

## Washington State Conditions on TracFone Designation as an Eligible Telecommunications Carrier

### (Modified Settlement Agreement Approved Oct 26, 2010) (Staff-Proposed Modified Conditions for May 29, 2014 Open Meeting)

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. Before the end of one year after the effective date of the Order, TracFone may seek to renew its designation pursuant to WAC 480-123-030 through 040. TracFone's interim designation shall continue until the Commission's decision on designation.~~<sup>1</sup> TracFone Wireless, Inc.'s (TracFone or Company) shall utilize federal default eligibility criteria only, i.e., stop utilizing Washington Telephone Assistance Program's eligibility criteria that are not on the federal list, no later than July 1, 2014. All existing customers who enrolled in the Company's Lifeline plan prior to July 1, 2014 based on criteria other than programs on the federal default list must be grandfathered.
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. ~~2.~~ TracFone shall file with the Commission any future changes to its rates, terms, or conditions or Lifeline customer application form at least one day prior to the effective date of the change.

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<sup>1</sup> ~~Modified at the direction of the Commission pursuant to Order 03-162.~~

4.3. The information on TracFone’s rates, key terms and conditions, e.g., return policy, usage definition, refill methods, annual recertification requirement, and customer service contact, shall be provided in a ~~welcome~~ package sent to or given to Lifeline customers after enrollment in TracFone’s Lifeline program, as well as at TracFone’s official Lifeline websites.

~~4. For the rate plans free of charge to customers, TracFone must offer at least one plan with a minimum of 250 minutes per month. The Company may invoke Condition No.2 only for the purpose of increasing the number of minutes or enhancing the features in the Lifeline plan, but not decreasing the number of minutes.~~

~~5. TracFone shall also provide Lifeline customers with the choice of all other rate plans available to regular customers.~~

~~6. TracFone will offer Washington customers Lifeline service consisting of the three options listed in Table 1 below. During this interim period (i.e., the time until the Commission issues an order recertifying TracFone’s ETC designation for Lifeline services), the following conditions will apply to the plans:~~

~~1. Plan 1 and Plan 2 will be offered throughout the interim period. TracFone will have the ability to change these plans, in accordance with Condition No. 3 to Attachment 2 of the Settlement Agreement, but must not eliminate these plans.~~

~~2. Plan 3 must be offered throughout the interim period. TracFone must offer a minimum of 250 minutes. The company may invoke Condition No. 3 to Attachment 2 of the Settlement Agreement only for the purpose of increasing the number of minutes in this plan.~~

~~Customers may switch from one SafeLink<sup>®</sup> plan to another SafeLink<sup>®</sup> plan by contacting Customer Care. A change in plan requested by the 25<sup>th</sup> day of a month will take effect at the beginning of the next month.<sup>2</sup>~~

Table 1— SafeLink Wireless <sup>®</sup> Plan Options					
	<b>Free Monthly Minutes Included in Plan</b>	<b>Unused Minutes Carryover Each Month</b>	<b>Text Message Charge*</b>	<b>Free International Long Distance</b>	<b>Voicemail Caller ID Call Waiting</b>
<b>Plan 1</b>	68 in all states (80 in MA)	Yes	3 Texts/1 Minute	Yes	Yes
<b>Plan 2</b>	125	Yes	1 Text/1 Minute	No	Yes

<sup>2</sup> Modified pursuant to the Parties’ Joint Motion to Modify Settlement Agreement, approved by the Commission in Order 05.

<b>Plan 3</b>	250	No**	1-Text/1 Minute	No	Yes
<p><del>*These text messaging rates will apply even if a different text messaging rate is stated on an airtime card.</del></p> <p><del>**Phone will reset to 250 minutes each month when the monthly minutes are delivered and all unused minutes, including purchased airtime minutes and free monthly minutes from the previous month, will be lost.</del></p>					

7.5. TracFone shall deactivate a ~~SafeLink Wireless Lifeline~~ account if the customer has no usage for 60 consecutive days pursuant to 47 C.F.R. § 54.407(c)(2). 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 Lifeline~~ account by incurring "usage" as defined in 47 C.F.R. § 54.107(c)(2). When a customer reactivates the account, TracFone must and deposit restore the minutes the customer is entitled to for accrued during the 60 day non-usage period and the 30 day grace period.

8.6. 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 by 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~~.

9.7. 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.

10.8. ~~Tracfone~~ 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. TracFone shall maintain access to DSHS's online query database to verify the eligibility of Lifeline applicants who qualify based on their participation in Medicaid, Supplemental Nutrition Assistance Program, Supplemental Security Income and Temporary Assistance for Needy Families. This condition shall be required until the national Lifeline eligibility database is fully functional.

11.9. TracFone must ~~modify its Lifeline services in Washington so that airtime minutes are not deducted not deduct airtime minutes~~ 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.

~~10.~~ By March 31 of each year, TracFone shall file with the Commission its complete Lifeline customer records of the prior calendar year. TracFone shall have DSHS audit its Washington Lifeline customers' eligibility (including program eligibility and duplication with other Lifeline providers) at least once a year. By January 31 of each year, TracFone shall provide DSHS with the complete record of its Washington Lifeline customers who qualify based on their participation in Medicaid, Supplemental Nutrition Assistance Program, Supplemental Security Income and Temporary Assistance for Needy Families in 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 notifies 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~~ Commission and DSHS within 60 days of the DSHS notice. This condition shall be required until the national Lifeline eligibility database is fully functional.

~~12-11.~~ TracFone shall provide the Commission a copy of its annual Lifeline Verification survey ~~Re-certification~~ results within 30 days ~~that~~ it files with the Universal Service Administration Company (USAC) ~~by August 31 of~~ each year.

~~13-12.~~ 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). This report shall not include calls from customers with regard to general inquiries such as account balance, additional purchases, service availability or technical support. The Commission reserves the rights to revoke TracFone's ETC designation if TracFone fails to provide reasonable quality of service.

~~14.~~ 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.

~~15.~~ 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.

~~16.~~13. 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.

~~17.~~14. 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.

~~18.~~15. 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.

~~19.~~16. TracFone shall cooperate with Commission staff on phone number conservation issues and shall comply with 47 C.F.R. §52.

17. TracFone shall comply with all applicable federal and Washington state statutes and regulations, including E911 tax contributions.

20-18. TracFone file with the Commission of the results of any audits (including in-depth data validations) or investigations on the Company's Lifeline operation in any states or jurisdictions conducted by the FCC or USAC within 14 calendar days from the receipt of results. The Company must also notify the Commission of any ongoing investigation that has resulted in monetary or administrative penalty (e.g., suspension of Universal Service Fund reimbursement, suspension of Lifeline program operation) within 14 calendar days of the occurrence of such events. To the extent the Company deems the above information confidential, the Company may submit the notification on a confidential basis consistent with Commission rules.