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April 4, 2011

VIA OVERNIGHT DELIVERY

Rosemary Chiavetta, Secretary
PA Public Utility Commission
400 North Street, Keystone Bldg., 2nd Fl.
Room N201
Harrisburg, PA 17105-3265

**Re: Petition of Telrite Corporation d/b/a Life Wireless for Designation as an Eligible Telecommunications Carrier in the Commonwealth of Pennsylvania for the Limited Purpose of Offering Lifeline and Link-Up Services to Qualified Households
NEW FILING**

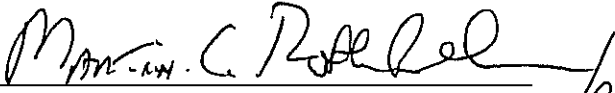

Dear Secretary Chiavetta:

On behalf of Telrite Corporation d/b/a Life Wireless, we enclose an original and three (3) copies of the above-captioned Petition. We also enclose one additional copy, which we ask you to file stamp and return to us in the furnished self-addressed, postage pre-paid envelope. An electronic copy is being filed through the Commission's eFiling portal.

If you have any questions or require additional information, please feel free to contact me at your convenience.

Sincerely,

Rothfelder Stern, LLC

By: 
Martin C. Rothfelder 

Enclosures

cc: Certificate of Service
Elizabeth A. Lion Januzzi, Esq.

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**In the Matter of a Petition by Telrite)
Corporation d/b/a Life Wireless For)
Designation as an Eligible Telecommunications)
Carrier in the Commonwealth of Pennsylvania)
for the Limited Purpose of Offering Lifeline)
and Link-Up Services to Qualified Households)**

Docket No. _____

CERTIFICATE OF SERVICE

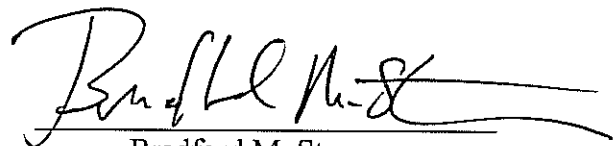
I hereby certify that on this 4th day of April, 2011, copies of the foregoing Petition have been served upon the persons or organizations listed below via First Class U.S. Mail in accordance with the requirements of 52 Pa. Code Sections 1.54 and 1.55.

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Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1921

Office of Trial Staff
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
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William R. Lloyd, Jr.
Office of Small Business Advocate
Commerce Building, Suite 1102
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Harrisburg, PA 17101

Dated: April 4, 2011


Bradford M. Stern

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**In the Matter of a Petition by Telrite)
Corporation d/b/a Life Wireless For)
Designation as an Eligible Telecommunications)
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Docket No. _____

**PETITION OF TELRITE CORPORATION D/B/A LIFE WIRELESS FOR
DESIGNATION AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER
IN THE COMMONWEALTH OF PENNSYLVANIA FOR THE LIMITED PURPOSE OF
OFFERING LIFELINE AND LINK-UP SERVICES TO QUALIFIED HOUSEHOLDS**

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Counsel for Telrite Corporation

April 4, 2011

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**In the Matter of a Petition by Telrite)
Corporation d/b/a Life Wireless For)
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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) and implementing rules of the Federal Communications Commission (“FCC”), 66 Pa. C.S. § 3019(f) and 52 Pa. Code § 69.2501,¹ hereby requesting that the Pennsylvania Public Utilities Commission (the “Commission” or “PUC”) designate Telrite as an Eligible Telecommunications Carrier (“ETC”) for the purpose of receiving federal low income universal service support for prepaid wireless services. Telrite does not at this time seek ETC designation (1) for the purpose of receiving federal universal service support for providing service to high cost areas or (2) on a wireline basis.

¹ Commonwealth rules effective October 2, 2010, adopted by the Commission pursuant to its *Final Policy Statement on Commonwealth of Pennsylvania's Guidelines for Designation and Annual Recertification of Eligible Telecommunications Carriers*, Docket No. M-2010-2164741, August 2, 2010 (“Commission Rules”). Pursuant to Secretarial Letter at Docket M-00960799, dated February 26, 2009 the Commission accepts jurisdiction of applications for ETC designation from wireless carriers.

Telrite is requesting ETC designation for an area of service in the Commonwealth that overlaps the service territories of the following telephone companies (collectively, the “Service Area”):

- Verizon North, Inc.,
- Verizon Pennsylvania, Inc., and
- Frontier Communications of Pennsylvania, LLC

Telrite by this Petition neither requests ETC designation for any area within the service territory of any rural telephone company, nor requests that the Commission modify, nor seeks in any way to affect, the definition of rural telephone company study areas in the Commonwealth.

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. The Commission has previously granted Telrite authority to provide resold interexchange services to residential and business customers throughout the Commonwealth.²

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

Martin C. Rothfelder
Bradford M. Stern
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625 Central Avenue
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² *Application of Telrite Corporation to offer, render, furnish, or supply interexchange telecommunication services as a reseller to residential and business customers in the Commonwealth of Pennsylvania, Docket No. A-311265, July 18, 2003.*

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C. Questions concerning the ongoing operations of Telrite following ETC designation should be directed to the above referenced counsel and 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

D. To date, Telrite has received ETC designation on a wireless carrier basis in the states of Arkansas, Louisiana, and Missouri.³

II. BACKGROUND.

Section 254 of the 1996 Act provides for universal service. Universal service is a principal component of federal telecommunications policy, and 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.

³ Ar Public Service Commission, *I/M/O the of Telrite Corporation for Certification as an Eligible Telecommunications Carrier (Low Income Only)*, Docket No. 10-078, October 27, 2010; La. Public Service Commission, *In re Telrite Corporation, ex parte*, Order Number S-31512, December 14, 2010; Mo Public Service Commission, *In the Matter of the Application of Telrite Corporation for Designation as an Eligible Telecommunications Carrier on a Wireless Basis (Low Income Only)*, XO-2011-0062, November 10, 2010. Telrite also has applications for ETC designation pending before commissions in at least eleven states.

One key component of universal service is the availability of subsidies from the federal Universal Service Fund (“USF”), created by the 1996 Act. The USF 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” receiving designation as an ETC under 47 U.S.C. § 214 is eligible to receive subsidies from the USF. Wireless carriers are common carriers under federal law.⁴ Common carriers that provide services consistent with the requirements of Section 214(e) may be deemed ETCs.⁵

Section 214(e)(2) of the 1996 Act⁶ 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.

Section 214(e)(1) of the 1996 Act⁷ 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

⁴ 47 U.S.C. § 332(c)(1).

⁵ 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 47 U.S.C. § 214(e)(1) consistent with applicable federal and state law.

⁶ 47 U.S.C. § 214(e)(2).

⁷ 47 U.S.C. § 214(e)(1).

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.

The FCC has promulgated rules governing ETC designations, set forth at 47 C.F.R. § 54.101, §§ 54.201-203, and §§ 54.205-209 (the "FCC Rules") to establish various requirements for carriers to meet before receiving ETC status. The Commission Rules require that petitioners seeking ETC status in the Commonwealth address and satisfy each of the ETC designation criteria under the FCC Rules (or if any criterion is inapplicable, provide support thereof).⁸

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.⁹

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

⁸ The Commission Rules also require satisfaction of the FCC's criteria and standards for ETC designation criteria found in Universal Service Order, Report and Order at CC Docket No. 96-45 (May 8, 1997), and in the FCC's Report and Order at CC Docket No. 96-45 (March 17, 2005). 52 Pa. Code § 69.2501(a).

⁹ 47 C.F.R. § 54.101(a).

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 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, 47 C.F.R. §§ 54.202(a)(1)-(a)(2), 66 Pa. C.S. § 3019(f) and 52 Pa. Code § 69.2501.

III. DESCRIPTION OF TELRITE'S LIFELINE AND LINK-UP CUSTOMER PLANS.

Telrite currently provides in other states, and will provide in the Commonwealth, Lifeline and Link-Up services under the brand name Life Wireless.TM Telrite maintains a website, www.lifewireless.com, for customer enrollment, description of rate plans, account management including replenishment, coverage map and customer service. The standard terms and conditions of service for Life Wireless currently applicable are provided in **Exhibit A** of this Petition.

A. Telrite's Lifeline Plan. Lifeline is a component of one of four separate federal universal service fund mechanisms¹⁰ known as the "low-income support mechanism".¹¹ and is 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

¹⁰ 47 C.F.R. § 54.8(a)(1); See "Definitions" at second sentence.

¹¹ 47 C.F.R. § 54.8(a)(1); See "Definitions" at first sentence.

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”.¹² Under the Company’s Wireless Lifeline plan, qualified Lifeline customers who reside in the Commonwealth 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, \$7.95, \$12.95, \$21.49 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; and
- (5) Voicemail.

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, as applicable.

¹² 47 C.F.R. §§ 54.401(a), 54.401(a)(1), 54.401 (a)(2), 54.401(a)(3), 54.405(a).

D. Telrite's Link-Up Plan. Like Lifeline, Link-Up is also a component of one of four separate federal universal service fund mechanisms¹³ known as the "low-income support mechanism",¹⁴ 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)*"¹⁵ ¹⁶(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".¹⁷ 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..."¹⁸, 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. Pursuant to 47 C.F.R. § 54.412(c), Telrite allows a customer to receive the benefit of its Link-Up program for a second or subsequent time only for a principal place of residence with an address different from the residence address at which the Link-Up

¹³ 47 C.F.R. § 54.8(a)(1); *See* "Definitions" at second sentence.

¹⁴ 47 C.F.R. § 54.8(a)(1); *See* "Definitions" at first sentence.

¹⁵ 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..."

¹⁶ 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).

¹⁷ 47 C.F.R. § 54.411(a)(1).

¹⁸ *Id.*

assistance was previously provided.

IV. TELRITE MEETS THE REQUIREMENTS OF THE FCC'S RULES FOR DESIGNATION AS AN ETC IN THE COMMONWEALTH.

As demonstrated below, Telrite meets the applicable requirements under the FCC's Rules for receiving ETC designation by the Commission pursuant to Section 214(e)(2) of 1996 Act.¹⁹ In addition, Telrite complies with the standards established by the FCC for determining whether applicants for ETC status serve the public interest.²⁰

A. 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 (collectively, the "Telrite Network"). Telrite will rely on a combination of resold services, which the Company obtains from underlying Commercial Mobile Radio Service ("CMRS")²¹ providers, and Company-owned facilities²² for functions such as authentication and management of prepaid calling services and routing of directory assistance calls. Thus, Telrite satisfies the FCC's requirement for an ETC to provide services, at least in part, through a "combination of its own facilities and resale of another carrier's services".²³

¹⁹ 47 U.S.C. § 214(e)(2).

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

²¹ Commercial Mobile Radio Service ("CMRS") is defined at 47 U.S.C. § 332(d)(1) and 47 C.F.R. § 20.3 and is commonly known as cellular or wireless service.

²² Company-owned facilities, which include switches and trunks, are located in the State of Georgia.

²³ See 47 U.S.C. § 214(e)(1)(A); see also, *Universal Service Order*, 12 FCC Rcd 8853, FCC 97-157 ("USF Order"), at ¶169.

B. 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. Per the FCC Rules, the ETC must offer the following services.²⁴

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. Either through interconnection agreements²⁵ or reseller agreements, Telrite will provide its customers with full capability to make and receive calls on the public switched telephone network with a minimum bandwidth of 300 to 3000 Hertz, per the FCC Rules.

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 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."²⁶ This comparability analysis must proceed on a case-by-case basis, and take account of value-added

²⁴ 47 C.F.R. § 54.101(a)(1)–(9).

²⁵ The Commission has approved an interconnection agreement between Telrite and Verizon. *Joint Petition of Verizon North Inc. and Telrite Corporation for Approval of an Interconnection Agreement Under Section 252(e) of the Telecommunications Act of 1996*, A-311265F7001, November 30, 2007.

²⁶ See Federal-State Joint Commission on Universal Service. 20 FCC Rcd 6371, at ¶ 32 (2005).

capabilities and services incorporated into a plan.²⁷ Telrite's current local usage plans are comparable in value to those offered by ILECs operating in the 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, 911 service and, where available, E911 service in accordance with 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."²⁸ 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 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. Through its underlying

²⁷ *Id.*

²⁸ *Federal-State Joint Board on Universal Service, Report and Order, 12 FCC Red 8776, at ¶ 71 (1997).*

wholesale carrier(s), Telrite provides its wireless voice customers in Pennsylvania with access to such services with capability to deliver automatic numbering information (“ANI”) and automatic location information (“ALI”) over the Telrite Network, and otherwise satisfies applicable E-911 requirements. Telrite and/or its underlying wholesale wireless services carrier(s) will continue to work with local public safety answering points (“PSAPs”) within the Service Area to make 911 and E-911 service available to its customers. Telrite is current on payment of any applicable E-911 fees.

Under the FCC Rules, an ETC applicant must demonstrate its ability to remain functional in emergency situations²⁹. 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.

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 provides access to operator services for billing questions by dialing “611,” and access to operator services for call completion and other calling services by 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

²⁹ 47 C.F.R. § 54.202(a)(2); USF Order at Para 25.

user, necessary to access an interexchange carrier's network. Telrite provides all of its wireless subscribers with the ability to make and receive interexchange or toll calls through the Telrite 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 by dialing “411.”

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 will provide Lifeline services on a prepaid basis, 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 usage³⁰ is paid for in advance, i.e., on a “pay-as-you-go” basis. 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.

C. 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-

³⁰ That is to say, Telrite’s Lifeline wireless service is not offered on a distance-sensitive basis and minutes are not charged separately for local or domestic long distance services.

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).

D. 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 the Commonwealth.

Under the FCC Rules, an ETC applicant must demonstrate that "it will satisfy applicable consumer protection and service quality standards."³¹ For wireless carriers, a "commitment to comply with the Cellular Telecommunications and Internet Association's Consumer Code for Wireless Conduct will satisfy this requirement."³² Telrite commits to compliance with the referenced Code. 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.³³

E. Telrite Will Advertise the Availability of Supported Services.

ETCs 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

³¹ 47 C.F.R. §54.202(a)(3), 62 Fed. Reg. 15,978 at ¶ 28.

³² *Id.*

³³ USF Order, at ¶ 4.

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 Pennsylvania 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 Life Wireless service.

F. 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.³⁴ Telrite has internal controls in place to prevent subscribers from receiving more than one Lifeline discount, consistent with federal requirements.³⁵ 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. Pursuant to 47 C.F.R. § 54.416, Telrite also will comply with the certification and verification requirements in connection with its Link-Up program.

³⁴ 47 C.F.R. § 54.410.

³⁵ It is important to note that Telrite does not have access to the customer lists of other ETCs, and thus cannot cross-check its customer lists against any other ETCs customer list.

G. Annual Reporting Requirements.

Telrite will comply with the annual reporting requirements contained in 47 C.F.R. § 54.209, as and to the extent applicable.

V. DESIGNATION OF TELRITE AS AN ETC ON A WIRELESS BASIS IS IN THE PUBLIC INTEREST OF THE COMMONWEALTH AND ITS LOW-INCOME TELECOMMUNICATIONS END-USERS.

Under the 1996 Act, “[u]pon request and consistent with the public interest, convenience and necessity” the 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”³⁶ by the Commission. With respect to an area served by a rural telephone company, the Commission “shall find that the designation is in the public interest.”³⁷ The “public interest” standard requires that the Commission “consider the benefits of increased consumer choice, and the unique advantages...of the applicant’s service offering”.³⁸ The FCC has determined that applications for ETC status in “non-rural” areas are *per se* in the public interest.³⁹

Based on the foregoing, Telrite submits that its designation as an ETC in the Commonwealth meets the “public interest” standards established by the FCC, and the

³⁶ 47 U.S.C. s 214(e)(6), made applicable to state commissions pursuant to 47 C.F.R. 54.201(c).

³⁷ *Id.*

³⁸ 47 C.F.R. § 54.202(c). Telrite notes that it is not seeking designation below the study area level of a rural telephone company, and therefore, there is no need for the Commission to conduct a “cream-skimming” analysis under said rule.

³⁹ Federal-State Joint Commission 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).

Commission should find as such. Although Telrite does not seek by this Petition ETC designation within the service territories of any rural telephone company, it nevertheless provides the following information which demonstrates that Telrite's designation as an ETC on a wireless basis is consistent with the public interest, convenience and necessity by providing consumers with increased competitive choice through the offering of a unique service.

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."⁴⁰ 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 Pennsylvania.

Telrite believes that there are significant areas within the 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

⁴⁰ See Federal-State Joint Commission on Universal Service, 20 FCC Rcd 6371, ¶ 42 (2005).

a preset amount of monthly airtime at no charge, the ability to purchase additional usage in the event that included usage has been exhausted, 911 service and, where available, E911 service in accordance with current FCC requirements.

The inclusion of long-distance domestic 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."⁴¹

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.⁴² 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*⁴³ case, the FCC recognized and affirmed that some households may not have access to the public switched network as provided by the incumbent local

⁴¹ See 47 U.S.C. § 254(b)(1).

⁴² See e.g., *Specialized Common Carrier Services*, 29 FCC 2d 870 (1971).

⁴³ Federal-State Joint Bd. on Universal Serv., *Highland Cellular, Inc., Memorandum Opinion and Order*, 19 F.C.C.R. 6422 (2004).

exchange carrier. The availability of a wireless competitor benefits consumers who routinely 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 Pennsylvania 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 Pennsylvania's unemployment rate is reported to be 9.1 percent⁴⁴, which has a significant impact on many residents of the Commonwealth. 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.

⁴⁴ Bureau of Labor Statistics. See <http://stats.bls.gov/news.release/laus.t03.htm> .

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 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 a wireless ETC throughout its Service Area.

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

Telrite acknowledges that it may be required to provide equal access to long distance carriers in the event that no other ETC is providing equal access within the Service Area, as required by 47 C.F.R. § 54.202(a)(5).

Telrite offers a local usage plan comparable to the ones offered by the ILECs in the Service Area.

C. Impact on the Universal Service Fund.

ETC 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 plan submittal requirement is applicable where the applicant seeks High Cost support from the USF, and thus is not applicable where the applicant seeks ETC designation only for low income support from the USF..⁴⁵

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 telecommunications 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 on a wireless basis 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.

⁴⁵ 47 C.F.R. § 54.202(a)(1)(ii).

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.⁴⁶

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.”⁴⁷

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 USF. 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.

D. Designation of Telrite as an ETC Will Benefit Low Income Consumers in the Commonwealth of Pennsylvania.

Designation of the Company as an ETC on a wireless basis will make Lifeline and Link-Up discounts available to many more Pennsylvania residents. This provision of Lifeline and

⁴⁶ 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.

⁴⁷ TracFone Forbearance Order, at ¶ 17.

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

Finally, inclusion of Telrite wireless service in the Lifeline and Link-Up programs will serve the public interest by furthering the extensive role that Telrite believes it will play in the provision of communications service to 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.

VI. TELRITE SATISFIES OR WILL SATISFY THE COMMONWEALTH-SPECIFIC MINIMUM REQUIREMENTS FOR DESIGNATION AS AN ETC IN THE COMMONWEALTH OF PENNSYLVANIA.

In addition to satisfying the federal standards for ETC designation, Telrite agrees to satisfy the Pennsylvania-specific minimum standards as a condition of the Commission's grant of ETC designation to Telrite. Said standards include provisions of law, at Section 3019(f) of the Pennsylvania Public Utility Code (66 Pa.C.S. § 3019(f)), the Commission's implementing rules, at 52 Pa. Code § 69.2501, and orders of the Commission establishing Lifeline and Link-up eligibility criteria, as well as procedures for certification and verification of a consumer's initial

and continuing eligibility.⁴⁸ The Commission also has established reporting requirements for annual changes in an ETC's Lifeline and Link-up enrollment.⁴⁹

A. Section 3019(f) Requirements

Section 3019(f) of the Pennsylvania Public Utility Code (66 Pa.C.S. § 3019(f)) sets forth the minimum requirements for ETCs which seek low income support from Lifeline and Link-up universal support programs. Section 3019(f) includes the following requirements:

- (1) All eligible telecommunications carriers certificated to provide local exchange telecommunications service shall provide lifeline service to all eligible telecommunications customers who subscribe to such service.
- (2) All eligible telecommunications customers who subscribe to lifeline service shall be permitted to subscribe to any number of other eligible telecommunications carrier telecommunications services at the tariffed rates for such services.
- (3) Whenever a prospective customer seeks to subscribe to local exchange telecommunications service from an eligible telecommunications carrier, the carrier shall explicitly advise the customer of the availability of lifeline service and shall make reasonable efforts where appropriate to determine whether the customer qualifies for such service and, if so, whether the customer wishes to subscribe to the service.
- (4) Eligible telecommunications carriers shall inform existing customers of the availability of lifeline services twice annually by bill insert or message. The notice shall be conspicuous and shall provide appropriate eligibility, benefits and contact information for customers who wish to learn of the lifeline service subscription requirements.
- (5) Eligible telecommunications carriers shall provide the department of public welfare with lifeline service descriptions and subscription forms, contact telephone numbers, and a listing of the geographic area or areas they serve, for use by the department of public welfare in providing the notifications required by this paragraph.

⁴⁸ *In Re: Lifeline and Link-up Programs*, Docket No. M-0051871, (May 23, 2005), as amended by Amended Order entered January 29, 2008 ("Lifeline and Link-up Order").

⁴⁹ *See Section 3015(f) Review Regarding Lifeline Tracking Report, Accident report, and Services Outage Report*, 100 Pa. P.U.C. 553 (Dec. 30, 2005) ("Tracking Report Order").

(6) No eligible telecommunications carrier shall be required to provide after the effective date of this section any new lifeline service discount that is not fully subsidized by the federal universal service fund.

Telrite will comply with each of the requirements in Section 3019(f). Telrite will provide its prepaid lifeline service to all eligible telecommunications customers who wish to subscribe to such service and who reside within the Service Area. Telrite will also agree to permit eligible customers to subscribe to any number of its other telecommunications services at the standard rates for such services. Telrite will establish protocols so that, whenever a prospective customer in the Commonwealth seeks to subscribe to Telrite's service, Telrite will explicitly advise the customer of the availability of Lifeline service and shall make reasonable efforts to determine whether the customer qualifies for such service and, if so, whether the customer wishes to subscribe to the service. Telrite will inform existing customers of the availability of Lifeline service twice annually by text or email message, in compliance with section 3019(f)(4). Telrite will provide the Commonwealth's Department of Public Welfare ("DPW") and the Commission's Bureau of Consumer Services ("BCS") with its Lifeline service descriptions and subscription forms, contact telephone numbers and a listing of the geographic area or areas it serves for use by the DPW in providing the notification under section 3019(f)(5).

B. Certification, Reporting and Complaint Handling Procedures

Telrite commits to: (1) abiding by the applicable requirements set forth in the Lifeline and Linkup Order; (2) abiding by the applicable requirements set forth in the Tracking Order Report; and 3) having consumer Lifeline related complaints, excluding rates and entry issues, which are unresolved by Telrite's customer service staff, be handled by the BCS.

The Lifeline and Linkup Order contains mandated procedures for certification and verification of a customer's initial and continued eligibility for Lifeline services, including

obligations that an ETC must attempt to certify a customer's program-based eligibility by referencing DPW's database, or other means such as written documentation of eligibility and participation in one of the eligible programs. In addition, the ETC must verify the continued eligibility of a statistically valid sample of its customers by first cross checking DPW's database of eligible customers. The Lifeline and Linkup Order, at p. 10, states:

[T]he companies ought to use the DPW's database first to establish if there is acceptable social assistance program participation. If the household qualifies, then no further investigation or verification need be done. The household qualifies based on program participation or income verification. If the household does not appear to be enrolled in one of the approved social assistance programs, then 135% FPG [Federal Poverty Income Guidelines] income or less may be verified through either copies of written state or federal income tax returns for the prior year, or the carrier may contact [the Pennsylvania Department of Revenue (DOR)] . . . and pay the nominal fee to have the customer's household's income verified. We agree . . . that self-certification without some form of reasonable independent verification is suspect for fraudulent abuse and will not be acceptable in Pennsylvania as a means for qualifying for our Lifeline . . . programs.

As the Commission has indicated, an ETC must independently certify an applicant's eligibility for Lifeline service through a variety of ways. Such certification may be accomplished through DPW in those instances where the applicant seeks support based on participation in a qualified low income program that is administered by DPW. Independent certification of an applicant's income eligibility is accomplished by an ETC through examination of an applicant's submitted tax returns or other acceptable documentation of income⁵⁰ or through the DOR in those instances where the applicant seeks support based solely on income without supporting documentation.

⁵⁰ Acceptable forms of documentation of income include but are not limited to: most recent federal tax returns; most recent state tax returns; most recent W-2 Form; Property tax/Rent Rebate Form; Social Security Benefit Form or 1099 Form; Support Order; 3 months current pay stubs.

The Commission also requires annual recertification of Lifeline customers at least annually and in accordance with the FCC procedures established at 47 C.F.R. § 54.410.⁵¹ Telrite plans at this time to meet the above-stated Lifeline certification, verification, and annual recertification through deployment of internal resources rather than reliance on a contracted, outside services provider.

Pursuant to the Tracking Order, Telrite, as a prepaid wireless ETC, will provide to the BCS a copy of its annual Lifeline Verification Survey results that it files with the Universal Service Administrative Company (USAC) by August 31 of each year, as well as the FCC Form 497, Lifeline and Link Up Worksheet (detailing USF support per subscribers), filed with USAC quarterly the third Monday of April, July, October and January.

Finally, Telrite agrees to work with the BCS to resolve informal complaints, and to submit to Commission jurisdiction on formal complaints filed with BCS by Telrite Lifeline customers, on Lifeline related issues other than matters related to rates and entry. Telrite will provide notice to consumers of their right to contact BCS and the Commission's contact information, if complaints brought to Telrite's customer service division are not resolved.

⁵¹ Lifeline and Linkup Order, at p. 27.

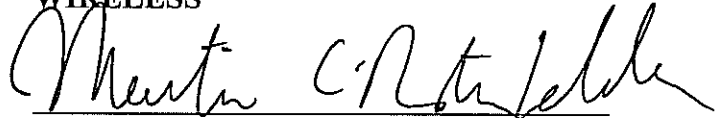
CONCLUSION

Having demonstrated that Telrite satisfies the conditions necessary for designation as an ETC in the Commonwealth of Pennsylvania, and having shown that the public and universal service interests of the telecommunications consumers of the Commonwealth 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 in the Commonwealth of Pennsylvania

Respectfully submitted,

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

By:



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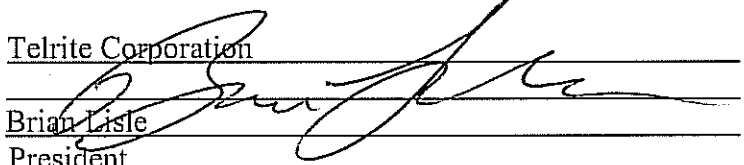
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VERIFICATION

The undersigned certifies that he is the President of Telrite Corporation ("Telrite"), and as President of Telrite has the authority to execute this Verification in connection with the foregoing Petition for Designation as an Eligible Telecommunications Carrier in the Commonwealth of Pennsylvania for the Limited Purpose of Offering Lifeline and Link-Up Services to Qualified Households (the "Petition") on behalf of Telrite.

The undersigned hereby states that the facts above set forth in the Petition with regard to Telrite are true and correct (or are true and correct to the best of his knowledge, information and belief) and that he expects to be able to prove the same at a hearing held in this matter. The undersigned understands that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).

Applicant: Telrite Corporation
By: 
Printed: Brian Lisle
Its: President
Dated: March 29, 2011

NOTARY PUBLIC

My Commission Expires:

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

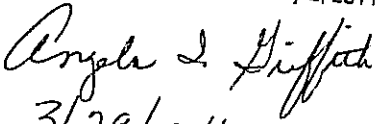

3/29/2011

EXHIBIT A

Life Wireless™ – Standard Terms and Conditions of Service

LIFE WIRELESS™

Customer Terms and Conditions

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.

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, 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. 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.

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 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. 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.