

February 16, 2011

**Via Electronic Filing and U.S. Mail**

Mr. Dave Danner  
Executive Director/Secretary  
Washington Utilities and Transportation Commission  
1300 S. Evergreen Park Drive, S.W.  
Olympia, WA 98504-7250

**Re: Telrite Corporation d/b/a Life Wireless Petition for Designation  
as an Eligible Telecommunications Carrier**

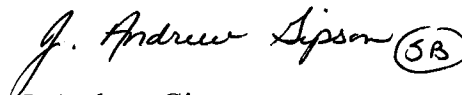
Dear Mr. Danner:

Please find enclosed for filing the original and twelve (12) copies of the Petition of Telrite Corporation d/b/a Life Wireless for Designation as an Eligible Telecommunications Carrier in the State of Washington on a Wireless Basis (Low Income Only). Pursuant to RCW 80.04.095 and WAC 480-07-160(c), I am filing the network diagram and financial information under confidential seal.

Please contact me or my assistant, Sherry Boyd (601) 949-4737, [sboyd@watkinsludlam.com](mailto:sboyd@watkinsludlam.com), if you have any questions or comments regarding this filing.

Sincerely,

WATKINS LUDLAM WINTER & STENNIS, P.A.

  
J. Andrew Gipson

JAG/ssb  
Enclosures

cc: Brian Lisle  
Michael Geoffroy, Esq.  
Margarett A. Johnson, Esq.

**BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**In the Matter of the Petition of** )  
 )  
**Telrite Corporation d/b/a Life Wireless** )  
**For Designation as an Eligible** )  
**Telecommunications Carrier in the State of** )  
**Washington Pursuant to 47 U.S.C. § 214(e)(2)** )  
**on a Wireless Basis (Low Income Only)** )

**DOCKET NO.** \_\_\_\_\_

**PETITION OF TELRITE CORPORATION D/B/A LIFE WIRELESS FOR  
DESIGNATION AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER  
IN THE STATE OF WASHINGTON ON A WIRELESS BASIS (LOW INCOME ONLY)**

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*Counsel for Telrite Corporation*

February 11, 2011

**BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**In the Matter of the Petition of** )  
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**Telrite Corporation d/b/a Life Wireless** )  
**For Designation as an Eligible** )  
**Telecommunications Carrier in the State of** )  
**Washington Pursuant to 47 U.S.C. § 214(e)(2)** )  
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**DOCKET NO.** \_\_\_\_\_

**PETITION OF TELRITE CORPORATION D/B/A LIFE WIRELESS FOR  
DESIGNATION AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER  
IN THE STATE OF WASHINGTON ON A WIRELESS BASIS (LOW INCOME ONLY)**

COMES NOW Telrite Corporation d/b/a/ Life Wireless (“Telrite” or the “Company”), by its undersigned counsel, and pursuant to Section 214(e) of the Telecommunications Act of 1996 (the “1996 Act”), 47 U.S.C. § 214(e), Federal Communications Commission (“FCC”) Universal Services, 47 C.F.R. §§ 54.101 through 54.207 (the “FCC Rules”), and Washington Administrative Code (“WAC”) §§ 480-123-030, hereby requests that the Washington Utilities and Transportation Commission (the “Commission”) designate Telrite as an Eligible Telecommunications Carrier (“ETC”) in the state of Washington (the “Service Area”) for the purpose of receiving federal universal service support for prepaid wireless services. Telrite will not seek access to federal Universal Service Funds for the purpose of providing service to high-cost areas. At this time Telrite does not seek designation as an ETC on a wireline basis. A list of each exchange for which Telrite is requesting ETC status in the State of Washington is attached hereto as **Exhibit “A.”**

Telrite respectfully requests that the Commission grant this Petition and that it do so expeditiously so that Telrite may provide wireless service to low income households as soon as possible. In further support of its Petition, Telrite states as follows:

**I. GENERAL INFORMATION.**

A. Telrite Corporation, d/b/a Life Wireless, is a Georgia corporation with its principal offices located at 4113 Monticello Street, Covington, Georgia 30014.

B. Correspondence or communications pertaining to this Petition should be directed to Telrite's attorney of record:

J. Andrew Gipson  
Margarett A. Johnson  
WATKINS LUDLAM WINTER & STENNIS, P.A.  
190 E. Capitol Street, Suite 800 (39201)  
P. O. Box 427  
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[mjohnson@watkinsludlam.com](mailto:mjohnson@watkinsludlam.com)

C. Questions concerning the ongoing operations of Telrite following certification should be directed to:

Brian Lisle, President  
Telrite Corporation  
1480 Terrell Mill Road, SE  
Suite 1  
Marietta, Georgia 30067  
Telephone: 678-202-0812  
Facsimile:  
Email: [brian.lisle@telrite.com](mailto:brian.lisle@telrite.com)

**II. BACKGROUND.**

Section 254 of the 1996 Act provides for universal service. Universal service is a principal component of federal telecommunications policy, such that the FCC has adopted a

number of cost recovery policies and mechanisms designed to ensure access to basic telecommunications services at affordable prices for all Americans.

One key component of universal service is the availability of subsidies from the Universal Service Fund (“USF”), created by the 1996 Act. The Universal Service Fund was created, in part, to provide support to qualifying low-income communications end-users such as those serviced by Telrite. Mechanisms were also established in an effort to moderate the amount of costs to be recovered through basic, recurring charges to low-income users, thereby assisting efforts to maintain reasonable basic rate levels. Only a common carrier designated as an ETC under 47 U.S.C. § 214 is eligible to receive subsidies from the federal Universal Service Fund. Wireless carriers are common carriers under federal law.<sup>1</sup> Common carriers that provide services consistent with the requirements of Section 214(e) may be deemed ETCs.<sup>2</sup>

Section 214(e)(2) of the 1996 Act<sup>3</sup> provides that:

A State commission shall upon its own motion or upon request designate a common carrier that meets the requirements of paragraph (1) as an eligible telecommunications carrier for a service area designated by the State commission. Upon request and consistent with the public interest, convenience, and necessity, the State commission may, in the case of an area served by a rural telephone company, and shall, in the case of all other areas, designate more than one common carrier as an eligible telecommunications carrier for a service area designated by the State commission, so long as each additional requesting carrier meets the requirements of paragraph (1). Before designating an additional eligible telecommunications carrier for an area served by a rural telephone company, the State commission shall find that the designation is in the public interest.

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<sup>1</sup> 47 U.S.C. § 332(c)(1).

<sup>2</sup> 47 U.S.C. § 214(e)(6) provides that wireless carriers not otherwise subject to state commission jurisdiction shall be designated as ETCs if they meet the requirements of paragraph (1) consistent with applicable Federal and State law.

<sup>3</sup> 47 U.S.C. § 214(e)(2).

Section 214(e)(1) of the 1996 Act<sup>4</sup> provides:

A common carrier designated as an eligible telecommunications carrier under paragraph (2), (3), or (6) shall be eligible to receive universal service support in accordance with section 254 of this title and shall, throughout the service area for which the designation is received—

(A) offer the services that are supported by Federal universal service support mechanisms under section 254 (c) of this title, either using its own facilities or a combination of its own facilities and resale of another carrier's services (including the services offered by another eligible telecommunications carrier); and

(B) advertise the availability of such services and the charges therefore using media of general distribution.

Following passage of the 1996 Act, the FCC promulgated the FCC Rules to establish various requirements for carriers to meet before receiving ETC status.<sup>5</sup> Telrite will offer all of the services and functionalities detailed in Section 54.101(a) of the FCC Rules and will provide competitive wireless services throughout its Service Area through a combination of its own facilities and resold services. The provision of services over its own facilities and resale of other carrier's services will ensure that Telrite can provide services to customers throughout the Service Area.<sup>6</sup>

Pursuant to this Petition and in accordance with 47 C.F.R. § 54.202(a)(1), Telrite requests ETC status solely to provide Lifeline and Link-Up support to qualifying low-income customers throughout its Service Area. It is not seeking ETC designation on a wireline basis. Telrite does not request ETC status for the purpose of participating in any High Cost programs of the USF.

ETC designation will enhance Telrite's ability to provide service to low income consumers within the Service Area, and since this Petition is for the purpose of receiving low

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<sup>4</sup> 47 U.S.C. § 214(e)(1).

<sup>5</sup> 47 C.F.R. §§ 54.101 through 54.207.

<sup>6</sup> 47 C.F.R. § 54.101(a).

income universal service support, Telrite's wireless offering will supplement and not detract from the provision of supported services in such area.

Upon designation as an ETC, Telrite will make Lifeline and Link-Up service available to qualifying customers in the Service Area pursuant to the guidelines and requirements of the universal service program and 47 C.F.R. §§ 54.202(a)(1)-(a)(2).

### **III. TELRITE MEETS THE REQUIREMENTS FOR DESIGNATION AS AN ETC TO SERVE DESIGNATED NON-RURAL AREAS IN THE STATE OF WASHINGTON**

As demonstrated below, Telrite meets the requirements for ETC designation by the Commission pursuant to Section 214(e)(2) of 1996 Act.<sup>7</sup> In addition, Telrite complies with the standards established by the FCC for determining whether applicants for ETC status serve the public interest.<sup>8</sup>

#### **A. The Commission Has Jurisdiction to Designate Telrite as an ETC.**

Pursuant to the provisions of 47 USC § 214(e)(2), the Commission has the statutory authority to designate a common carrier as an ETC that uses "either its own facilities or a combination of its own facilities and resale of another carrier's services,"<sup>9</sup> and advertises "the availability of such services and the related charges using media of general distribution."<sup>10</sup> As discussed in subsequent sections of this Petition, Telrite meets the facilities-based requirement of the 1996 Act and commits to advertise the availability of its Lifeline and Link-Up programs.

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<sup>7</sup> 47 U.S.C. § 214(e)(2).

<sup>8</sup> See Federal-State Joint Board on Universal Service, *Report and Order*, CC Docket No. 96-45, 20 FCC Rcd 6371, ¶ 40-43 (Rel, March 17, 2005).

<sup>9</sup> 47 U.S.C. § 214(e)(2).

<sup>10</sup> 47 C.F.R. § 54.201(d)(2).

**B. Telrite Will Provide Service Through a Combination of its Own Facilities and Resale of Other Carriers' Services.**

Telrite is a facilities-based carrier and will offer all of the services and functionalities required under Section 54.101(a) of the FCC Rules through a combination of its own facilities and resale of other carriers' services. Consistent with the requirements of Section 214 of the Federal Communications Act of 1934, as amended, ("Communications Act"), 47 U.S.C. §214 (e) (6) and Sections 54.101 through 54.207 of the FCC Rules, Telrite, in its provision of wireless services, will rely on a combination of resold services which the Company will obtain from underlying wireless providers that currently operate their own networks, and Company-owned facilities, thus allowing Telrite to meet the FCC's test that requires an ETC to provide services, at least in part, through a "combination of its own facilities and resale of another carrier's services".<sup>11</sup> The Company maintains its own facilities within the State of Georgia. These facilities are co-located with other carriers' facilities, and provide Telrite the ability to provide one or more of the supported services as described and depicted in the network diagram attached hereto as Trade Secret **Exhibit "B."**

Telrite's resale of services through commercial mobile radio service ("CMRS") providers allow the Company to supplement the services provided through Company-owned facilities. Through these arrangements, Telrite is able to offer all of the services and functionalities supported by the universal service program, as detailed in Section 54.101(a) of the FCC Rules, throughout its Service Area<sup>12</sup>, thereby allowing the Company to provide service to its customers throughout the Service Area.

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<sup>11</sup> See 47 U.S.C. § 214(e)(1)(A).

<sup>12</sup> See 47 C.F.R. § 54.101(a).



Currently, there is no state or federal definition or requirement as to the number of, or the amount of, the supported services that an ETC must offer via its “own facilities.” The ETC must provide some portion of the supported facilities through the use of the same, which Telrite does. Therefore, Telrite is able to meet the federal requirement that an ETC must offer the supported services at least in part through the use of its own facilities. Additionally, Federal law does not require any particular level of facilities. The FCC stated in its Universal Service Order, 12 FCC Rcd 8853, FCC 97-157 (“USF Order”), at para. 169 that:

We adopt the Joint Board’s analysis and conclusion that a carrier need not offer universal service wholly over its own facilities in order to be designated as eligible because the statute allows an eligible carrier to offer the supported services through a combination of its own facilities and resale. Although the Joint Board did not reach this issue, we find that the statute does not dictate that a carrier use a specific level of its “own facilities” in providing the services designated for universal service support given that the statute provides only that a carrier may use a “combination of its own facilities and resale” and does not qualify the term “own facilities” with respect to the amount of facilities a carrier must use. For the same reasons, we find that the statute does not require a carrier to use its own facilities to provide each of the designated services but, instead, permits a carrier to use its own facilities to provide at least one of the supported services.

In affirming its own decisions, the FCC chose to continue to define the term “own facilities” as “*any physical components* of the telecommunications network that are used in the transmission of the services that are designated for support”<sup>13</sup> (emphasis added). The Communications Act’s definition of “network element” matches that of the FCC and defines a “network element” as “a facility or equipment used in the provision of a telecommunications service. Such term also includes features, functions, and capabilities that are provided by means of such facility or equipment, including subscriber numbers, databases, signaling systems, and information sufficient for billing and collection or used in the transmission, routing, or other

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<sup>13</sup> See 47 C.F.R. § 54.101; 47 C.F.R. § 54.201(e).

provision of a telecommunications service.”<sup>14</sup> All facilities-based carriers have and use network elements.<sup>15</sup>

**C. Telrite Will Offer All of the Required Services and Functionalities.**

In order to be designated as an ETC, the FCC Rules require that carriers offer all of the services supported by the federal universal service mechanisms. As demonstrated below, Telrite will offer the supported services throughout the Service Area, through a combination of its own facilities and resale of other carriers’ services. Under federal rules, the ETC must offer the following services<sup>16</sup>:

**1. Voice grade access to the public switched network [47 C.F.R. § 54.101(a)(1)].** “Voice grade access” permits a telecommunications user to transmit voice communications, including signaling the network that the caller wishes to place a call, and to receive voice communications, including receiving a signal that there is an incoming call. Through interconnection agreements with local exchange carriers (“LECs”) in Washington, Telrite’s customers will be able to make and receive calls on the public switched telephone network with a minimum bandwidth of 300 to 3000 Hertz. Telrite commits to responding to reasonable requests for service by providing service to a customer who has a billing address in the service area at the customer’s billing address or at a different address specified by the customer that represents the customer’s home or work location.

**2. Local usage [47 C.F.R. § 54.101(a)(2)].** “Local usage” is an amount of minutes of use of exchange service provided without an additional charge to end users. The FCC

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<sup>14</sup> See 47 U.S.C. § 153(29).

<sup>15</sup> Only ILEC network elements can be designated as “unbundled” under 47 U.S.C. § 251(c)(3) using the criteria in 47 U.S.C. § 251(d)(2), but all facility-based carriers, including nondominant wireline and wireless carriers also have “network elements.”

<sup>16</sup> 47 C.F.R. § 54.101(a)(1) – (9).

has specified that a local usage plan is acceptable if it is “comparable to the one offered by the incumbent LEC in the service areas for which the applicant seeks designation.”<sup>17</sup> This comparability analysis must proceed on a case-by-case basis, and take account of value-added capabilities and services incorporated into a plan. *Id.* Telrite's current local usage plans, summarized in **Exhibit “C”**, are comparable in value to those offered by ILECs operating in the requested Service Area. Telrite’s plan offers larger local calling areas (as compared to traditional wireline carriers), the convenience and security afforded by mobile telephone service, the opportunity for customers to control cost by receiving a preset amount of monthly airtime at no charge, the ability to purchase additional usage in the event that included usage has been exhausted, 9-1-1 service and, where available, E 9-1-1 service in accordance with current FCC requirements.

**3. Dual tone multi-frequency signaling or its functional equivalent [47 C.F.R. § 54.101(a)(3)].** Dual tone multi-frequency (“DTMF”) signaling is a method of signaling that facilitates the transportation of call set-up and call detail information. The FCC has recognized that, with respect to wireless carriers, it “is appropriate to support out-of-band signaling mechanisms as an alternative to DTMF signaling.” Federal-State Joint Ed On Universal Srv., Report and Order, 12 FCC Red 8776, at ¶ 71 (1997). Telrite currently uses out-of-band digital signaling and in-band multi-frequency signaling that is the functional equivalent to DTMF signaling.

**4. Single-Party Service or its Functional Equivalent [47 C.F.R. § 54.101(a)(4)].** With respect to wireless carriers, “single-party service” affords a user a dedicated

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<sup>17</sup> See Federal-State Joint Board on Universal Service, 20 FCC Rcd 6371, at ¶ 32 (2005).

message path for the length of a user's particular transmission. Telrite meets this requirement with respect to each of its service offerings.

**5. Access to emergency services [47 C.F.R. § 54.101(a)(5)].** “Access to emergency service” includes access to services, such as 911 and enhanced 911 (“E-911”), provided by local governments or other public safety organizations. Telrite currently provides its voice customers in Washington with such access, is capable of delivering automatic numbering information (“ANI”) and automatic location information (“ALI”) over its existing network, and otherwise satisfies applicable state and federal E-911 requirements. Further, Telrite pays all applicable E-911 fees in a timely manner. Telrite will continue to work with local public safety answering points (“PSAPs”) within its ETC service areas to make 911 and E-911 service available to its customers.

Under the FCC Rules, an ETC applicant must demonstrate its ability to remain functional in emergency situations<sup>18</sup>. Since Telrite is providing service to its customers through the use of facilities obtained from other carriers, this arrangement allows Telrite to provide to its customers the same ability to remain functional in emergency situations as currently provided by the carriers to their own customers, including access to a reasonable amount of back-up power to ensure functionality without an external power source, rerouting of traffic around damaged facilities, and the capability of managing traffic spikes resulting from emergency situations. In compliance with WAC § 480-123-030(1)(g), Telrite will ensure there are at least four hours of backup battery power at each cell site, back up generators at each microwave hub, and at least five hours backup battery power and backup generators at each switch. In addition, Telrite maintains backup power at its own facilities located in Georgia.

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<sup>18</sup> 47 C.F.R. § 54.202(a)(2); USF Order at Para 25.

6. **Access to Operator Services [47 C.F.R. § 54.101(a)(6)].** “Access to operator services” means access to automatic or live assistance provided to a customer to arrange for the billing or completion, or both, of a telephone call. Telrite meets this requirement by providing access to operator services with respect to billing questions to customers dialing “611,” and access to operator services with respect to call completion to customers dialing “411.”

7. **Access to interexchange service [47 C.F.R. § 54.101(a)(7)].** With respect to wireless carriers, “access to interexchange service” means access to the functional equivalent of the use of the loop, as well as that portion of the switch that is paid for by the end user, necessary to access an interexchange carrier's network. Telrite meets this requirement by providing all of its subscribers with the ability to make and receive interexchange or toll calls through Telrite's network.

8. **Access to directory assistance [47 C.F.R. § 54.101(a)(8)].** “Access to directory assistance” means access to a service that includes, but is not limited to, making available to customers, upon request, information contained in directory listings. Telrite meets this requirement by providing access to directory assistance to customers dialing “411.” listings. Telrite has the capability to provide and support operator calls.

9. **Toll Limitation [47 C.F.R. § 54.101(a)( 9)].** “Toll limitation” includes the offering of either “toll control” or “toll blocking” to qualifying low-income customers, as a means of limiting or blocking the completion of outgoing toll calls. Telrite meets this requirement because Telrite is a prepaid service provider, which means that customers pay for their service in advance and can use only the amount of service for which they have already paid. Telrite customers can use their service to complete both local and domestic telephone toll calls. Customers cannot be disconnected for failure to pay telephone toll charges or usage as the

company does not differentiate domestic telephone toll usage from local usage and all usage is paid for in advance. This service is ideal for low-income consumers who enjoy the ability to control or limit their charges for both local phone and telephone toll service.

**D. Telrite Will Be Able to Serve Customers in the Service Area Within a Reasonable Time.**

Because Telrite relies on a combination of resold services which the Company will obtain from underlying wireless providers that currently operate their own networks, and Company-owned facilities, Telrite will be able to make Lifeline and Link-Up service available to qualifying customers in the Service Area within a reasonable period of time of designation as an ETC, in accordance with 47 C.F.R. § 54.202(a)(1).

**E. Service Quality Commitments.**

Although Telrite utilizes its own facilities, it is also a reseller of other carriers' wireless services. As such, Telrite is able to offer service of the same quality and reliability as the underlying vendors. Telrite cannot guaranty that customers will never experience service disruptions, though Telrite offers service as reliable as any other wireless provider present in Washington.

As part of its commitment to consumer protection and service quality standards and in compliance with WAC § 480-123-130(1)(h), Telrite certifies that it will comply with the Cellular Telecommunications and Internet Association's ("CTIA") Consumer Code for Wireless Service as required under the FCC Rules.

**F. Telrite Will Advertise the Availability of Supported Services.**

Eligible Telecommunications Carriers must advertise universal services. ETCs must advertise the availability of, and the prevailing prices for, the universal services throughout the area in which they have been designated an ETC. Telrite will comply with the requirement regarding advertisement, and Telrite will utilize all universal service support for the provision,

maintenance, and upgrading of the supported services. Telrite will announce and advertise telecommunications services as an ETC where it provides service in its Service Area and will publicize the availability of Lifeline and Link-Up services in a manner reasonably calculated to reach those likely to qualify for those services. Accordingly, more low-income Washington residents will be made aware of the opportunities afforded to them under the Lifeline and Link-Up programs and will be able to take advantage of those opportunities by subscribing to Telrite's service.

**G. Telrite Will Comply with the Certification and Verification Requirements under 47 C.F.R. § 54.410.**

The FCC Rules require each ETC to comply with certification of eligibility and verification of continued eligibility for participation in the Lifeline program.<sup>19</sup> Telrite Has Internal Controls in Place to Prevent Subscribers from Receiving More Than One Lifeline Discount. Consistent with federal requirements, Telrite requires customers to self-certify at the time of service activation and annually thereafter that they: 1) are the head of household; 2) participate in one of the state-approved means tested programs; 3) will be receiving Lifeline-supported services only from Telrite; 4) do not currently receive Lifeline support; and 5) will notify Telrite in the event that they no longer participate in the qualifying program. Verification of continued eligibility is accomplished by Telrite's annual certification/verification process, in strict compliance with state and federal guidelines.

**H. Telrite Respectfully Requests a Waiver from Wash. Admin. Code § 480-123-030(1)(d) & (f).**

**1. Wash Admin. Code § 480-123-030(1)(d).** WAC § 480-123-030(1)(d) requires petitions for ETC designation to include a substantive plan of the investments to be

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<sup>19</sup> 47 C.F.R. § 54.410.

made with initial federal support during the first two years in which support is received. This requirement applies to carriers that seek high-cost support to fund investments to their networks.

Telrite is requesting ETC designation in Washington solely for the purpose of participating in the Lifeline program and Link-Up program as a prepaid wireless carrier. It is not seeking designation for the purpose of participating in the USF's high-cost program. Based on the foregoing, Telrite has no basis for filing an investment plan and should be exempt from WAC § 480-123-030(1)(d).

2. **Wash Admin. Code § 480-123-030(1)(f).** WAC § 480-123-030(1)(f) requires petitions for ETC designation to include a map in .shp format of proposed service areas (exchanges) with existing and planned locations of cell sites and shading to indicate where the carrier provides and plans to provide commercial mobile radio service signals. While Telrite does use its own facilities in combination with Telrite resale of services from underlying carriers, it does not own, control, nor plan to develop cell sites. Telrite's Service Area encompasses that of its underlying carriers in Washington. As Telrite does not have access to the underlying carriers' maps of geographic service areas showing the location of cell sites, Telrite respectfully requests a waiver of the requirement under WAC § 480-123-130(1)(f) to provide coverage maps.

#### **IV. DESIGNATION OF TELRITE AS AN ETC ON A WIRELESS BASIS IS IN THE PUBLIC INTEREST OF THE STATE OF WASHINGTON AND ITS LOW-INCOME TELECOMMUNICATIONS END-USERS.**

Under the 1996 Act, “[u]pon request and consistent with the public interest, convenience and necessity”<sup>20</sup> the Commission shall “designate more than one common carrier as an eligible telecommunications carrier for a service area designated”<sup>21</sup> by the Commission. In doing so, the

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<sup>20</sup> 47 C.F.R. § 54.201(c).

<sup>21</sup> *Id.*



Commission “shall find that the designation is in the public interest”.<sup>22</sup> Telrite complies with the standards established by the FCC for determining whether applicants for ETC status serve the public interest.<sup>23</sup> The FCC has determined that applications for ETC status in “non-rural” areas are *per se* in the public interest.<sup>24</sup>

The FCC Rules require that an ETC application demonstrate that designation would be consistent with the public interest, convenience and necessity and that prior to designating an ETC pursuant to section 214(e)(6), the Commission “shall consider the benefits of increased consumer choice, and the unique advantages...of the applicant’s service offering”.<sup>25</sup> Pursuant to this requirement, Telrite provides the following information which clearly demonstrates that Telrite’s designation as an ETC on a wireless basis is consistent with the public interest, convenience and necessity providing consumers with increased competitive choice through the offering of a unique service.

The FCC has also identified factors that are to be considered in determining whether designation of additional ETCs will serve the public interest such as whether the benefits of an additional ETC would outweigh potential harms. These factors include: 1) the benefits of increased competitive choice; and 2) the unique advantages and disadvantages of the company’s

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<sup>22</sup> *Id.*

<sup>23</sup> See Federal-State Joint Board on Universal Service, *Report and Order*, CC Docket No. 96-45, 20 FCC Rcd 6371, ¶ 40-43 (Rel, March 17, 2005).

<sup>24</sup> Federal-State Joint Board on Universal Service; Cellco Partnership d/b/a Bell Atlantic Mobile Petition for Designation as an Eligible Telecommunications Carrier, *Memorandum Opinion and Order*, CC Docket No. 96-45, 16 FCC Rcd 39, 45; -U 14 (Rel. Dec. 26, 2000) (hereinafter “*Cellco Partnership*”) (“For those areas served by non-rural telephone companies, such as the state of Delaware, we believe that designation of an additional ETC based upon a demonstration that the requesting carrier complies with the statutory eligibility obligations of section 214(e)(1) is *consistent per se with the public interest*. The carrier need make *no further showing* to satisfy this requirement.”) (emphasis added).

<sup>25</sup> 47 C.F.R. § 54.202(c).

service offerings.<sup>26</sup> Telrite affirms that its ETC designation meets these criteria as described below.

**A. Increased Competitive Choice.**

The FCC has determined that while designation of competitive ETCs promotes and benefits consumers by increasing customer choice, designation must include “an affirmative determination that such designation is in the public interest regardless of whether the applicant seeks designation in an area served by a rural or non-rural carrier.”<sup>27</sup> Telrite is seeking ETC designation on a wireless basis which will provide an additional valuable alternative to the existing telecommunications services currently available in these areas and will promote competition and facilitate the provision of advanced communications services to low-income residents of Washington.

Telrite believes that there are significant areas within its proposed ETC service area in which its target market, low income subscribers, are underserved by wireless telephone facilities. The mobility of Telrite’s prepaid wireless service will assist low income consumers who often must drive significant distances to places of employment, stores, schools, and other critical community locations, and it will provide timely access to emergency services as and when needed.

The public interest benefits of inclusion of the Company’s wireless service include larger local calling areas (as compared to traditional wireline carriers), the convenience and security afforded by mobile telephone service, the opportunity for customers to control cost by receiving a preset amount of monthly airtime at no charge, the ability to purchase additional usage in the

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<sup>26</sup> See 47 C.F.R. § 54.202(c).

<sup>27</sup> See Federal-State Joint Board on Universal Service, 20 FCC Rcd 6371, ¶ 42 (2005)

event that included usage has been exhausted, 9-1-1 service and, where available, E 9-1-1 service in accordance with current FCC requirements.

The inclusion of toll calling as a part of Telrite's wireless offering, along with the fact that service is provided without a monthly recurring charge, will allow consumers to avoid the risk of becoming burdened with large and unexpected charges for toll calling and unexpected overage charges.

Designation of the Company as an ETC on a wireless basis will also provide other carriers serving the same area an incentive to improve their existing networks and service offerings in order to remain competitive, which will result in improved consumer services and will also benefit consumers by allowing Telrite to offer the services designated for support at rates that are "just, reasonable, and affordable."<sup>28</sup>

As provided by the Communications Act, the availability of basic telecommunications services to low-income consumers is critical to the provision of public health, safety, and other services. In addition, the FCC has long acknowledged the benefits to consumers of being able to choose from a variety of telecommunications providers and the resulting variety of telecommunications services they provide.<sup>29</sup> This is of particular interest in cases where wireless providers, such as Telrite, seek to provide services as alternatives to those of the traditional ILEC. In the *Highland Cellular*<sup>30</sup> case, the FCC recognized and affirmed that some households may not have access to the public switched network as provided by the incumbent local exchange carrier. The availability of a wireless competitor benefits consumers who routinely

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<sup>28</sup> See 47 U.S.C. § 254(b)(1).

<sup>29</sup> See e.g., *Specialized Common Carrier Services*, 29 FCC 2d 870 (1971).

<sup>30</sup> Federal-State Joint Bd. on Universal Serv., *Highland Cellular, Inc.*, *Memorandum Opinion and Order*, 19 F.C.C.R. 6422 (2004).

drive long distances to attend work or school or to accomplish everyday tasks such as shopping or attending community and social events. The wireless service offered by Telrite will provide these consumers with a convenient and affordable alternative to traditional telecommunications service that can be used while at home and away from home.

The Lifeline and Link-Up service offered by Telrite also provides important benefits that are especially needed by low-income Washington residents in this time of economic downturn. As the Commission is aware, the Dow Jones Average, a primary indicator of the health of the economy, has been at a low ebb for a considerable period of time. Savings accounts, upon which many depend for emergencies and retirement, have significantly eroded. As of December, 2010 Washington's unemployment rate is reported to be 9.3 percent<sup>31</sup>, which has a significant impact on many residents of the state. The availability of a mobile telephone will be critical to the efforts of the unemployed as they search for other employment opportunities. Without a regular paycheck, wireless telephone service would become a luxury beyond the means of many of those persons.

Telrite's Lifeline and Link-Up programs will enable thousands of residents to obtain wireless service which would otherwise be unavailable to them. The economic circumstances indicate that low-income individuals, now more than ever, can greatly benefit from the advantages offered by Telrite's Lifeline and Link-Up service thus allowing those adversely impacted by the failing economy or job loss to have access to a free wireless service to assist in emergency situations, facilitate job search efforts, and to maintain contact with family members.

It is also a commonly accepted fact that in today's market, qualified Lifeline and Link-Up customers view the portability and convenience of wireless service not as a luxury, but as a

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<sup>31</sup> *Id.*

necessity. Mobile service allows children to reach their parents, wherever they may be, allows a person seeking employment the ability to be contacted by potential employers, and provides end users with the ability to contact emergency service providers, regardless of location.

Added together, Telrite expects these additional competitive advantages to create an atmosphere that will cause many qualified consumers, at their option, to select the Company's low income wireless Lifeline and Link-Up service in lieu of the more traditional wireline or wireless services.

**B. The Unique Advantages of Telrite's Service Offerings.**

Telrite will offer a unique, easy to use, competitive and highly affordable wireless telecommunications service, which it will make available to qualified consumers who either have no other service alternatives or who choose a wireless prepaid solution in lieu of more traditional services.

Telrite will provide universal service as an ETC in all of its Service Area.

Telrite is willing to accept carrier of last resort obligations throughout the universal service areas in which Telrite is designated as an ETC by the Commission.

Telrite will provide equal access to long distance carriers, to the extent to which it is able to do so.

Telrite offers a local usage plan comparable to the one offered by the ILEC in the service areas for which it seeks designation.

**C. Telrite's Lifeline Plan.** Lifeline is a component of one of four separate federal universal service fund mechanisms<sup>32</sup> known as the "low-income support mechanism".<sup>33</sup> and is

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<sup>32</sup> 47 C.F.R. § 54.8(a)(1); See "Definitions" at second sentence.

<sup>33</sup> 47 C.F.R. § 54.8(a)(1); See "Definitions" at first sentence.

defined in 47 C.F.R. § 54.401 as “a retail local service offering” “available only to qualified low-income consumers” “for which qualifying low-income consumers pay reduced charges as a result of application of the Lifeline support amount” “that includes the services or functionalities enumerated in § 54.401(a)(1) through (a)(9)”, which the Company will use to “[m]ake available Lifeline service...to qualifying low-income consumers”.<sup>34</sup> Under the Company’s Wireless Lifeline plan, qualified Lifeline customers who reside in the State of Washington will be provided with sixty-eight (68) minutes of free anytime local and long distance minutes each month. All low-income universal service support will be used to allow the Company to provide the service with no monthly recurring charge, thus ensuring that the consumer receives 100% of all universal service support funding for which the Company will seek reimbursement of USF Lifeline support necessary to provide the free minutes of airtime above. In the event that all airtime has been used, Lifeline customers will have the capability of purchasing additional airtime replenishment cards in \$10.00, \$25.00, and \$42.95 denominations. Airtime replenishment cards will be made available at retail outlets frequented by low income customers throughout the Service Area.

The wireless plan will also include a free handset, or upon request, activation of a customer-provided handset, and the following Custom Calling features:

- (1) Caller ID;
- (2) Call Waiting;
- (3) Call Forwarding;
- (4) 3-Way Calling
- (5) Voicemail.

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<sup>34</sup> 47 C.F.R. §§ 54.401(a), 54.401(a)(1), 54 401 (a)(2), 54.401(a)(3), 54.405(a).

At the customer's option, wireless handsets will be delivered or existing handsets updated at no charge to qualifying customers, service will be activated, and the requisite number of minutes will be added upon certification of the customer for Lifeline and Link-Up.

**D. Telrite's Link-Up Plan.** Like Lifeline, Link-Up is also a component of one of four separate federal universal service fund mechanisms<sup>35</sup> known as the "low-income support mechanism",<sup>36</sup> and is defined in 47 C.F.R. § 54.411 as an "assistance program for qualifying low-income consumers, *which an eligible telecommunications carrier shall offer as part of its obligations set forth in §§ 54.101(a)(9) and 54.101(b)*"<sup>37 38</sup> (emphasis added). Assistance is in the form of a "reduction in the carrier's customary charge for commencing telecommunications service for a single telecommunications connection" and "shall be half of the customary charge or \$30.00, whichever is less".<sup>39</sup> Consistent with FCC requirements, Telrite will use Link-Up support to reduce the company's "customary charge for commencing service" by "half of the customary charge..."<sup>40</sup>, which will result in a reduction of the Company's wireless activation charge by \$30.00. In addition, at the customer's request there is no charge to update the customer's existing handset.

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<sup>35</sup> 47 C.F.R. § 54.8(a)(1); See "Definitions" at second sentence.

<sup>36</sup> 47 C.F.R. § 54.8(a)(1); See "Definitions" at first sentence.

<sup>37</sup> 47 C.F.R. § 54.411(a). The plain reading of this definition is that an ETC is obligated to provide this discount to qualifying low-income consumers. In addition, 47 C.F.R. § 54.413(a) stipulates that carriers that provide Link-Up discounts, "may receive universal service support reimbursement for the revenue they forgo in reducing their customary charge for commencing telecommunications service..."

<sup>38</sup> 47 C.F.R. § 54.101(a)(9) is the specific obligation to offer Toll Limitation for qualifying low-income consumers while 47 C.F.R. § 54.101(b) is the requirement that an "eligible telecommunications carrier must offer each of the" services designated for support "in order to receive federal universal service support". As a part of its application, Telrite has demonstrated that it has the capability to and will offer all of the supported services specified in 47 C.F.R. § 54(a)(1) – (9).

<sup>39</sup> 47 C.F.R. § 54.411(a)(1).

<sup>40</sup> *Id.*

**E. Impact on the Universal Service Fund.**

Designation of Telrite on a Wireless Basis Will Impose a Negligible Burden on the USF. Telrite reiterates that it is applying for ETC designation solely for the purpose to provide Lifeline and Link-Up discounts to qualified low-income consumers and to seek reimbursement for the same and will not seek or accept High Cost support. Under the FCC Rules, an ETC applicant must submit a five-year plan that describes with specificity the proposed improvements or upgrades to the applicant's network on a wire-center-by-wire-center basis throughout its proposed Service Area. The only circumstance warranting deviation from this requirement is where an applicant's requested ETC serving territory would qualify it to receive no "high cost" USF support, but only "low income" USF support. Because Telrite seeks ETC designation solely for purposes of reimbursement for provision of subsidized Lifeline and Link-Up services to eligible customers, submission of a Five-Year Network Improvement Plan is not required at this time. Since Lifeline support is designed to reduce the monthly cost of telecommunication services for eligible consumers, is distributed on a per-customer basis, and is directly reflected in the price that the eligible customer pays, it is assured that all support received by the carrier is used to provide Lifeline services to consumers, thus promoting Lifeline and the availability of telephone service to low-income users, which is clearly in the public interest. In addition, designation of the Company as an ETC will not pose any adverse effect in the growth in the high cost portions of the USF, nor will it create or contribute to an erosion of high cost funding from any rural or non-rural telephone company.



The FCC reaffirmed this position when it stated that “the potential growth of the fund associated with high-cost support distributed to competitive ETCs” is not relevant to carriers seeking support associated with the low-income program.<sup>41</sup>

The FCC also recognized that the total effect of additional low-income-only ETC designations would have a minimal impact on the fund when it stated that “any increase in the size of the fund would be minimal and would be outweighed by the benefit of increasing eligible participation in the Lifeline and Link-Up programs, furthering the statutory goal of providing access to low-income consumers.”<sup>42</sup>

It is also vital to recognize that in the case of Lifeline and Link-Up support, an ETC receives USF support *only* for the customers it obtains. In the scenario where a competitive ETC obtains a Lifeline customer from another ETC, only the “capturing” ETC provides Lifeline discounts and as a result, only the “capturing” ETC receives support reimbursement.

In addition, all providers are required to contribute a portion of the interstate revenues received from their customers to the Universal Service Fund. In accordance with current federal regulations, Telrite will make contributions based on that portion of its revenue that is determined to be interstate. As such, approving Telrite as an ETC will actually create contributions to the USF that were previously non-existent.

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<sup>41</sup> Petition of TracFone Wireless, Inc. for Forbearance from 47 U.S.C. § 214(e)(1)(A) and 47 C.F.R. § 54.201(i), CC Docket No. 96-45, Order, 20 FCC Rcd 15095 (2005) (TracFone Forbearance Order) at ¶ 17.

<sup>42</sup> TracFone Forbearance Order, at ¶ 17.

**F. Designation of Telrite as an ETC Will Benefit Low Income Consumers in the State of Washington.**

Under the FCC Rules, an ETC applicant must demonstrate that it will satisfy applicable consumer protection and service quality standards<sup>43</sup>; Telrite will satisfy all such standards. As part of its certification requirements for providing local exchange services, Telrite must abide by the service quality and consumer protection rules. In addition, Telrite commits to reporting information on consumer complaints per 1,000 lines on an annual basis consistent with the FCC's USF Order.<sup>44</sup> Telrite in general commits to satisfying all such applicable state and federal requirements related to consumer protection and service quality standards.

In addition, designation of the Company as an ETC on a wireless basis will make Lifeline and Link-Up discounts available to many more Washington residents. This provision of Lifeline and Link-Up discounts is particularly valuable to low-income customers in the wireless field, where, to Telrite's knowledge, there are a limited number of wireless providers offering USF supported service and even fewer offering the same with absolutely no monthly recurring charge to the end-user. As such, the service for which Telrite seeks ETC status is unique.

Inclusion of Telrite wireless service will serve the public interest by increasing participation of qualified consumers in the Lifeline and Link-Up programs, thereby contributing to an overall increase in the number of Washington residents receiving Lifeline and Link-Up and an increase to the amount of federal USF dollars benefiting Washington residents.

Finally, inclusion of Telrite wireless service will serve the public interest by furthering the extensive role that Telrite believes it will play in the provision of communications service to

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<sup>43</sup> 47 C.F.R. §54.202(a)(3), 62 Fed. Reg. 15,978 at Para 28.

<sup>44</sup> USF Order at Para 4.

low-income consumers, transient users, and other consumers who, due to the restrictive credit criteria, deposit requirements, and long-term commitments of traditional service providers, are off network and, without any viable alternative, are likely to remain so.

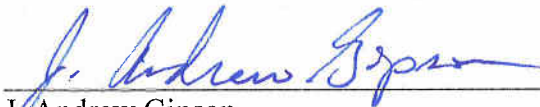
### CONCLUSION

Having demonstrated that Telrite satisfies the conditions necessary for designation as an ETC in Washington, and having shown that the public and universal service interests of the telecommunications consumers of the State of Washington will be properly served, Telrite respectfully requests that the Commission designate Telrite Corporation as an ETC for the provision of low income support on a wireless basis throughout the State of Washington. Telrite further requests the Commission grant it a waiver from WAC §§ 480-123-030(1)(d) and (f).

Respectfully submitted,

**TELRITE CORPORATION D/B/A LIFE  
WIRELESS**

By:

  
\_\_\_\_\_  
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Attorney

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## EXHIBITS

- Exhibit A - List of Exchanges
- Exhibit B - Facilities Diagram (Confidential)
- Exhibit C - Customer Terms and Conditions

**DECLARATION OF TELRITE CORPORATION**

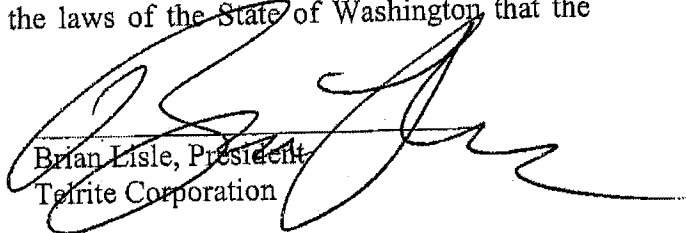
I, Brian Lisle, state as follows:

1. I serve as President of Telrite Corporation ("Telrite"). My business address is 1480 Terrell Mill Road, SE, Suite 1, Marietta, Georgia 30067.

2. I have read Telrite's Petition for Designation as an Eligible Telecommunications Carrier in the State of Washington on a Wireless Basis (Low Income Only), to which this Declaration is appended, and I declare and certify that the information contained therein to be true and correct to the best of my knowledge.

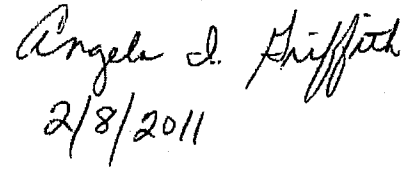
I declare under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct.

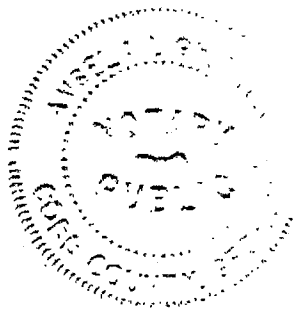
Dated: February 8, 2011  
Place of Execution: Marietta, Georgia

  
Brian Lisle, President  
Telrite Corporation

NOTARY PUBLIC

My Commission Expires:  
Notary Public, Cobb County, Georgia  
My Commission Expires July 2, 2011

  
2/8/2011

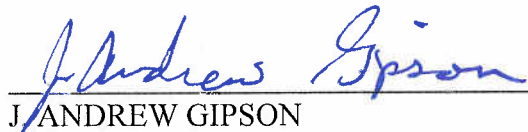


**CERTIFICATE OF SERVICE**

I, J. Andrew Gipson, do hereby certify that I have this day caused to be filed with the Washington Utilities and Transportation Commission via electronic filing the foregoing Petition to the following:

Mr. Dave Danner  
Executive Director/Secretary  
Washington Utilities and Transportation Commission  
1300 S. Evergreen Park Drive, S.W.  
Olympia, WA 98504-7250

This, the 16 day of February, 2011.

  
\_\_\_\_\_  
J. ANDREW GIPSON

WATKINS LUDLAM WINTER & STENNIS, P.A.  
190 East Capitol Street, Suite 800  
Jackson, Mississippi 39201  
Telephone: 601-949-4789  
Facsimile: 601-949-4804  
[agipson@watkinsludlam.com](mailto:agipson@watkinsludlam.com)

**EXHIBIT "A"**

**List of Exchanges**

**CLLJ****WIRE CENTER**

TRLKWAXX	TROUT LAKE
RSVTWAXA	ROOSEVELT
WHTSWAXA	WHITSTRAN
WLWLWA01	WALLA WALLA
WRLDWAXA	RICHLAND
PASCWA01	PASCO
PASNWAXA	PATERSON
PRSRWAXA	PROSSER
RCLDWAXA	RICHLAND
RCLDWAXB	RICHLAND
BNCYWAXX	BENTON CITY
MTCOWAXX	MATHEWS CORNER
MESAWAXX	MESA
BSCTWAXX	BASIN CITY
CNNLWAXA	CONNELL
DLPTWAAC	DALLESPORT
GLDLWAXA	GOLDENDALE
CLMAWAXA	COLUMBIA
KNWCWAXA	COTTONWOOD
KNWCWAXB	KENNEWICK
MTWAWAXA	MATTAWA
RDFDWA01	RIDGEFIELD
VANCWANO	VANCOUVER
VANCWA01	VANCOUVER
ORCHWA01	VANCOUVER
LGVVWA02	LONGVIEW-KELSO
OCSHWA01	COPALIS
ROCHWA01	ROCHESTER
OLYMWA02	OLYMPIA
SNYSWA01	BREMERTON
WNLCWA01	WINLOCK
ARLTWAXX	ARLETTA
OKHRWAXX	OAK HARBOR
PTLWWA01	PORT LUDLOW
PTTWWA01	PORT TOWNSEND
SLDLWASI	SILVERDALE
KGTNWAXA	HANSVILLE
TACMWALE	TACOMA
TACMWafa	TACOMA
STTLWawe	SEATTLE
TACMWaFL	TACOMA
TACMWAGF	TACOMA
TACMWaju	TACOMA
TACMWALO	TACOMA



CLL1WIRE CENTER

TACMWASY	TACOMA
GGHRWAXA	FOX ISLAND
VSHNWAXA	VASHON
VSHNWAXB	VASHON
STTLWASU	SEATTLE
STTLWA04	SEATTLE
RCBHWAXX	RICHMOND BEACH
SLLKWAXA	SILVER LAKE
STTLWA03	SEATTLE
STTLWA05	SEATTLE
STTLWA06	SEATTLE
STTLWACA	SEATTLE
STTLWAEI	SEATTLE SOUTH
STTLWALA	SEATTLE
STWDWAXX	STANWOOD
SWLYWAXA	SEDRO WOOLLEY
SUMSWAXX	SUMAS-GTLD
SWLYWAXX	CONTEL-SEDRO WOOLLEY
PYLPWA01	PUYALLUP
RNTNWA01	RENTON
SMNRWA01	SUMNER
STTLWACH	SEATTLE
STTLWADU	SEATTLE
STTLWAPA	SEATTLE
TACMWAWA	TACOMA WAVERLY
TACMWAWV	DES MOINES
ETVLWAXC	GRAHAM
SPRRWAXX	SOUTH PRAIRIE
RDMDWAXA	KIRKLAND
SMSHWAXA	KIRKLAND
SNHSWAXX	SNOHOMISH
ASLKWAXA	AMES LAKE
CRNTWAXX	CARNATION
FLCYWAXX	FALL CITY
MCCLWAXA	MCCLEARY
BMTNWA01	BREMERTON
BNISWA01	BAINBRIDGE ISLAND
TENNWAXA	BUCODA
BURLWAXA	SEDRO WOOLLEY
BLLVWAGL	BELLEVUE
BLLVWASH	BELLEVUE
BOTHWAXB	BOTHELLI
ABRDWA01	ABERDEEN-HOQUIAM
CENLWA01	CENTRALIA

CLLIWIRE CENTER

ELMAWAXA	ELMA
BLHMWALU	BELLINGHAM-GTLD
ANCRWAXX	ANACORTES
BLANWAXB	BLAINE-BIRCH BAY-GTLD
BLHMWA01	FERNDALE-GTLD
BRBAWAXA	BLAINE-BIRCH BAY-GTLD
AUBNWA01	AUBURN
BYLKWA01	SUMNER
BURLWAXX	CONTEL-SEDRO WOOLLEY
ACMEWAXA	ACME-DEMING-WHATCOMCTY
ALGRWAXX	CONTEL-SEDRO WOOLLEY
HDPTWA01	HOODSPORT
LACYWA01	OLYMPIA
COLBWA01	PORT ORCHARD
DESMWA01	DES MOINES
FDWYWA01	DES MOINES
GRHMWAGR	GRAHAM
HLLKWAXX	HALLS LAKE
JUNTWAXA	KIRKLAND
KENTWA01	KENT
KENTWAOB	SEATTLE
KRLDWAXX	KIRKLAND
MRISWA01	SEATTLE ADAMS
LACNWAXX	LA CONNER
CNTRWAXX	CHIMACUM-CENTER
CNWWYWAXX	CONTEL-SEDRO WOOLLEY
EVRTWAXA	LAKE GOODWIN
EVRTWAXC	EVERETT
EVRTWAXF	EVERETT
GRNRWAXX	PORT ANGELES-GARDINER
LKGWWAXA	LAKE GOODWIN
MRWYWAXA	HALLS LAKE
MTVRWAXF	MOUNT VERNON
LKSTWAXA	EVERETT
MYVIWAXX	MARYSVILLE2
ISQHWAXX	ISSAQUAH
CLVWWAXA	SNOHOMISH
ENMCWA01	ENUMCLAW
KENTWAME	KENT
MONRWAXX	MONROE
EVSNWAXX	EVERSON-GTLD
CSTRWAXA	CUSTER-GTLD
EDSNWAXX	CONTEL-SEDRO WOOLLEY
FNDLWAXA	FERNDALE-GTLD

CLLIWIRE CENTER

LARLWAXX	LAUREL-WHATCOMCTY
LYNDWAXX	LYNDEN-MAPLE FALLS-GTLD
SPKNWACH	SPOKANE
MDLKWAXX	MEDICAL LAKE
CHNYWAXC	CHENEY
ROSLWAXA	ROSALIA
THTNWAXA	ROSALIA
SPKNWAWA	SPOKANE
SPKNWAHD	SPOKANE
RCFRWAXB	SETTERS
SPKNWA01	LEWISTON
SPKNWAFa	SPOKANE
SPKNWAKY	SPOKANE
SPKNWAMO	SPOKANE
SPKNWAWH	SPOKANE
PLMNWAXX	PULLMAN
LINDWAXA	LIND
RTVLWAXA	BENGE
SPNGWAXA	SPANGLE
ASOTWAXA	ASOTIN
KTFLWAXA	KETTLE FALLS
SPRGWAXA	SPRAGUE
CLVLWA01	COLVILLE
DRPKWA01	DEER PARK
LBLKWA01	LIBERTY LAKE
GRBLWA01	GREEN BLUFF
YAKMWAVE	WENATCHEE
WNTCWAXX	KENNEWICK
WTVLWAXA	WATERVILLE
YAKMWA02	YAKIMA
TITNWAXX	TIETON
SNSDWAXX	PROSSER
WPATWAXX	WAPATO
WRDNWA01	WARDEN
ZLLHWAXA	TOPPENISH
QNCYWAXX	QUINCY
SOLKWAXX	SOAP LAKE
WSCKWAXA	WILSON CREEK
CLELWA01	CLE ELUM
ELBGWAXA	SELAH
ESTNWA01	EASTON
MBTNWAXX	MABTON
EPHRWA01	EPHRATA
GERGWAXX	GEORGE

CELL

WIRE CENTER

MNSNWAXA  
NCHSWAXX  
CWCHWAXX  
GDVWWAXA  
GRNGWAXA  
HRRHWAXA  
MSLKWA01  
MSLKWAAB

WENATCHEE  
NACHES  
COWICHE  
GRANDVIEW  
GRANGER  
HARRAH  
MOSES LAKE  
MOSES LAKE

## **EXHIBIT “B”**

### **Network Diagram**

The facilities Network Diagram provided herein (“Network Diagram”) contains confidential proprietary and financial information not generally available to the public. Due to the highly competitive nature of the telecommunications marketplace, Telrite Corporation deems this material to be proprietary. The Network Diagram is an exempt document pursuant to RCW 80.04.095 and WAC 480-07-160(c). Accordingly, the Network Diagram has been marked as confidential and is being submitted under seal to be maintained by the Commission on a confidential basis.

**EXHIBIT "C"**

**Customer Terms and Conditions**

# **LIFE WIRELESS™**

## **Customer Terms and Conditions**

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**Please read these LIFE WIRELESS Customer Terms and Conditions carefully. LIFE WIRELESS is a service of Telrite Corporation (TM) (hereafter "Telrite"). These LIFE WIRELESS Customer Terms and Conditions are a legally binding agreement between Customer and Telrite. They contain important information about Customer's legal rights, and require that certain disputes be resolved through Arbitration instead of a court trial. Telrite reserves the right to change or modify any of these LIFE WIRELESS Customer Terms and Conditions at any time and at its sole discretion. Any changes or modifications to these LIFE WIRELESS Customer Terms and Conditions will be binding once posted on the LIFE WIRELESS website found at [lifewireless.com](http://lifewireless.com).**

By qualifying and enrolling in the LIFE WIRELESS service ("Service") and by using the Service, you, the customer ("Customer"), the participant, acknowledge and agree to the following terms and conditions:

### **LIFE WIRELESS SERVICE DESCRIPTION**

LIFE WIRELESS Service is funded by the Lifeline program (part of the Universal Service Fund) and administered by the Universal Service Administrative Company. In order to participate in the LIFE WIRELESS Service, a person must meet certain eligibility requirements set by each state where the Service is to be provided. These requirements are based on a person's participation in a state or federal support program(s) or by meeting certain income requirements based upon the Income Poverty Guidelines as defined by the US Government. Federal law limits the availability of LIFE WIRELESS Service to **one (1)** per "household" and only the "head of household" is permitted to apply for the Service. Applicants for the LIFE WIRELESS Service must complete an application form, provide supporting documentation that he/she meets the eligibility requirements and agree, under penalty of perjury, to the following terms:

**HE/SHE IS ELIGIBLE AND CURRENTLY RECEIVES BENEFITS FROM THE PUBLIC ASSISTANCE PROGRAM(S) IDENTIFIED IN THE APPLICATION. HE/SHE IS A "HEAD OF HOUSEHOLD." HE/SHE DOES NOT CURRENTLY RECEIVE LIFELINE SUPPORT FOR A TELEPHONE LINE SERVING HIS/HER RESIDENTIAL ADDRESS AND NO OTHER RESIDENT IN HIS/HER HOUSEHOLD PARTICIPATES IN THE LIFELINE PROGRAM. IF HE/SHE IS ALREADY PARTICIPATING IN ANOTHER LIFELINE PROGRAM, THEN HE/SHE AGREES TO CANCEL HIS/HER CURRENT HOUSEHOLD LIFELINE SUPPORT PROVIDER IN FAVOR OF LIFE WIRELESS. HE/SHE IS NOT CLAIMED AS A DEPENDENT ON ANOTHER PERSON'S FEDERAL OR STATE INCOME TAX RETURN. HE/SHE WILL NOTIFY LIFE WIRELESS WHEN HE/SHE NO LONGER QUALIFIES FOR ANY OF THE PUBLIC ASSISTANCE PROGRAMS IDENTIFIED IN HIS/HER APPLICATION FORM BY CALLING 888-543-3620. HE/SHE WILL NOTIFY LIFE WIRELESS OF ANY CHANGE OF ADDRESS BY CALLING 888-543-3620. THAT THE INFORMATION CONTAINED IN HIS/HER APPLICATION IS TRUE AND CORRECT TO THE BEST OF HIS/HER KNOWLEDGE AND BELIEF.**

A person who submits a LIFE WIRELESS application, together with supporting documentation (when required), and who meets the eligibility requirements, will receive a discounted cellular phone provided by Telrite together with a free allotment of airtime minutes each month for up to one year. Telrite will determine at its sole discretion whether or not an applicant meets the eligibility requirements to participate in the LIFE WIRELESS Service. The airtime minutes Customer will receive on a monthly basis will vary from state to state. Please call LIFE WIRELESS at 1-800-LIFE or visit our website at [www.LifeWireless.com](http://www.LifeWireless.com), for further information on the number of minutes qualified applicants will receive each month. Persons who do not meet the eligibility requirements will be notified by US Mail and the reason for the non-eligibility will be provided. To continue qualifying each year for LIFE WIRELESS™ Service, each customer will be required and is responsible to re-qualify on an annual basis or as dictated by their state Public Service Commission. For annual re-qualification requirements, Telrite will also conduct verification drives for each state according to its rules. If Telrite determines during its verification drive that a customer fails to re-qualify for LIFE WIRELESS Service, such customer will immediately be deemed ineligible to participate in the LIFE WIRELESS Service and will no longer receive the free monthly minutes. Once a customer no longer participates in the LIFE WIRELESS Service (either by choice, disqualification, cancellation or termination), such customer may retain the LIFE WIRELESS phone, as well as any remaining service days and minutes for their use. Such person may remain as a Telrite customer as long as he/she complies with the Telrite Customer Terms and Conditions available at [www.Telrite.com](http://www.Telrite.com). A LIFE WIRELESS customer's enrollment may also be cancelled upon the request of a state and/or federal authority. Telrite and LIFE WIRELESS reserve the right to cancel the enrollment of any customer and/or ban the LIFE WIRELESS phone from being reactivated for any fraud related issues as determined solely by Telrite. While participating in the LIFE WIRELESS 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 LIFE WIRELESS. IT IS A VIOLATION OF FEDERAL AND STATE LAW TO SELL OR GIVE AWAY THE LIFE CELLULAR PHONE OR LIFE SERVICE PROVIDED TO CUSTOMER BY LIFE WIRELESS. Any violation of this prohibition will be reported to the appropriate legal authorities for prosecution. In addition, if Telrite determines, in its sole discretion, that a LIFE WIRELESS participant has violated these requirements and/or this Agreement, then such person may be de-enrolled from the Service, the person's handset may be permanently deactivated and the person's personal information may be permanently flagged so that such person may not qualify in the future for the LIFE WIRELESS Service. If Customer has any questions, concerns, comments or complaints regarding LIFE WIRELESS Service, offerings or products, please call LIFE WIRELESS Customer Care at 1-800-Life. Customer may also contact Customer's state's Public Service Commission/Public Utility Commission.

**ACTIVATING AND USING CUSTOMER'S LIFE WIRELESS HANDSET.**

If Customer's LIFE WIRELESS application is accepted, Customer will receive a pre-activated LIFE WIRELESS phone delivered to Customer's home address noted in the application. Customer must accept the LIFE WIRELESS telephone number assigned to Customer's LIFE WIRELESS phone at the time of activation and Customer will acquire no proprietary interest in any number assigned to Customer. The number assigned to Customer's LIFE



WIRELESS phone at the time of activation will not be changed for any reason, unless required by a Carrier, nor may a LIFE WIRELESS customer select a number to be assigned to his/her phone. The wireless telecommunications networks used to transmit calls for the LIFE WIRELESS Service are owned and operated by various licensed commercial mobile radio service providers ("Carriers"), not LIFE WIRELESS, nor Telrite. Customer's LIFE WIRELESS phone can only be used through Telrite, and cannot be activated with any other wireless or cellular service. LIFE WIRELESS Services are provided at Telrite™ discretion. Some functions and features referenced in the Manufacturer's manual provided with Customer's LIFE WIRELESS phone may not be available on Customer's LIFE WIRELESS handset. Telrite may modify or cancel any Service or take corrective action at any time without prior notice and for any reason, including but not limited to Customer's violation of this agreement. While Customer are eligible and participating in the LIFE WIRELESS Service, Customer will receive Customer's free monthly allotment of airtime minutes. However, in order to receive the monthly allotment Customer will need to turn on and leave on Customer's LIFE WIRELESS handset the first few days of each month.

#### **RETRIEVE AIRTIME MINUTES**

If Customer DO not receive Customer's monthly allotment of minutes because Customer's phone was not on at the beginning of the month or Customer's phone does not automatically retrieve minutes when turned on, Customer's minutes may be self-retrieved by following the instructions below. If for any reason these instructions do not work on Customer's handset, please call us at 1-888-543-3620.

#### **USAGE RATES.**

LIFE WIRELESS airtime is issued in minute/unit increments. "Units" are the same as minutes. Minutes/units are deducted from the LIFE WIRELESS phone at a rate of one (1) unit per minute and/or partial minute of use. There is no additional charge for nationwide long distance or for international long distance to countries designated at [www.Telrite.com](http://www.Telrite.com).

#### **TEXT MESSAGING.**

The rates to send or receive a text message to another person's phone using Customer's LIFE WIRELESS phone are 0.3 minutes/units per text message, for sending and 0.3 minutes/units per text for receiving. If Customer do not want minutes/units deducted from Customer's LIFE WIRELESS phone, then do not send a text message and/or do not open any incoming text messages. LIFE WIRELESS Service does not allow international text messages. Attempting to send international messages could result in service deactivation. Please note that LIFE WIRELESS 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 LIFE WIRELESS. Premium SMS campaigns include activities such as casting a vote, expressing Customer's opinion, playing a game, subscribing to a service, or interactive television programs. Customer should not attempt to participate in Premium SMS campaigns, unless it is a LIFE WIRELESS authorized campaign. Any text message Customer send to a "short code" will in all likelihood not go through. Any charges Customer may incur as a result of any attempts to participate in Premium SMS services or campaigns not

authorized by LIFE WIRELESS whether Customer incur charges as deductions from Customer's LIFE WIRELESS phone or from Customer's credit card, are not refundable. Customer may purchase from LIFE WIRELESS ring tones, graphics and certain information services and utilize multi-media services with certain LIFE WIRELESS models. See LIFE WIRELESS Data Services below.

#### **OVERSEAS CALLING.**

Customer may now use Customer's LIFE WIRELESS phone to make international calls to landlines (including some cellular phones in some countries) at no additional charge (See [www.Telrite.com](http://www.Telrite.com) for available countries and details). The available countries are subject to change without prior notice. In order to place an international call, Customer will need to dial the international long distance access number 1-800-\_\_\_\_\_ and follow the instructions. From Alaska, Hawaii and the U.S. Virgin Islands Customer will need to dial \_\_\_\_\_ as the international long distance access number. Airtime deductions for international calls begin the moment the International Long Distance ("ILD") access number is dialed and apply to dropped calls, misdialed numbers and busy destination numbers. When making international calls, Customer may experience connection failures more frequently than calls made within the United States. LIFE WIRELESS will not credit airtime minutes deducted for unsuccessful calls. Customer will not be able to make or receive calls on Customer's LIFE WIRELESS phone when Customer are located outside of the United States, Puerto Rico or the U.S. Virgin Islands (the "Coverage Area"). Any attempt to make or receive calls when Customer is located outside of the Coverage Area could result in service deactivation.

#### **ADDING AIRTIME.**

Customer's LIFE WIRELESS phone will only operate when Customer have airtime minutes/units available on the LIFE WIRELESS phone. If Customer run out of Customer's free monthly allotment of airtime, Customer may purchase and add airtime to Customer's phone. Customer add airtime by entering the PIN (obtained from either a LIFE WIRELESS or Telrite airtime card). Customer must add Customer's airtime to Customer's LIFE WIRELESS phone within one year from the date of purchase; otherwise the card/PIN expires and Customer will not be able to add those minutes to Customer's LIFE WIRELESS phone; nor receive a refund for any unused minutes.

#### **SERVICE END DATE AND DEACTIVATION.**

LIFE WIRELESS enrolled customers will receive 365 days of service upon qualification and enrollment and then another 365 days of service for re-qualification and re-enrollment. If Customer use Customer's phone regularly and receive Customer's monthly minutes but do not re-qualify or re-enroll or purchase and add airtime prior to the **Service End Date**(which is the date displayed on Customer's handset screen) Customer's service will be deactivated on the last day of service (Customer's Service End Date). In the event Telrite requires Customer to re-qualify and re-enroll in the LIFE WIRELESS Service and Customer fail to do so and Customer do not purchase a Telrite airtime card providing service days, then Customer's service will be deactivated on Customer's Service End Date and Customer **will lose Customer's handset phone number**, even if Customer have minutes remaining. To prevent this from occurring, please keep Customer's handset service active by both re-

qualifying and re-enrolling or by purchasing and adding Telrite airtime cards before the Service End Date. Notwithstanding the Service End Date displayed on Customer's handset, LIFE WIRELESS and Telrite reserve the right to deactivate and cancel the enrollment of any phone from the LIFE WIRELESS service in the event of no activity or Transaction for 60 consecutive days. If Customer's LIFE WIRELESS Service is deactivated because of no activity or Transaction in 60 consecutive days, Customer's phone may be reactivated by calling 1-888-543-3640 within the twelve month period from the initial enrollment or requalification date. If Customer re-activate Customer's LIFE WIRELESS phone and service within the twelve month period of Customer's enrollment, Customer will receive the monthly minutes that Customer were entitled to receive until Customer were deactivated but Customer will lose any and all minutes that Customer would have received during Customer's deactivation period. If Customer attempt to re-activate after twelve months from the initial enrollment or requalification date, Customer will need to re-qualify and re-enroll in the LIFE WIRELESS Service and no compensation or replacement of unused minutes will be provided.

**Once Customer reactivates, Customer's LIFE WIRELESS handset may be assigned a new phone number.** Airtime which remained at the time of deactivation will remain on Customer's handset if it is reactivated within 60 days from the deactivation date. However, airtime which remained at the time of deactivation may be lost if Customer's handset service remains deactivated for longer than 60 days.

#### **AIRTIME USAGE.**

Airtime minutes will be deducted for all time during which Customer's LIFE WIRELESS phone is connected to, or using, the wireless system of any Carrier. Use of a wireless system typically begins when Customer press the "send," "call" or other key to initiate or answer a call and does not end until Customer press the "end" key or the call is otherwise terminated. Airtime minutes are deducted for all incoming and outgoing calls, including incoming call waiting calls, calls to toll free numbers, 411, 611, Customer Care, and to access Customer's voice mail. Airtime minutes are deducted for all text messages sent and all incoming text messages which are opened. Airtime minutes are not deducted for calls to 911. For outbound calls, Customer may be charged airtime for incomplete and/or busy-no answer calls. Airtime minutes are deducted in full unit increments; partial minutes are rounded up to the next minute. Airtime minutes will also be deducted for use of other services such as text messaging and accessing the Telrite Mobile Web ("WAP"). No credit or refund is given for dropped calls.

**UNAUTHORIZED OR ILLEGAL USAGE; TAMPERING.** The LIFE WIRELESS handset is provided exclusively for use by Customer, the end consumer with the LIFE WIRELESS Service available solely in the United States, Puerto Rico and the U.S. Virgin Islands. Any other use of Customer's LIFE WIRELESS handset, including without limitation, any resale, unlocking and/or re-flashing of the handset is unauthorized and constitutes a violation of Customer's agreement with Telrite. Customer agree not to unlock, re-flash, tamper with or alter Customer's LIFE WIRELESS phone or its software, enter unauthorized PIN's, engage in any other unauthorized or illegal use of Customer's LIFE WIRELESS phone or the Service,

or assist others in such acts, or to sell and/or export LIFE WIRELESS handsets outside of the United States. These acts violate Telrite's rights and state and federal laws. Improper, illegal or unauthorized use of Customer's LIFE WIRELESS phone is a violation of this agreement and may result in immediate discontinuance of Services and legal action against Customer. Telrite will prosecute violators to the full extent of the law. Customer agree that any violation of this agreement through Customer's improper, illegal or unauthorized use or sale of Customer's LIFE WIRELESS phone shall entitle Telrite to recover liquidated damages from Customer in an amount of not less than \$5,000 per LIFE WIRELESS handset purchased, sold, acquired or used in violation of this agreement.

Some LIFE WIRELESS handsets have SIM cards. If Customer's LIFE WIRELESS phone has a SIM card, then Customer agree to safeguard Customer's SIM card and not to allow any unauthorized person to use Customer's SIM card. Customer 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, Customer's SIM card. The Carriers, Telrite, or its service providers, may, from time to time, remotely update or change the encoded information on Customer's SIM card. Customer's LIFE WIRELESS phone is restricted from operating when Customer 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 Telrite for which Customer's Service will be immediately suspended. In the event of suspension for this or any other unauthorized usage, Customer will not be entitled to receive any refunds for unused airtime.

**COVERAGE MAPS.** Customer will find coverage maps on our website, [www.Telrite.com](http://www.Telrite.com). These maps are for general informational purposes only and are not guarantees of service. Even within a coverage area, factors such as terrain, weather, structures, foliage, signal strength, traffic volumes, service outages, network changes, technical limitations, and Customer's equipment may affect actual service, quality and availability. Actual coverage and service areas may vary from the maps and may change without notice.

**ROAMING.** "Roaming" occurs when another wireless service provider is used by a subscriber of a different wireless service. This most often occurs when Customer make and receive calls outside the home calling area. When Customer's LIFE WIRELESS phone is roaming, an indicator light on Customer's 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 LIFE WIRELESS phone Customer were provided. Availability, quality of coverage and Services while roaming are not guaranteed.

**LIMITATIONS OF SERVICE AND USE OF EQUIPMENT.** Service is subject to limitations caused by certain equipment and compatibility issues, atmospheric, topographical and other conditions. Service may be temporarily refused, limited, interrupted or curtailed due to system capacity limitations, technology migration or limitations imposed by the Carrier, or because of equipment modifications, upgrades, repairs or relocations or other similar activities necessary or proper for the operation or improvement of the Carrier's radio

telephone system. At anytime, Telrite reserves the right to substitute and/or replace any LIFE WIRELESS equipment (including handsets) with other LIFE WIRELESS equipment including handsets of comparable quality. Some functions and features referenced in the Manufacturer's manual for a particular LIFE WIRELESS handset may not be available on Customer's phone. Telrite 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 Telrite, nor any Carrier, shall have any liability for Service failures, outages or limitations of Service. Because of the risk of being struck by lightning, Customer should not use Customer's LIFE WIRELESS phone outside during a lightning storm. Customer should also unplug the LIFE WIRELESS phone power cord and charger to avoid electrical shock and/or fire during a lightning storm.

### **WARRANTY EXCHANGE & LOST OR STOLEN PHONE POLICY**

**Warranty Exchange Policy:** LIFE WIRELESS customers shall have up to one year from the activation date of their phone to return any defective phone to Telrite. Telrite will exchange a defective phone for another phone during this period of time only. For a defective phone replacement, call LIFE WIRELESS Customer Care at 1-888-543-3620.

**Exclusions and Conditions.** This limited warranty does not cover damage or failure caused by abuse or misuse of the phone or accessories. Telrite 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. Customer's 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 Customer. This limited warranty gives Customer specific legal rights, and Customer may also have other rights which vary from state to state.

**Lost or Stolen Phone Policy:** For any lost or stolen LIFE WIRELESS phone, Customer 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, LIFE WIRELESS will only replace 10 minutes of lost time. In the event Customer lose Customer's replacement phone or it is stolen, Customer 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). Telrite 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.

### **HEARING, VISUAL OR SPEECH IMPAIRED ACCOMMODATIONS**

Any hearing, visual or speech impaired persons interested in applying for a specially equipped LIFE WIRELESS must specify the need(s) in the application and Telrite 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.

**911.**

If Customer are in an area where Customer's LIFE WIRELESS phone is searching for a wireless signal or there is no wireless signal or wireless service, it is highly probable that a call to 911 will not go through. Do not rely solely on Customer's LIFE WIRELESS in an emergency situation. In an emergency, locate the nearest landline phone and call for help.

**LIMITATION OF LIABILITY.** Telrite will not be liable to Customer for any indirect, special, incidental, consequential, exemplary, excessive 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/or Services. Telrite 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 Customer's LIFE WIRELESS phone is returned to LIFE WIRELESS for any reason, Telrite is not responsible and shall not be liable to Customer or anyone else for any personal information such as user names, passwords, contacts, pictures, SMS, MMS and/or additional downloads Customer may have stored on Customer's phone or which may remain on Customer's phone.

**INDEMINIFICATION.** Customer agree to indemnify and hold harmless Telrite 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 Customer's use of a LIFE WIRELESS phone and of the LIFE WIRELESS or related services, whether based in contract or tort (including strict liability) and regardless of the form of action.

**BINDING ARBITRATION. PLEASE READ THIS SECTION CAREFULLY AS IT AFFECTS RIGHTS THAT CUSTOMER MAY OTHERWISE HAVE. IT PROVIDES FOR RESOLUTION OF ALL DISPUTES AND CLAIMS (INCLUDING ONES THAT ALREADY ARE THE SUBJECT OF LITIGATION), EXCEPT FOR CLAIMS CONCERNING THE UNAUTHORIZED RESALE, EXPORT, ALTERATION, AND/OR TAMPERING OF CUSTOMER'S LIFE WIRELESS PHONE, ITS SOFTWARE, THE SERVICE AND/OR PIN NUMBERS, THROUGH ARBITRATION INSTEAD OF SUING IN COURT IN THE EVENT THE PARTIES ARE UNABLE TO RESOLVE A DISPUTE OR CLAIM. ARBITRATION IS BINDING AND SUBJECT TO ONLY A VERY LIMITED REVIEW BY A COURT. THIS ARBITRATION CLAUSE SHALL SURVIVE TERMINATION OF TELRITE™ AGREEMENT WITH CUSTOMER.** This provision is intended to encompass all disputes or claims arising out of Customer's relationship with Telrite, arising out of or relating to the Service or any equipment used in connection with the Service (whether based in contract, tort, statute, fraud, misrepresentation or any other legal theory). Nothing contained in this arbitration provision shall preclude Telrite from bringing claims concerning the unauthorized resale, export, alteration, and/or tampering of Customer's LIFE WIRELESS phone, its software, the Service and/or PIN numbers, in state or federal court. References to Customer and Telrite include our respective subsidiaries, affiliates, predecessors in interest, successors, and assigns. All claims, except those excluded above, will be resolved by binding arbitration where permitted by law. Customer must first present any claim or dispute to Telrite by contacting Customer Care to allow an



opportunity to resolve the dispute prior to initiating arbitration. The arbitration of any dispute or claim shall be conducted in accordance with the American Arbitration Association ("AAA") under the Commercial Dispute Resolution Procedures and the Supplementary Procedures for Consumer Related Disputes (collectively, "AAA Rules"), as modified by this agreement. The AAA Rules are available by calling the AAA at 1-800-778-7870. Customer and Telrite agree that use of the Service evidences a transaction in interstate commerce and this arbitration provision will be interpreted and enforced in accordance with the Federal Arbitration Act and federal arbitration law. All arbitration shall be conducted by one arbitrator. All issues are for the arbitrator to decide, including the scope of this arbitration clause, but the arbitrator is bound by the terms of this agreement. Customer and Telrite agree that any arbitration will be conducted on an individual basis and not on a consolidated, class wide or representative basis. Further, Customer agree that the arbitrator may not consolidate proceedings or more than one person's claims, and may not otherwise preside over any form of a representative or class proceeding, and if this preclusion of consolidated, class wide or representative proceedings is found to be unenforceable, then this entire arbitration clause shall be null and void. All fees and expenses of arbitration will be divided between Customer and Telrite in accordance with the WIA Rules, except that Telrite will reimburse Customer for the amount of the filing fee in the event Customer prevail in the arbitration. Each party will bear the expenses of its own counsel, experts, witnesses, and preparation and presentation of evidence. If for any reason this arbitration provision is deemed inapplicable or invalid, or to the extent this arbitration provision allows for litigation of disputes in court, Customer waive to the fullest extent permitted by law, (i) the right to a trial by jury and (ii) any claims for punitive or exemplary damages. Unless Telrite and Customer agree otherwise, the location of any arbitration shall be Miami, Florida. Except where prohibited by law, Telrite and Customer agree that no arbitrator has the authority to award punitive damages or any other damages not measured by the prevailing party's actual damages. Neither Customer nor Telrite shall disclose the existence, contents, or results of any arbitration, except to the extent required by law. Judgment on the award rendered may be entered by any court of competent jurisdiction.

**PRIVACY POLICY.** To view the LIFE WIRELESS Privacy Policy refer to the LIFE WIRELESS website found at [www.Lifewireless.com](http://www.Lifewireless.com).