911 may not go through. Customers are advised to not rely solely on the SafeLink phone in an emergency situation and are directed to dial 911 from the nearest landline phone to call for help in an emergency.

4.11. 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.

4.12. 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.

4.13. Privacy Policy

TRACFONE WIRELESS, INC.
D/B/A SAFELINK WIRELESS®
Issued Date: April __, 2011

Arizona Tariff C.C. No. 1
Original Page 14
Effective Date: April __, 2011

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

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

SECTION 5. DESCRIPTION OF SERVICES OFFERED

5.1. Service Description

- 5.1.1. 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.
- 5.1.2. 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.
- 5.1.3. 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.
- 5.1.4. 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.

5.2. Activation and Use of Handset

- 5.2.1. 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.
- 5.2.2. 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.

- 5.2.3. 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.
- 5.2.4. 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.
- 5.2.5. SafeLink handsets can only be used through TracFone, and cannot be activated with any other wireless or cellular service.
- 5.2.6. 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.
- 5.2.7. 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.

5.3. Retrieval of Airtime Minutes

- 5.3.1. 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.
- 5.3.2. 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.
 - 5.3.2.A. Turn SafeLink phone ON.
 - 5.3.2.B. From the Main screen, press the MENU key. Select "Prepaid."
 - 5.3.2.C. From the menu select, "Add Airtime/ Redeem Airtime."
 - 5.3.2.D. Dial 5 5 5 and press OK. If are prompted for a promotional code, press "No".

5.4. Service End Date, Deactivation and Reactivation

- 5.4.1. As a SafeLink customer, You will receive 425 service days upon Your enrollment and activation in the SafeLink Program and another 365 service days following each successful annual verification for your continued program eligibility in the SafeLink Program. If you fail to complete your annual verification within 120 days of the required verification date, you will be de-enrolled from the SafeLink Program. Upon de-enrollment from the SafeLink Program, you will cease receiving the free monthly allotment of airtime. If you are de-enrolled, your phone will remain active and you may continue to use your phone so long as you have available airtime minutes and service days remaining on your phone. You may purchase airtime and service days to keep your phone service active. If you are de-enrolled from the SafeLink Program and you allow your remaining service days to expire or go "past due," your phone service will be deactivated, you may lose your unused minutes and you will lose your wireless telephone number.
- 5.4.2. If your service is deactivated, you may reactivate your service by re-enrolling in the SafeLink Program (if eligible) or purchasing and redeeming a TracFone Wireless airtime card with service days. Upon reactivation of your phone, you may be assigned a new telephone number. Any airtime remaining on your handset at the time of deactivation will be reinstated if your phone is reactivated within 60 days from the deactivation date. If your phone remains inactive for more than 60 days, you will lose any remaining airtime.
- 5.4.3. If you have been de-enrolled from the SafeLink Program but you wish to keep your service active, you must purchase and redeem additional airtime and service days before the "Service End Date" displayed on your phone. To prevent any interruption in your phone service, please keep your handset service active by timely completing your annual verification as required by the SafeLink Program or by purchasing and adding TracFone airtime cards before your Service End Date.
- 5.4.4. "No Usage" De-Enrollment and Deactivation: Regardless of the Service End Date displayed on your handset, if you exceed 2 months without any Usage (as defined in this section), you will be de-enrolled from the SafeLink Program. "Usage" is defined as any transaction including, but not limited to, making or receiving a call, sending or opening a text message, downloading data content, adding airtime or receiving your free monthly airtime. Upon de-enrollment for non-usage, you will have up to a 30 day grace period to reenroll in the SafeLink Program by calling 1-800-SAFELINK. If you do not re-enroll or call SafeLink Customer Care within 30 days of your de-enrollment, your phone service will be deactivated. In order to reactivate your SafeLink phone and re-enroll in the SafeLink Program, you will need to call SafeLink Customer Care and you will need to purchase a TracFone airtime card or PIN number with service days in order to reactivate your phone service. Upon successful re-enrollment, you will receive the monthly minutes that you were entitled to receive through the date

your enrollment was cancelled. You will not, however, receive any airtime for the period of time you were not enrolled in the SafeLink Program.

5.5. Airtime Usage

- 5.5.1. 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.
- 5.5.2. 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.
- 5.5.3. Airtime minutes are deducted for all incoming and outgoing calls, including incoming call waiting calls, calls to toll free numbers, 411, Customer Care (when not accessing Customer Care by dialing 611), and to access voice mail. Airtime minutes are not deducted for calls to Customer Care when a customer dials 611 directly from his or her handset.
- 5.5.4. Airtime minutes are deducted for all text messages sent and all incoming text messages which are opened.
- 5.5.5. Airtime minutes are not deducted for calls to 911.
- 5.5.6. For outbound calls, customers may be charged airtime for incomplete and/or busy-no answer calls.
- 5.5.7. Airtime minutes are deducted in full unit increments; partial minutes are rounded up to the next minute.
- 5.5.8. Airtime minutes will also be deducted for use of other services such as text messaging and accessing the TracFone Mobile Web ("WAP").
- 5.5.9. No credit is given for dropped calls.

SECTION 6. RATES

6.1. 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. There is no additional charge to customers on the monthly plan described in 4.1.3.3 for international long distance.

6.2. Text Messaging

6.2.1. The rates to send or receive a text message to another person's phone vary by the monthly plan selected by the customer and are set forth in 4.1.3 above. Minutes/units are not deducted for incoming text messages unless the text message is opened.

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

6.2.3. 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.

6.3. International Calling

6.3.1. Customers who select the monthly plan specified in 4.1.3.3 above may use their SafeLink phones 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.

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

- 6.3.3. Airtime deductions for international calls begin the moment the International Long Distance access number is dialed and apply to dropped calls, misdialed numbers and busy destination numbers.
 - 6.3.4. 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.
 - 6.3.5. 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.
- 6.4. Adding Airtime
- 6.4.1. SafeLink phones will only operate when customers have airtime minutes/units available on the SafeLink handset.
 - 6.4.2. 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.
- 6.5. Airtime Cards
- 6.5.1. 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.
 - 6.5.2. 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.
 - 6.5.3. 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 (iii) 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.

Attachment B

March 30, 2011

VIA OVERNIGHT DELIVERY

Arizona Corporation Commission
Consumer Services Division
1200 West Washington Street
Phoenix, AZ 85007

Re: TracFone Wireless, Inc. - Docket No. T-20664A-09-0148

Dear Madam/Sir:

On March 1, 2011, the Commission designated TracFone Wireless, Inc. ("TracFone") as an Eligible Telecommunications Carrier for the purpose of offering Lifeline service in the State of Arizona. One of the requirements in the Order was that TracFone shall provide a regulatory contact to the Commission's Consumer Services Division. By this letter, TracFone provides the following information regarding its regulatory contact.

Maria C. Montenegro
Vice President - Legal
9700 NW 112th Avenue, Miami, Florida 33178
Telephone: (305) 715-3690
Facsimile: (305) 640-2070
mmontenegro@tracfone.com

Please contact me if you have any questions regarding this submission.

Sincerely,



Debra McGuire Mercer
Counsel for TracFone Wireless, Inc.

Attachment C

AFFIDAVIT OF DEBRA MCGUIRE MERCER

Debra McGuire Mercer, after first being sworn on oath, states as follows:

1. I am outside counsel for TracFone Wireless, Inc. ("TracFone"). My business address is Greenberg Traurig, L.L.P., 2101 L Street, NW, Suite 1000, Washington, D.C. 20037. This Affidavit is being provided in support of TracFone's Compliance Filing, dated March 31, 2011.

2. On March 1, 2011, the Arizona Corporation Commission designated TracFone as an Eligible Telecommunications Carrier for the purpose of offering Lifeline service in the State of Arizona. See In the Matter of the Application of TracFone Wireless, Inc. for Designation as an Eligible Telecommunications Carrier for the Limited Purpose of Offering Lifeline Service to Qualified Households in Arizona, Order, Docket No. T-20664A-09-0148 (March 1, 2011). As a compliance item in the Commission's Order, TracFone was required to submit letters to the Arizona Department of Administration; the Arizona Commission on the Deaf and Hard of Hearing; and the Arizona Corporation Commission, seeking a determination as to whether the fees, over which the agencies have jurisdiction, apply to TracFone's services as an Eligible Telecommunications Carrier in Arizona. On March 31, 2011, TracFone, in compliance with the March 1, 2011 Order, sent letters to the listed agencies by overnight mail. Copies of the letters are attached to this Affidavit as Attachment 1.

I hereby certify that, to the best of my knowledge, the foregoing is true and accurate.

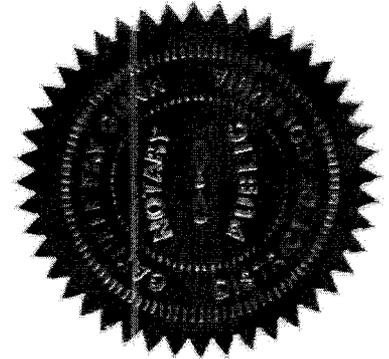
Debra McGuire Mercer
Debra McGuire Mercer

3/31/11
Date

Sworn to and subscribed before me this 30th day of March, 2011.

[Signature]

Notary Public



GAYNELL FAY GUNN
NOTARY PUBLIC DISTRICT OF COLUMBIA
My Commission Expires December 14, 2013

Attachment 1

March 31, 2011

VIA OVERNIGHT DELIVERY

Mr. Scott A. Smith
Director
Arizona Department of Administration
100 N. 15th Avenue
4th Floor
Phoenix, AZ 85007

Re: TracFone Wireless Inc. - Arizona Emergency Telecommunications Services
Revolving Fund

Dear Mr. Smith:

On March 1, 2011, the Arizona Corporation Commission (“Commission”) designated TracFone Wireless, Inc. (“TracFone”) as an Eligible Telecommunications Carrier pursuant to Section 214(e)(2) of the Communications Act of 1934, as amended, for the purpose of offering Lifeline service in the State of Arizona.¹ One of the issues raised in the Commission proceeding was whether TracFone is required to pay certain fees to various state agencies. As a compliance item in the Commission’s Order, TracFone is required to send a letter to the Department of Administration (“Department”) to seek clarification as to whether TracFone is required to pay the tax that funds the Arizona Emergency Telecommunications Services Revolving Fund (“AETSRF”). By this letter, TracFone asks this Department for confirmation that it is not required by applicable law to pay the tax that funds the AETSRF.

A.R.S. § 42-5252(A) levies a tax for the purpose of financing emergency telecommunications services. Section 42-5252(C), which states how the tax must be collected from customers, provides: “Each provider shall state on the invoice to customers a separate line item stating the amount of tax levied.” TracFone, as a provider of prepaid wireless telecommunications services, does not issue invoices to its customers. Therefore, TracFone is not subject to A.R.S. § 42-5252 and is not obligated to remit the tax.

¹ See In the Matter of the Application of TracFone Wireless, Inc. for Designation as an Eligible Telecommunications Carrier for the Limited Purpose of Offering Lifeline Service to Qualified Households in Arizona, Order, Docket No. T-20664A-09-0148 (March 1, 2011).

Mr. Smith
March 31, 2011
Page 2 of 2

Furthermore, under Section 42-5252(C), providers of post-paid (billed) wireless services have the opportunity to collect the tax directly from their customers through the billing process, whereas providers of prepaid services have no opportunity to do so. If TracFone is required to pay the tax directly from its own funds, as opposed to being able to collect the tax from its customers, it will be at a competitive disadvantage in relation to postpaid or billing providers. Such a requirement would violate the important principle of competitive neutrality codified in Section 253 of the Communications Act of 1934, as amended (47 U.S.C. § 253).

As explained in this letter, under Arizona law, TracFone is not required to pay the tax that funds the AETSRF. In accordance with the Commission's March 1, 2011 Order, please advise TracFone if the Department disagrees with the legal conclusions stated herein.

Sincerely,



Mitchell F. Brecher
Counsel for TracFone Wireless, Inc.

March 31, 2011

VIA OVERNIGHT DELIVERY

Ms. Sherri Collins
Executive Director
Arizona Commission for the Deaf and Hard of Hearing
1400 West Washington Street
Room 126
Phoenix, AZ 85007

Re: TracFone Wireless Inc. - Arizona Telecommunications Relay Services Fund

Dear Ms. Collins:

On March 1, 2011, the Arizona Corporation Commission designated TracFone Wireless, Inc. ("TracFone") as an Eligible Telecommunications Carrier pursuant to Section 214(e)(2) of the Communications Act of 1934, as amended, for the purpose of offering Lifeline service in the State of Arizona.¹ One of the issues raised in the Commission proceeding was whether TracFone is required to pay certain fees to various state agencies. As a compliance item in the Arizona Corporation Commission's Order, TracFone is required to send a letter to the Commission for the Deaf and Hard of Hearing ("Commission") to seek clarification as to whether TracFone is required to pay the tax that funds the Arizona Telecommunications Relay Services Fund ("ATRSF"). By this letter, TracFone asks this Commission for confirmation that it is not required by applicable law to pay the tax that funds the ATRSF.

A.R.S. § 42-5252(B) levies a tax for the purpose of financing telecommunication devices for the deaf and the severely hearing and speech impaired. Section 42-5252(C), which states how the tax must be collected from customers, provides: "Each provider shall state on the invoice to customers a separate line item stating the amount of tax levied." TracFone, as a provider of prepaid wireless telecommunications services, does not issue invoices to its customers. Therefore, TracFone is not subject to A.R.S. § 42-5252 and is not obligated to remit the tax.

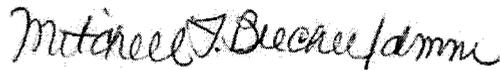
¹ See In the Matter of the Application of TracFone Wireless, Inc. for Designation as an Eligible Telecommunications Carrier for the Limited Purpose of Offering Lifeline Service to Qualified Households in Arizona, Order, Docket No. T-20664A-09-0148 (March 1, 2011).

Ms. Collins
March 31, 2011
Page 2 of 2

Furthermore, under Section 42-5252(C), providers of post-paid (billed) wireless services have the opportunity to collect the tax directly from their customers through the billing process, whereas providers of prepaid services have no opportunity to do so. If TracFone is required to pay the tax directly from its own funds, as opposed to being able to collect the tax from its customers, it will be at a competitive disadvantage in relation to postpaid or billing providers. Such a requirement would violate the important principle of competitive neutrality codified in Section 253 of the Communications Act of 1934, as amended (47 U.S.C. § 253).

As explained in this letter, under Arizona law, TracFone is not required to pay the tax that funds the ATRSF. In accordance with the Arizona Corporation Commission's March 1, 2011 Order, please advise TracFone if the Commission disagrees with the legal conclusions stated herein.

Sincerely,



Mitchell F. Brecher
Counsel for TracFone Wireless, Inc.

March 31, 2011

VIA OVERNIGHT DELIVERY

Mr. Ernest G. Johnson
Executive Director
Arizona Corporation Commission
1200 West Washington
Phoenix, AZ 85007

Re: TracFone Wireless Inc. - Arizona Corporation Commission Assessment,
Residential Utility Consumer Assessment, and Arizona Universal Service Fund

Dear Mr. Johnson:

On March 1, 2011, the Commission designated TracFone Wireless, Inc. ("TracFone") as an Eligible Telecommunications Carrier for the purpose of offering Lifeline service in the State of Arizona.¹ One of the issues raised in the Commission proceeding was whether TracFone is required to pay certain fees to various state agencies. As a compliance item in the Commission's Order, TracFone is required to send a letter to each agency with jurisdictional authority over the relevant fee seeking clarification as to whether the fee applies to TracFone. By this letter, TracFone asks this Commission for confirmation that TracFone is not required by applicable Arizona law to pay the Commission Assessment ("ACC Assessment) and the Residential Utility Consumer Assessment ("RUC Assessment") or contribute to the Arizona Universal Service Fund ("AUSF").

The ACC Assessment is governed by A.R.S. § 40-401. Section 40-401(A) provides:

To enable the corporation commission to perform its lawful duties relating to classifications to be used, rates and charges to be made and collected, rules and regulations to be prescribed, and supervision over public service corporations, the commission shall annually make an assessment against each such corporation,

¹ See In the Matter of the Application of TracFone Wireless, Inc. for Designation as an Eligible Telecommunications Carrier for the Limited Purpose of Offering Lifeline Service to Qualified Households in Arizona, Order, Docket No. T-20664A-09-0148 (March 1, 2011).

Mr. Johnson
March 31, 2011
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excepting corporations not required to hold certificates of convenience and necessity.

(emphasis added). TracFone, as a reseller of commercial mobile radio service, is not required to hold a certificate of convenience and necessity and does not hold such a certificate. Therefore, the ACC Assessment is not applicable to TracFone.

The RUC Assessment is governed by A.R.S. § 40-401.01. Section 401.01(A) provides:

To fund the residential utility consumer office the commission shall annually make a residential utility consumer assessment against each public service corporation, excepting corporations not required to hold certificates of convenience and necessity and member-owned nonprofit cooperative corporations.

(emphasis added). As noted above, TracFone is a reseller of commercial mobile radio service, and, as such, is not required to hold a certificate of convenience and necessity. Therefore, the RUC Assessment is not applicable to TracFone.

Contributions to the AUSF are governed by A.A.C. R14-2-1204. A.A.C. R14-2-1204(B) provides: "All wireless carriers including but not limited to paging and other Commercial Mobile Radio Service providers, that interconnect to the public switched network will contribute to the AUSF" A.A.C. R14-2-1204(B) further provides: "The number of interconnecting trunks obtained from the local access provider by the wireless provider shall be utilized in conjunction with a Conversion Factor to determine AUSF support from such wireless provider by means of a surcharge on such interconnecting trunks." TracFone, as a reseller of wireless services, does not interconnect with the public switched network nor does it have any interconnecting trunks (since it does not have any facilities). Its underlying carriers do interconnect with the public switched network, are subject to AUSF contribution requirements, and presumably may seek to recover some portion of those AUSF contributions from their customers, including TracFone. Therefore, TracFone is only required to indirectly contribute to the AUSF to the extent that its underlying carriers seek payment from TracFone. TracFone is not obligated to make direct payments to the AUSF.

Mr. Johnson
March 31, 2011
Page 3 of 3

As explained in this letter, under Arizona law, TracFone is not required to pay the ACC Assessment and RUC Assessment or contribute to the AUSF. In accordance with the Commission's March 1, 2011 Order, please advise TracFone if the Commission disagrees with the legal conclusions stated herein.

Sincerely,

A handwritten signature in cursive script that reads "Mitchell F. Brecher".

Mitchell F. Brecher
Counsel for TracFone Wireless, Inc.