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August 23, 2011

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PUBLIC SERVICE
COMMISSION

VIA HAND DELIVERY

Jeff DeRouen
Executive Director
Kentucky Public Service Commission
P.O. Box 615
211 Sower Boulevard
Frankfort, KY 40601

*RE: Application of TAG Mobile, LLC for Designation as an Eligible
Telecommunications Carrier in the State of Kentucky for the Limited
Purpose of Offering Wireless Lifeline and Link-up Service to Qualified
Households*

Dear Mr. DeRouen:


Enclosed please find an original and ten copies of TAG Mobile, LLC's ("TAG") Petition for Designation as an Eligible Telecommunications Carrier.

Please place your file stamp on the extra copy and return to me via our runner.

If you have any questions concerning this filing, please do not hesitate to contact me. Thank you very much for your attention to this matter.

Very truly yours,

STOLL KEENON OGDEN PLLC


Douglas F. Brent

Enclosure

114920.140719/752726.1

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

AUG 23 2011

PUBLIC SERVICE
COMMISSION

In re the Matter of:

Application of TAG Mobile, LLC for Designation as)
an Eligible Telecommunications Carrier in the State)
of Kentucky for the Limited Purpose of Offering)
Wireless Lifeline and Link-Up Service to Qualified)
Households (Low Income Only))

CASE NO. 2011-00_____

**APPLICATION OF TAG MOBILE, LLC FOR DESIGNATION AS AN ELIGIBLE
TELECOMMUNICATIONS CARRIER IN THE STATE OF KENTUCKY FOR THE
LIMITED PURPOSE OF OFFERING WIRELESS LIFELINE AND LINK-UP SERVICE
TO QUALIFIED HOUSEHOLDS**

August 23, 2011

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COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In re the Matter of:

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TO QUALIFIED HOUSEHOLDS**

I. INTRODUCTION

TAG Mobile, LLC (“TAG Mobile”), by counsel and pursuant to Section 214(e) of the Telecommunications Act of 1996 (the “1996 Act”), 47 U.S.C. § 214(e) and Federal Communications Commission (“FCC”) rules related to Universal Service, 47 C.F.R. §§ 54.101 through 54.207 (the “FCC Rules”), hereby submits this Application for Designation as an Eligible Telecommunications Carrier (“ETC”) throughout its Service Area in the State of Kentucky. TAG Mobile seeks ETC designation solely to provide Lifeline and Link-Up service on a wireless basis to qualifying Kentucky consumers and will not seek high cost funding.¹ As demonstrated herein, TAG Mobile meets the statutory and regulatory requirements for designation as an ETC in the State of Kentucky. TAG Mobile respectfully requests that the Public Service Commission of Kentucky (the “Commission”) grant this Application and that it

¹ TAG Mobile seeks only Lifeline and Link-Up support from the low-income mechanism of the federal and Kentucky Universal Service Support programs and is not seeking support from the High-Cost support mechanism. ETC certification requirements related to the high-cost program are therefore not applicable to TAG Mobile’s application.

do so expeditiously so that TAG Mobile may begin providing wireless Lifeline and Link-Up service to qualified low-income households at the earliest practicable time.

In further support of its Application, TAG Mobile states as follows:

II. GENERAL INFORMATION

TAG Mobile is a Texas Limited Liability Company, authorized to do business in Kentucky with its principal offices located at 1330 Capital Parkway, Carrollton, Texas 75006.

Correspondence or communications pertaining to this Application should be directed to TAG Mobile's attorney of record:

Douglas F. Brent
STOLL KEENON OGDEN, PLLC
2000 PNC Plaza
500 West Jefferson Street
Louisville, KY 40202-2828
Telephone: (502) 333-6000
Email: douglas.brent@skofirm.com

Questions concerning the ongoing operations of TAG Mobile following certification should be directed to:

Mr. Frank Del Col, President & CEO
TAG Mobile, LLC
1330 Capital Parkway
Carrollton, TX 75006
Telephone: 972-488-5500 ext 4032
Email: frank.delcol@tagmobile.net

III. 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 aspect of universal service is the availability of subsidies from the Universal Service Fund, 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 TAG Mobile. 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 carriers designated as an ETC may receive subsidies from the USF.² Moreover, only a common carrier designated as an ETC under 47 U.S.C. §214 is eligible to receive subsidies from the federal USF.³ 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

² 47 U.S.C. § 254(e) provides that “only an eligible telecommunications carrier designated under section 214(e) shall be eligible to receive specific Federal universal support.”

³ 47 U.S.C. § 214(e)(2) provides that a State commission “shall...upon request designate a common carrier that meets the requirements of paragraph 1 as an eligible telecommunications carrier for a service designated by the State commission.”

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 paragraph (1) consistent with applicable Federal and State law.

⁶ 47 U.S.C. § 214(e)(2).

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 that:

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 therefor 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.⁸ Although several carriers are now eligible to provide Lifeline service in Kentucky, the market remains underserved, perhaps because many eligible customers do not understand this important federal benefit. It was for this reason that Kentucky Governor Steve Beshear proclaimed September 13-19, 2010 as Lifeline Awareness Week to focus attention on the program. PSC Chairman Armstrong supported this effort and stated “The Lifeline and Link-Up programs are one of the best ways for eligible households to reduce their monthly costs for essential utility services” while noting that Kentuckians participate at a lower rate than in many neighboring states, suggesting that “there are many eligible Kentuckians who do not participate in the program.”

One reason for reduced participation is that many eligible customers would prefer a wireless phone due to the unique benefit of mobility it provides. The availability of a mobile telephone may be critical to the efforts of the unemployed to find work. Without a regular

⁷ 47 U.S.C. § 214(e)(1).

⁸ 47 C.F.R. §§ 54.101 through 54.207.

paycheck, wireless telephone service is a luxury beyond the means of many of those persons. Designating TAG Mobile as an ETC will serve the public interest by increasing participation of qualified consumers in the Lifeline and Link-Up programs, fulfilling the Governor's objective by contributing to an overall increase in the number of Kentucky residents receiving Lifeline and Link-Up and an increase to the amount of federal USF dollars benefiting Kentucky residents.

Tag Mobile 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.⁹

ETC designation will enhance TAG Mobile's ability to provide service to low income consumers within the Service Area, and since this Application is for the purpose of receiving low income universal service support, TAG Mobile's wireless offering will supplement and not detract from the provision of supported services in such area.

Upon designation as an ETC, TAG Mobile 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).

IV. TAG MOBILE MEETS THE REQUIREMENTS FOR DESIGNATION AS AN ETC TO SERVE DESIGNATED AREAS IN THE STATE OF KENTUCKY

As demonstrated below, TAG Mobile meets the requirements for ETC designation by the Commission pursuant to Section 214(e)(2) of 1996 Act.¹⁰ In addition, TAG Mobile complies with the standards established by the FCC for determining whether applicants for ETC status serve the public interest.¹¹

⁹ 47 C.F.R. § 54.101(a).

¹⁰ 47 U.S.C. § 214(e)(2).

¹¹ See Federal-State Joint Board on Universal Service, *Report and Order*, CC Docket No. 96-45, 20 FCC Rcd 6371, ¶ 40-43 (2005).

A. The Commission Has Jurisdiction to Designate TAG Mobile as an ETC

Pursuant to the provisions of 47 USC § 214(e)(2), state commissions have primary responsibility for the designation of eligible telecommunications carriers. Under both federal and state rules, 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,”¹² and advertises “the availability of such services and the related charges using media of general distribution.”¹³ As discussed in subsequent sections of this Application, TAG Mobile meets the facilities-based requirement of the 1996 Act and commits to advertise the availability of its Lifeline and Link-Up programs. The Commission may and should grant TAG Mobile’s application for ETC status.

B. TAG Mobile Will Offer All Required Services and Functionalities

Upon designation as an ETC in Kentucky, and consistent with state and federal policies favoring universal service, TAG Mobile will offer all of the services and functionalities enumerated in Sections 54.101(a)(1) - (9) of the FCC Rules¹⁴:

- (1) Voice grade access to the public switched network;
- (2) Local usage;
- (3) Dual tone multi-frequency signaling or its functional equivalent;
- (4) Single-party service or its functional equivalent;
- (5) Access to emergency services;
- (6) Access to operator services;
- (7) Access to interexchange service;

¹² 47 U.S.C. § 214(e)(2).

¹³ 47 C.F.R. § 54.201(d)(2).

¹⁴ 47 C.F.R. §§ 54.101(a)(1) - (9)

(8) Access to directory assistance; and

(9) Toll limitation for qualifying low-income consumers.

TAG Mobile details its compliance with each of these subparts below:

1. Voice Grade Access to the Public Switched Telephone Network

Voice grade access to the public switched telecommunications network (“PSTN”) is defined as “a functionality that enables a user of telecommunications services 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 indicating there is an incoming call” in a bandwidth, at a minimum, between “300 and 3,000 Hertz.”¹⁵ TAG Mobile will provide mobile telephone service and other forms of wireless access for qualified low-income consumers to the PSTN throughout its Service Area by using a combination of TAG Mobile’s own facilities and interconnection arrangements between TAG Mobile and other carriers. In addition, TAG Mobile will respond to all reasonable requests for service by providing service to a customer who has an address in the Service Area.

2. Local Usage

Local Usage means: “*an amount* of minutes of use of exchange service, prescribed by the Commission, provided free of charge to end users.”¹⁶ With respect to wireless service, to date, the FCC has not quantified an amount of local usage that is required to be included by an ETC as a part of its universal service offering.¹⁷ In the *Universal Service First Report and Order*, the FCC deferred a determination on the amount of local usage that a carrier would be required to

¹⁵ 47 C.F.R. § 54.101(a)(1).

¹⁶ 47 C.F.R. § 54.101(a)(1).

¹⁷ Wireless carriers are *not* “required to offer unlimited local calling to mirror the services offered by wireline carriers or to limit the number of minutes a customer may use to coincide with the number of minutes allocated to the plan selected so that customers do not incur higher charges.

provide.¹⁸ In a subsequent rulemaking docket, the FCC sought comment on a definition of the public service package that must be offered by all ETCs, including how much local usage should be required to be provided to customers as a part of a universal service offering.¹⁹ After considering public comments and the recommendations of the Joint Board, the FCC released an order in July, 2003 that once again refused to impose a specific amount of local usage as a condition of ETC status.²⁰

Recently, the FCC sought comment on another set of recommendations by the Joint Board regarding ETC criteria and – once again – it decided to not specify a minimum quantity of local usage.²¹ The current rule is that if a carrier offers a choice of rate plans containing varying amounts of local usage it meets the local usage requirement.²² Accordingly, the FCC rules provide for a case-by-case²³ review of an ETC application to determine and ensure that each ETC is providing a local usage component as a part of its universal service offering.²⁴

¹⁸ See USF Order, 12 FCC Rcd at 8809-25.

¹⁹ See Federal-State Joint Board on Universal Service, *Memorandum Opinion and Order and Further Notice of Proposed Rulemaking*, 13 FCC Rcd 21252, 21279-81 (1998).

²⁰ See Federal-State Joint Board on Universal Service, *Order and Order on Reconsideration*, 18 FCC Rcd 15090, 15111, ¶ 14 (Rel., July 14, 2003).

²¹ See Federal-State Joint Board on Universal Service, *Notice of Proposed Rulemaking*, 19 FCC Rcd 10800, 10826-27 (2004).

²² See e.g. Federal-State Joint Board on Universal Service; Sprint Corporation; Application for Designation as an Eligible Telecommunications Carrier in the State of Alabama, Florida, Georgia; New York; North Carolina; Tennessee, and Virginia, *Order*, 19 FCC Rcd 22663, 22668, ¶ 11 (Rel. Nov. 18, 2004)(Sufficient that Sprint includes local usage in all of its calling plans); Federal-State Joint Board on Universal Service; ALLTEL Communications, Inc.; Petition for Designation as an Eligible Telecommunications Carrier in the state of Alabama, Florida, Georgia, North Carolina and Virginia, *Order* 19 FCC Rcd 20496, 20500-01 (Rel. Sept. 24, 2004) *Nextel Partners Order*, 19 FCC Rcd at 16536.

²³ See Federal-State Joint Board on Universal Service, *Report and Order*, 20 FCC Rcd 6371, 6385, ¶ 33 (2005) (Citing the 1997 USF Order, the FCC again refused to specify local usage requirements as doing so would discourage applicants from providing low-income individuals with comparable desirable services including but not limited to a “local calling plan that offers a specified number of free minutes of service within the local service area” or a calling plan that “bundles local minutes with long distance minutes.”)

²⁴ 47 C.F.R. § 54.201(a)(ii)(4).

TAG Mobile will provide qualifying customers with an amount of local and domestic long distance usage, consistent with the FCC's pronouncements. In addition, TAG Mobile will allow customers to purchase additional amounts of minutes for use, in varying quantities, if needed, thereby fulfilling the requirements of 47 C.F.R. §§ 54.101(2) and 54.202(a)(4), which require an ETC to meet the local usage requirement by offering "a choice of rate plans." TAG Mobile provides additional details regarding its airtime plans in subsequent sections of this Application.

3. Dual Tone Multi-Frequency Signaling or Its Functional Equivalent

Dual Tone Multi-Frequency ("DTMF") is defined as "a method of signaling that facilitates the transportation of signaling through the network, shortening call set-up time."²⁵ All telephone handsets made available by TAG Mobile, will be DTMF-capable as necessary to meet all applicable FCC requirements. Under TAG Mobile's proposed Low Income wireless offering, each eligible wireless customer will receive a handset at no cost to the subscriber. Attached hereto as **Exhibit "A"** is information regarding the handsets issued by TAG Mobile to its customers.

4. Single-party Service or its Functional Equivalent

In the case of wireless, the FCC defines single-party service as "a dedicated message path for the length of a user's particular transmission."²⁶ TAG Mobile provides customers with single-party access for the duration of every phone call in accordance with this rule and does not provide "multi-party" or "party line" service.

²⁵ 47 C.F.R. § 54.101(a)(3).

²⁶ 47 C.F.R. § 54.101(a)(4).

5. Access to 911 and E911 Emergency Service

Federal regulations define Access to Emergency Service as “a service that permits a telecommunications user, by dialing the three-digit code ‘911,’ to call emergency services through a Public Service Access Point (PSAP) operated by the local government.”²⁷ The FCC has declared that access to emergency services is essential.²⁸ Pursuant to the FCC’s E911 Order, if a provider relies on another carrier’s facilities to provide 911 service it has the obligation to comply with the FCC’s E911 rules only “to the extent that the underlying facilities-based licensee has deployed the facilities necessary to deliver enhanced 911 information to the appropriate PSAP [Public Safety Answering Point].”²⁹ TAG Mobile is able to provide its customers with access to emergency services, is capable of delivering automatic numbering information (“ANI”) and automatic location information (“ALI”), and otherwise satisfies applicable state and federal E911 requirements. Further, 911 and E911 emergency services are available to TAG Mobile customers even when all of their minutes have been used or have expired, or their handset is currently inactive. TAG Mobile acknowledges its responsibilities under KRS Ch. 65 related to the Kentucky CMRS emergency telecommunications fund.

²⁷ 47 C.F.R. § 54.101(a)(5).

²⁸ See *USF Order*, 12 FCC Rcd at 8814; ¶ 71.

²⁹ See Revision of the Commission’s Rules to Ensure Compatibility With Enhanced 911 Emergency Calling Systems, Amendment of Parts 2 and 25 to Implement the Global Mobile Personal Communications by Satellite (GMPCS) Memorandum of Understanding and Arrangements; Petition of the National Telecommunications and Information Administration to Amend Part 25 of the Commission’s Rules to Establish Emissions Limits for Mobile and Portable Earth Stations Operating in the 1610-1660.5 MHz Band, CC Docket No. 94-102, 1B Docket No. 99-67, *Report and Order and Second Further Notice of Proposed Rulemaking*, 18 FCC Rcd 25340, 23578; 23581 (¶¶ 191; 100) (2003).

6. Access to Operator Services

Access to operator services is defined as “access to any automatic or live assistance to a consumer to arrange for billing or completion, or both, of a telephone call.”³⁰ TAG Mobile provides access to operator services with respect to call completion to customers dialing “411” and access to operator services with respect to billing questions to customers dialing “611”. In addition, TAG Mobile provides access to operator services with respect to the national 2-1-1 initiative, which provides access to free and confidential information and referrals for help with food, housing, employment, health care, counseling and more, to customers dialing “211”. Operator services are provided through TAG Mobile’s own switching facilities.

7. Access to Interexchange Service

Access to interexchange service is defined as “the use of the loop, as well as that portion of the switch that is paid for by the end user or the functional equivalent of these network elements in the case of a wireless carrier, necessary to access an interexchange carrier’s network.”³¹ Consistent with the requirements of 47 C.F.R. §§ 54.101(a)(1) and (a)(7), TAG Mobile’s customers may use their service to complete both local and domestic telephone toll calls.

8. Access to Directory Assistance

Access to directory assistance is defined as “access to a service that includes, but is not limited to, making available to customers, upon request, information contained in directory listing.”³² TAG Mobile fulfills its obligation to provide this supported service by providing access to directory assistance to customers dialing “411”.

³⁰ 47 C.F.R. § 54.101(a)(6).

³¹ 47 C.F.R. § 54.101(a)(7).

³² 47 C.F.R. § 54.101(a)(8).

9. Telephone Toll Limitation for Qualified Low-Income Customers

There is no need for TAG Mobile to offer a toll limitation feature. Since TAG Mobile is a prepaid service provider, TAG Mobile customers cannot be disconnected for failure to pay telephone toll charges, nor do they have to worry about back end charges for going over their preset minute limits. Also, as TAG Mobile does not differentiate domestic long distance telephone toll usage from local usage and all usage is paid for in advance, TAG Mobile customers can use their service to complete both local and domestic long distance telephone toll calls without incurring additional fees for domestic long distance calls. This service is ideal for low-income consumers who enjoy the ability to control or limit their charges.

C. TAG Mobile Will Provide Service through a Combination of its Own Facilities and Resale of Underlying Carriers' Services

1. Combined Facilities-based Common Carriers

TAG Mobile 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, 47 U.S.C. §214 (e) (6) and Sections 54.101 through 54.207 of the FCC Rules, TAG Mobile, in its provision of wireless services, will rely on a combination of resold services which TAG Mobile will obtain from its underlying wireless providers, Sprint and Verizon Wireless, and Company-owned facilities, thus allowing TAG Mobile 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".³³

Particularly, TAG Mobile operates as a facilities-based Mobile Virtual Network Operator ("MVNO"), with a variety of facilities owned by TAG Mobile and/or co-owned with wireline

³³ See 47 U.S.C. § 214(e)(1)(A).

affiliate, dPi Teleconnect, LLC. Specifically, TAG Mobile's co-owned switch is a Cisco switch located in Los Angeles, California. TAG Mobile also co-owns a network call controller with its wireline affiliate, which is located in Dallas, Texas. Additional computer databases and calling platforms owned by TAG Mobile are located in Pensacola, Florida. TAG Mobile relies upon these facilities to provide many of the services it provides to customers.

TAG Mobile has developed and implemented a diverse, facilities-based network that delivers all of the services required by the federal Lifeline guidelines, and employs both Verizon Wireless and Sprint CMRS networks to ensure ubiquitous coverage. TAG Mobile's network operation center (NOC) is located at 8435 Stemmons Freeway, Dallas, Texas. The NOC is on line with TAG Mobile's remote Cisco call control/authorization array, and its Cantata Excel network switch, located at the 650 South Grand Avenue, Los Angeles, CA POP hotel. All wireless voice traffic gains network authorization/access from TAG Mobile's Call Control & Authorization Platform. This same intelligent calling platform is used to communicate to the Cisco call controller before being passed to the underlying carrier network for call completion of services required by the federal lifeline guidelines. Operator Services, Directory Assistance Services and international terminated calling traffic passes through the TAG Mobile Cantata network switch.

The call control/authorization equipment manages account balances, state commission and FCC approved Lifeline calling packages (by state) and is used to control international calling per an end user's request. It also tracks and reports on usage activity by line in real time. TAG Mobile's network operation center has protected power and diverse network feeds to protect against electric and/or phone company facility outages.

Through these arrangements, TAG Mobile 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.

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 TAG Mobile does. Therefore, TAG Mobile 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”³⁴ (emphasis added). This reasoning is fully consistent with the three types of carriers envisioned in the 1996 Act, which are 1) pure facilities-based carriers that would need interconnection only; 2) pure resellers that would simply

³⁴ See 47 C.F.R. § 54.101; 47 C.F.R. § 54.201(e).

resell the services of another carrier; and 3) “combination” or “mixed-mode” carriers that would be neither purely facilities-based nor purely resale. Under the “mixed-mode” model, the telecom entrant uses interconnection of the facilities of the underlying carrier but also has its “own facilities” such as a switch or some other network feature in order to provide service.

TAG Mobile directly meets the FCC’s requirements for ETC designation by offering the “services that are supported by federal universal support mechanisms...either using its own facilities *or a combination of its own facilities and resale of another carrier’s service.*”³⁵ Whenever a carrier relies on the “combination” or “mixed-mode” standard, a state commission, such as this Commission, is directed to grant ETC designation “irrespective of the technology” deployed by the applicant.³⁶

2. Facilities May be Located According to Technical and Economic Feasibility

Because federal policy must ensure the wide availability of affordable services, combined facilities-based common carriers must be able to locate their facilities according to technical and economic feasibility. Accordingly, states may not require the carrier facilities to be in the “relevant service area” so as long as the facilities - wherever they may be - are used “to provide services designated for support...within the service area.”³⁷ In short, as long as TAG Mobile offers any portion of the supported services using its own facilities, the requirements are met

³⁵ 47 C.F.R. § 54.201(d)(l) (emphasis added).

³⁶ 47 C.F.R. § 54.201(h).

³⁷ 47 C.F.R. § 54.201(g).

3. **Eligible Combined Facilities-based Common Carriers Must Offer both Lifeline and Link-Up**

Combined facilities-based carriers who meet ETC prerequisites must provide all of the Lifeline services listed under the FCC Rules, as noted above.³⁸ Carrier obligations, however, do not end there. Because qualifying consumers may require assistance with nonrecurring costs, the FCC Rules also require that ETCs provide Link-Up services in conjunction with their Lifeline obligations.³⁹ In other words, unless specifically prohibited by the FCC, a combination carrier like TAG Mobile is required to provide Lifeline and Link-Up. TAG Mobile will meet this requirement, as evidenced by the descriptions of both its Lifeline and Link-Up plans provided in this application under sections VII.C.3 & 4, respectively.

4. **TAG Mobile Will Advertise the Availability of the Supported Services**

TAG Mobile is fully prepared to and will comply with federal requirements that it advertise the availability of its services throughout its designated Service Area using media of general distribution.⁴⁰ TAG Mobile further commits that it will also publicize the availability of Lifeline and Link-Up service in a manner reasonably designed to reach those likely to qualify for the service.⁴¹ TAG Mobile advertises the availability and prices of its services through a variety of mediums including its extensive retail distribution network which includes CVS, Walgreens and Dollar General stores, among others, as well as from TAG Mobile's website and other online outlets. In addition, TAG Mobile takes a hands on approach to marketing the availability of Lifeline service in the communities it serves in that TAG Mobile has local representatives in the

³⁸ 47 C.F.R. §§ 54.101, 201(d) and 405.

³⁹ 47 C.F.R. § 54.411(a).

⁴⁰ 47 C.F.R. § 54.201(d)(2).

⁴¹ 47 C.F.R. §§ 54.405(b) and 54.411(d) (addressing Lifeline and Link-Up obligations respectively).

community that hold neighborhood and community events educating consumers about the Lifeline and Link-Up programs. These local events afford Kentucky consumers with an opportunity to ask questions and/or sign up for the program. TAG Mobile representatives even go door to door to inform and sign up customers in an effort to reach those who, due to health, employment, childcare or other issues, would not be able to take advantage of these programs. TAG Mobile's neighborhood canvassing efforts are supplemented with a network of brick and mortar stores. TAG Mobile goes to the where the customers are because often times the customers are either unaware of these programs, or unable to find outlets that offer them on their own. As a result, TAG Mobile accomplishes greater penetration in the areas it serves, providing more Kentucky consumers the opportunity to take advantage of the federal Lifeline and Link-Up programs. A sample of TAG Mobile's standard advertising is attached hereto as **Exhibit "D."**

V. SCOPE OF SERVICE

A. TAG Mobile Requests Designation only in the Service Area

TAG Mobile seeks certification only in its Kentucky Service Area defined by the geographic coverage of its underlying carriers, Sprint and Verizon Wireless, which, due to the nature of wireless service, may include both rural and non-rural service areas.⁴²

TAG Mobile reiterates that it is applying for ETC designation solely for the purpose of providing Lifeline and Link-Up discounts to qualified low-income consumers and to seek reimbursement for the same. TAG Mobile will not seek or accept high cost support. As such, TAG Mobile's designation as an ETC will not pose any adverse effect on the growth of the high cost portion of the Universal Service Fund, nor will it create or contribute to an erosion of high

⁴² In its *Tracfone* decision the Commission found that a wireless reseller seeking ETC status can satisfy the requirement to identify its service area by identifying its underlying carrier and providing other information that explains the extent of its service territory. Order, Case No. 2009-00100 (Nov. 24, 2010). Upon satisfying the Commission's identification requirements Tracfone was designated an ETC "in Kentucky" for the limited purpose of offering Lifeline and Link Up Service.

cost funding provided to or obtained from any rural or non-rural telephone company. As TAG Mobile's Service Area includes only the portions of Kentucky already serviced by its underlying carriers, the Commission is authorized to designate TAG Mobile as an ETC in the areas that TAG Mobile will serve without redefining the service areas of any telephone companies.

B. TAG Mobile Commits that it will Provide Service Throughout its Proposed Service Area to all Customers making a Reasonable Request for Service

In order to be designated as an ETC, a common carrier in its application must “[c]ommit to provide service in its Service Area to all customers making a reasonable request for service” “on a timely basis.”⁴³ TAG Mobile provides service through a combination of its own facilities and interconnection of the facilities of underlying carriers' services. The networks of each of these underlying carriers are already operational, thus enabling TAG Mobile to commence offering Lifeline and Link-Up to all qualified consumers soon after it receives approval from the Commission.

In addition, TAG Mobile is ready to provide 911 compliant handsets at no charge to qualified low-income consumers. TAG Mobile has also implemented procedures and internal systems necessary to offer its service programs both via the phone and Internet where TAG Mobile sends the customer an activated phone upon approval of the customer's application, as well as through authorized agent locations where the customer can complete the application with the assistance of the agent, if needed, and upon review and approval of the application, receive an activated phone for immediate use. As a result, TAG Mobile will be able to meet the requirements of 47 C.F.R. §§ 54.202(a)(1), 54.202(a)(1)(A) and 54.202(a)(1)(B), which require an ETC to provide service to all customers who make a reasonable request for service and to do so on a timely basis or within a reasonable period of time.

⁴³ 47 C.F.R. §§ 54.202(a)(1).

C. TAG Mobile Will Comply With 47 C.F.R. § 54.202(a)

Per the requirements of 47 C.F.R. § 54.202(a)(5), TAG Mobile certifies that it will “provide equal access to long distance carriers in the event that no other eligible telecommunications carrier is providing equal access within the designated service area” pursuant to section 214(e) of the 1996 Act.

VI. TAG MOBILE WILL SATISFY APPLICABLE CONSUMER PROTECTION AND SERVICE QUALITY STANDARDS

A. Customer Proprietary Network Information

TAG Mobile will satisfy all consumer privacy protection standards as provided in 47 C.F.R. § 64 Subpart U as applicable and will protect Customer Proprietary Network Information (“CPNI”) as required by state and federal law and will certify compliance of the same on an annual basis.

B. Service Quality

TAG Mobile is able to offer service of the same quality and reliability as its underlying CMRS network providers. TAG Mobile cannot guarantee that customers will never experience service disruptions. However, TAG Mobile’s underlying carrier agreements allow its service to be as reliable as any other wireless service that must deal with atmospheric and other conditions that sometimes result in dropped calls.

Further, under the FCC Rules, an ETC applicant must demonstrate its ability to remain functional in emergency situations⁴⁴. Since TAG Mobile is providing service to its customers through the use of facilities obtained from other carriers as well as through its own facilities, TAG Mobile provides to its customers the same ability to remain functional in emergency situations.

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

C. Consumer Code for Wireless Service

TAG Mobile certifies that it will comply with the Cellular Telecommunications and Internet Association's ("CTIA") Consumer Code for Wireless Service as required by 47 C.F.R. § 54.202(a)(3).

VII. DESIGNATION OF TAG MOBILE AS AN ETC IN THE STATE OF KENTUCKY SERVES THE PUBLIC INTEREST

A. Wireless ETCs *Per Se* Promote the Public Interest

The FCC has determined that while "[d]esignation of competitive ETCs promotes and benefits consumers...by increasing customer choice,"⁴⁵ 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."⁴⁶ In areas served by non-rural incumbent local exchange carriers (each an "ILEC"), the 1996 Act does not require a separate public interest finding. The FCC has previously held that designating a competitor as an ETC in areas served by non-rural ILECs is *per se* in the public interest.⁴⁷ The Kentucky Commission has echoed that public interest finding in numerous orders approving ETC petitions.

TAG Mobile seeks designation as an ETC throughout its Service Area in Kentucky. TAG Mobile's designation as an ETC will provide a valuable alternative to the existing telecommunications services currently available in these areas.

⁴⁵ See 47 U.S.C. § 214(e)(2).

⁴⁶ See Federal-State Joint Board on Universal Service, 20 FCC Rcd 6371, ¶ 42 (2005).

⁴⁷ See *Cellco Partnership* 16 FCC Rcd, at 45.

B. Federal *Per Se* Determinations of Public Interest Aside, Full Factual Examination Shows TAG Mobile’s ETC Designation Serves the Public Interest

Even though a demonstration is not required, TAG Mobile submits that the public interest benefits of designating TAG Mobile as an ETC include 1) a larger local calling area (as compared to traditional wireline carriers); 2) the convenience and security afforded by mobile telephone service; 3) the opportunity for customers to control cost by receiving a preset amount of flat-rated monthly airtime; 4) the ability to purchase additional usage in the event that included usage has been exhausted; 5) the ability of users to use the supported service to send and receive “SMS” or text messages as well as the option to send data and access the public Internet; and 6) 9-1-1 and, where available, E9-1-1 service in accordance with current FCC requirements. In addition, the inclusion of domestic telephone toll calling as a part of TAG Mobile’s flat-rated wireless offering allows consumers to avoid the risks of becoming burdened with significant and unexpected per-minute charges for domestic telephone toll and overage charges.

C. Grant of TAG Mobile’s ETC Status is Consistent with the FCC’s Additional Public Interest Factors

The FCC has also identified factors that are to be considered in determining whether designation of additional ETCs will serve the public interest, which include 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 of the applicant company’s service offerings.⁴⁸ TAG Mobile affirms that its ETC designation meets these criteria as described below.

⁴⁸ 47 U.S.C. § 54.202(c).

1. The Benefits of Increased Competitive Choice

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.⁴⁹ This is of particular interest in cases where wireless providers like TAG Mobile seek to provide service as an alternative to the ILEC. 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 TAG Mobile 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.

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

Designation of TAG Mobile as an ETC also creates competitive pressure for other landline and wireless providers within the proposed service areas. In order to remain competitive in low-income markets, all carriers will have greater incentives to increase service offerings and lower prices. This results in improved consumer services and, consistent with federal law, benefits consumers by allowing TAG Mobile to offer the services designated for support at rates that are "just, reasonable, and affordable."⁵⁰

⁴⁹ See, e.g., *Specialized Common Carrier Services*, 29 FCC2d 870 (1971).

⁵⁰ 47 U.S.C. § 254(b)(1).

2. Unique Advantages of TAG Mobile's Service Offerings

TAG Mobile 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. Attached hereto as **Exhibit "B"** are TAG Mobile's standard customer terms and conditions in connection with its wireless service offering.

As more fully described in section IV.C.4 above, TAG Mobile 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 designed to reach those likely to qualify for those services. Accordingly, more low-income Kentucky 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 TAG Mobile's service.

TAG Mobile will provide universal service as an ETC in all of its designated Service Area.

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

TAG Mobile offers a local usage plan comparable to that offered by the ILEC in the Service Area for which it seeks designation.

TAG Mobile's Lifeline and Link-Up service is available with no credit check, deposit requirement, minimum service periods, or early termination fees. These services will be an attractive and affordable alternative to all consumers, without regard to age, residency, or credit worthiness.

TAG Mobile will offer qualified consumers the following Lifeline Service Plan:

3. TAG Mobile Prepaid Wireless Lifeline Plan

Lifeline is a component of one of four separate federal universal service fund mechanisms⁵¹ known as the “low-income support mechanism”⁵² 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 enumerated in § 54.401(a)(1) through (a)(9)”, which TAG Mobile will use to “[m]ake available Lifeline service...to qualifying low-income consumers”.⁵³ Under TAG Mobile’s current Wireless Lifeline plan, qualified Lifeline customers who reside in the State of Kentucky 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 TAG Mobile to provide the service with no monthly recurring charge, thus ensuring that the consumer receives 100% of all universal service support funding for which TAG Mobile will seek reimbursement. In the event that all airtime has been used, Lifeline customers will also have the capability of purchasing additional airtime in the following denominations:

- 7 day plan: \$7 for 100 minutes / 200 texts / 5 MB Web (7 day expiration)
- 30 day plan: \$20 for 500 minutes / 1000 texts / 20 MB Web (30 day expiration)
- 30 day plan: \$30 for 1000 minutes /1200 texts /30 MB web (30 day expiration)

⁵¹ 47 C.F.R. § 54.8(a)(1); See “Definitions” at second sentence.

⁵² 47 C.F.R. § 54.8(a)(1); See “Definitions” at first sentence.

⁵³ 47 C.F.R. §§ 54.401(a), 54.401(a)(1), 54 401 (a)(2), 54.401(a)(3), 54.405(a).

Airtime replenishment cards will be made available at retail outlets commonly frequented by TAG Mobile customers throughout the Service Area, as well as from TAG Mobile’s website and other online outlets.

The wireless plan will also include a free handset and the following Custom Calling features:

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

Wireless handsets will be delivered 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.

In addition to the Lifeline Service Plan, TAG Mobile will offer qualified consumers the following Link-Up Plan:

4. TAG Mobile Link-Up Plan

Like Lifeline, Link-Up is also a component of one of four separate federal universal service fund mechanisms known as the “low-income support mechanism”, 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)*”⁵⁴⁵⁵(emphasis added). Assistance is in the form of a “reduction in the

⁵⁴ 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...”

⁵⁵ 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

carrier's customary charge for commencing telecommunications service for a single telecommunications connection" which "shall be half of the customary charge or \$30.00, whichever is less".⁵⁶ Consistent with FCC requirements, TAG Mobile will use Link-Up support to reduce TAG Mobile's "customary charge for commencing service" by "half of the customary charge..."⁵⁷, which will result in a reduction of TAG Mobile's wireless activation charge by \$30.00, the remainder of which is waived for qualifying low income customers resulting in no out of pocket expense for the Lifeline customer.

D. TAG Mobile's Services have Minimal Impact on the Universal Service Fund

Under the FCC Rules, some ETC applicants 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. But because TAG Mobile 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.

application, TAG Mobile 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).

⁵⁶ 47 C.F.R. § 54.411(a)(1).

⁵⁷ *Id.*

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.⁵⁸

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. TAG Mobile, like any other ETC, assumes the business risk to develop wireless plans that will actually attract and retain eligible customers.

In addition, all providers are required to contribute a portion of the interstate revenues received from their customers to the federal Universal Service Fund. In accordance with current federal regulations, TAG Mobile will make contributions to the federal Universal Service Fund based on that portion of its non-Lifeline revenue that is determined to be interstate. Likewise, TAG Mobile will meet its corresponding funding obligations related to Kentucky’s state Universal Service Fund.

E. Designation of TAG Mobile as an ETC Benefits the Public Interest of Low Income Consumers throughout TAG Mobile’s Service Area

Approval of TAG Mobile’s ETC Application will serve the public interest by increasing participation of qualified consumers in the Lifeline and Link-Up programs in the State of Kentucky. It will also increase the number of carriers eligible for federal USF support, thereby proportionately increasing the amount of federal USF dollars available to Kentucky consumers. Granting ETC status to TAG Mobile will contribute to more Kentucky residents receiving

⁵⁸ 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.

Lifeline and Link-Up, thereby increasing the amount of federal USF dollars flowing into and thereby benefiting Kentucky residents. In short, Kentucky residents will get more of their money back.

The Lifeline and Link-Up service offered by TAG Mobile also provides important benefits that are especially needed by low-income Kentucky residents in this time of economic downturn. As the Commission is aware, the economy remains weak, and unemployment is persistent in Kentucky. Savings accounts, upon which many depend for emergencies and retirement, have significantly eroded. 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.

TAG Mobile'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 TAG Mobile'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 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.

Finally, designation of TAG Mobile as a wireless ETC will serve the public interest by furthering the extensive role that TAG Mobile 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 wire line and traditional wireless service providers, are off network and, without a viable alternative, are likely to remain so.

F. TAG Mobile Will Comply With the Lifeline and Link-Up Certification and Verification Requirements of 47 C.F.R. §§ 54.410 and 54.416

Sections 54.410 and 54.416 of the FCC Rules require ETCs to comply with the requirements of initial certification of eligibility and the verification of continued eligibility for participation in the Lifeline and Link-Up programs. Consistent with federal requirements, TAG Mobile 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 TAG Mobile; 4) do not currently receive Lifeline support; and 5) will notify TAG Mobile in the event that they no longer participate in the qualifying program. Verification of continued eligibility is accomplished by TAG Mobile on a yearly basis in accordance with state specific procedures.

VIII. CONCLUSION

Having demonstrated herein that TAG Mobile satisfies all the conditions of eligibility necessary for designation as an ETC in Kentucky, and having shown that the public and universal service interests of the telecommunications consumers of the State of Kentucky will be properly served, TAG Mobile respectfully requests that the Commission promptly grant its Application for designation of TAG Mobile, LLC as a wireless eligible telecommunications carrier.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'D. Brent', written over a horizontal line.

Douglas F. Brent

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2000 PNC Plaza
500 West Jefferson Street
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for TAG Mobile, LLC

VERIFICATION

STATE OF TEXAS

COUNTY OF DALLAS

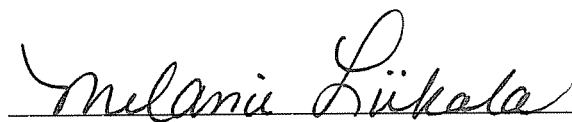
PERSONALLY came and appeared before me, the undersigned party in and for the jurisdiction aforesaid, the within named **Frank Del Col**, who after being duly sworn by me stated under oath as follows: that I am the Chief Executive Officer of TAG Mobile, LLC (“TAG Mobile”), a wireless service provider; that I executed the foregoing pleading for and on behalf of TAG Mobile; that I am authorized to execute and file said pleading; and that the matters and things set forth in said pleading are true and correct to the best of my knowledge, information and belief.



Frank Del Col

SWORN TO AND SUBSCRIBED before me on this the 22nd day of August, 2011.





Notary Public

My Commission Expires:

April 27, 2012

EXHIBITS

- Exhibit A - Information Regarding Handsets
- Exhibit B - Customer Terms and Conditions
- Exhibit C - Sample Advertising

EXHIBIT "A"

Information Regarding Handsets

Specifications

<u>Modes</u>	CDMA 1900 or 800
<u>Weight</u>	3.18 oz (90 g)
<u>Dimensions</u>	3.43" x 1.89" x 0.89" (87 x 48 x 23 mm)
<u>Form Factor</u>	Clamshell
	<u>Antenna:</u> Stub / Extendable
<u>Battery Life</u>	Talk: 2.50 hours (150 minutes) Standby: 144 hours (6 days)
<u>Battery Type</u>	Lilon 850 mAh
<u>Display</u>	Type: LCD (Color) Size: 120 x 80 pixels up to 7 lines of text
<u>Platform / OS</u>	(N/A)
<u>Memory</u>	500K
<u>Phone Book Capacity</u>	199

Features

<u>Flashlight</u>	-	Messaging	
<u>Ruggedized</u>	-	<u>Email Client</u>	Protocols Supported:
Accessibility		<u>EMS / Picture Messaging</u>	-
<u>Digital TTY/TD</u>	Yes	<u>MMS</u>	-
<u>Hearing Aid Compatible</u>	-	<u>Text Messaging</u>	2-Way: YES
<u>Multiple Languages</u>	Languages Supported: English / Spanish	<u>Text Messaging Templates</u>	-
Alerts		Music	
<u>External Display</u>	Front 96x12 pixels	<u>FM Radio</u>	-
<u>Polyphonic Ringtones</u>	-	<u>Headphone Jack (3.5mm)</u>	-
<u>Ringer Profiles</u>	-	<u>Music Player</u>	-
<u>Vibrate</u>	Yes	<u>Stereo Speakers</u>	-
Connectivity		Photo & Video	
<u>Bluetooth</u>	-	<u>Camera</u>	Resolution:
<u>Infrared (IR)</u>	-	<u>PictBridge</u>	-
<u>PC Sync</u>	-	<u>Streaming Video</u>	-
<u>USB</u>	-	<u>Video Calling</u>	-
<u>Wi-Fi</u>	-	<u>Video Capture</u>	-
Contacts		Productivity	
<u>Multiple Numbers per</u>	Numbers per entry: 5	<u>Alarm</u>	-
		<u>Calculator</u>	Yes
		<u>Calendar</u>	Yes

<u>Name</u>		<u>ECML / Digital Wallet</u>	-
<u>Picture ID</u>	-	<u>SyncML</u>	-
<u>Ringer ID</u>	Yes	<u>To-Do List</u>	-
<u>Voice Dialing</u>	-	<u>Voice Memo</u>	-
Customization		Software	
<u>Changeable Faceplates</u>	-	<u>BREW</u>	-
<u>Custom Graphics</u>	-	<u>Games</u>	Yes
<u>Custom Ringtones</u>	-	<u>Java (J2ME)</u>	-
Data & Network		Voice	
<u>Data-Capable</u>	-	<u>Call Screening</u>	-
<u>Packet Data</u>	Technology:	<u>Headset Jack (2.5 mm)</u>	Yes
<u>WAP / Web Browser</u>	-	<u>Push-To-Talk</u>	-
Input		<u>Speaker Phone</u>	
<u>Key Lock Switch</u>	-		
<u>Predictive Text Entry</u>	Technology: T9		
<u>Side Keys</u>	up/down volume on left side		
<u>Text Keyboard</u>	Layout:		
<u>Touch Screen</u>	-		
Memory			
<u>Expansion Card</u>	Card Type:		
<u>Hard Drive</u>	-		

Packaging and Accessories

All units must come complete with the following:

Handset

Battery

Charger

Plain white box no larger than 7"x6"x3"

Handsets must come kitted in box with all accessory components

All Handsets are USAC compliant and E911 compatible

Branding

Units must not show any logos, other than the TAG Mobile logo, anywhere on the device, wake-up screen or in any menu item.

EXHIBIT “B”

Customer Terms and Conditions

TAG Mobile, LLC Service Agreement

The Service Agreement

Your Service Agreement (the “Agreement”) with TAG Mobile, LLC (“TAG”) includes the terms of your TAG Service Plan or other information on Services we provide or refer you to during the sales transaction as well as any confirmation materials we may provide you, TAG’s Terms of Service (“ToS”), TAG’s Acceptable Use Policy (“AUP”) and TAG’s most recent General Terms and Conditions of Service (“T’s & C’s”). **It is important that you carefully read all of the terms of the Agreement.**

When You Accept The Agreement

By enrolling in or subscribing to service with TAG, you agree to be bound by the Agreement. If you are an existing customer, your continued use, payment for, enrollment in or subscription to our service represents your acceptance of the terms and conditions of the Agreement. If you agree to maintain service for a minimum Term, the Term begins when you accept the Agreement. You must have the legal capacity to accept the Agreement. You accept the Agreement when you do any of the following: (a) accept the Agreement through any printed, oral or electronic statement; (b) attempt to or in any way use the Services; (c) pay for the Services; or (d) open any package or start any program that says you are accepting the Agreement when doing so.

Terms of Service

Following are the Terms of Service (“ToS”) with TAG for the purchase of wireless telephone service pursuant to the Service Plan you selected. The Service Plan, as described in the ToS below, is hereby made an integral part of the ToS, which, along with TAG’s AUP and T’s & C’s comprise the entire Agreement between you and TAG.

Service Plans

The Service Plan consists of a detailed description of Services provided to you and the fees associated with those Services. Only the terms of the specific Service Plan you selected will apply to your Agreement. All Service Plans include the following features:

- Local Calls
- Nationwide Domestic Long Distance
- Caller ID
- Call Waiting
- Call Forwarding
- 3-Way Calling
- Voice Mail (airtime charges apply from your cell phone)
- Nationwide Domestic Text Messaging - The rate to receive or send a text message to another phone is 1 minute per 3 text messages sent or received and applies when text messaging is not an included component of a Service Plan or when all text messages included in a Service Plan have been used.
- Roaming at no additional charge, subject to the terms of the Agreement
- 411 Directory Assistance - Plan minutes are decremented for 411 calling.
- 911 and enhanced emergency 911 (“E-911”) service where available - Plan minutes are not decremented for 911 and E-911 services and this service remains available even when all plan minutes have been used.
- 611 access to Customer Service where available. Depending upon state specific rules, 611 access and Customer Service calls may decrement Plan minutes.
- 211 Service related to the National 2-1-1 initiative which provides access to free and confidential information and referrals for help with food, housing, employment, health care, counseling and more, to customers dialing “211”. Plan minutes are not decremented for 211 calling.

TAG offers the following Service Plans:

Base Plan: Term and Pricing - The Base Plan includes a preset amount of minutes for \$13.50 per month. In most states the amount of preset minutes is 68, however this may vary depending on your state of residence. Please see our website (www.tagmobile.net) for state specific information on TAG's Base Plan minute allotment. For the purposes referenced herein, a month is defined as a 30 day period, beginning on the first day of activation of service and ending at midnight on the monthly service renewal date. Text messaging is not included in the Base Plan, however it is available and plan minutes are decremented at 1 minute for every 3 text messages, either sent or received. Data services are not included in the Base Plan. The Base Plan requires purchase of a TAG mobile Device for \$30.00 and a one-time activation fee of \$60.00 unless a promotional offer or other qualifying plan terms apply.

Replenishment Plans: Replenishment plans are available in either 7 day or 30 day increments, and include text messaging and data service. Replenishment plan pricing and terms are as follows:

- 7 Day Plan - 100 minutes, 200 text messages & 5MB data for \$7.00
- 30 Day Plan 1 - 500 minutes, 1000 text messages & 20MB data for \$20.00
- 30 Day Plan 2 - 1000 minutes, 1200 text messages & 30MB data for \$30.00

Unlimited Talk and Text: Term and Pricing - The Unlimited Talk and Text Plan includes unlimited in-network airtime minutes and unlimited in-network text messaging monthly for \$39.00. For the purposes referenced herein, a month is defined as a 30 day period, beginning on the first day of activation of service and ending at midnight on the monthly service renewal date. This plan does not include data service, international calling or international text messaging.

Unlimited Talk, Text and Data: Term and Pricing - The Unlimited Talk, Text and Data Plan includes unlimited in-network airtime minutes, unlimited in-network text messaging and unlimited in-network data service monthly for \$59.00 For the purposes referenced herein, a month is defined as a 30 day period, beginning on the first day of activation of service and ending at midnight on the monthly service renewal date. This plan does not include international calling or international text messaging.

Lifeline Plan*: Term and Pricing - The Lifeline Plan includes a preset amount of free minutes monthly. The amount of free minutes available varies by state, so please see our website (www.tagmobile.net) for state specific information on the Lifeline plans. For the purposes referenced herein, a month is defined as a 30 day period, beginning on the first day of activation of service and ending at midnight on the monthly service renewal date. Text messaging is not included in the Lifeline Plan, however it is available, and plan minutes are decremented at 1 minute for every 3 text messages, either sent or received. Data services are not included and are not available in the

Lifeline Plan. Replenishment Plans are available to be purchased in conjunction with the Lifeline Plan. These Replenishment Plans may include text and data. Unless state specific rules apply, all unused minutes including free monthly minutes and replenishment minutes from separately purchased any airtime cards will expire at the end of each month, defined as the monthly renewal date, upon receipt of your free monthly minutes.

Link-Up Plan*: The Link-Up Plan includes a free mobile Device and free Device activation.

* The Lifeline and Link-Up Plans are only available to consumers who qualify for Lifeline and Link-Up assistance programs. Eligibility for Lifeline and Link-up varies by state. Please see our website (www.tagmobile.net) for state specific information on qualification for the Lifeline and Link-Up plans. In most states you may be eligible if you already participate in one or more of the following government aid programs:

- Low-Income Home Energy Assistance Program (LIHEAP)
- Federal Public Housing Assistance (Section 8)
- Medicaid
- Food Stamps
- Supplemental Security Income (SSI)
- Temporary Assistance for Needy Families (TANF)
- National School Lunch free lunch program

By certifying you are eligible for these services, you are certifying that your household has not received a Link-up credit at your current address and/or that your household has not received a Lifeline credit in the last twelve (12) months. If you do not qualify for a Link-up credit, you may purchase a phone and still receive the monthly Lifeline credit provided you meet those eligibility criteria.

Termination of Services: You may terminate any line of service by calling us. We reserve the right to cancel offers early or extend offers without notice. Certain offers may not be available everywhere or be combinable with other promotions/options. Coverage is not available everywhere and varies by service - see mapping brochures or visit www.tagmobile.net for coverage details. Fees paid for Services and/or Devices are inclusive of most government taxes and fees, and TAG Surcharges [incl. USF charge (varies quarterly), cost recovery and administrative fees, & state/local fees by area], with the exception of local sales tax which is applied to the purchase of replenishment plans or other Services or Devices that are purchased at retail locations or on our website. TAG Surcharges are not taxes or government required charges and are subject to change. Up to a \$60 phone activation fee applies to new activations. A reconnect fee may apply to reestablish service on accounts that have been deactivated. Our services will only work with our phones - not all services are available with all phones or on all networks. Service charges are not refunded or prorated if service is terminated or modified. All phone usage, including incoming/outgoing calls, incurs airtime charges unless specified otherwise. On calls

that cross time periods, minutes are generally deducted or charged based on the call start time. Unused plan minutes do not carry forward and expire at midnight of the monthly service renewal date as determined by your activation date. Partial minutes of use are rounded up to the next whole minute.

Nature of our Service. Our rate plans, customer devices, services and features are not for resale and are intended for reasonable and non-continuous use by a person using a device on TAG's networks.

Prohibited Network Uses. To ensure the activities of some users do not impair the ability of our customers to have access to reliable services provided at reasonable costs, you may not use our services in a manner that is unlawful, infringes on intellectual property rights, or harms or unduly interferes with the use of TAG's network or systems. TAG reserves the right, without notice or limitation, to limit data throughput speeds or quantities or to deny, terminate, end, modify, disconnect, or suspend service if an individual engages in any of the prohibited voice or data uses detailed below or if TAG, in its sole discretion, determines action is necessary to protect its wireless networks from harm or degradation.

Examples of prohibited voice uses: TAG voice services are provided solely for live dialogue between, and initiated by, individuals for personal use and as otherwise described in this policy. TAG services may not be used for any other purposes, including, but not limited to: monitoring services, transmission of broadcasts, transmission of recorded material, telemarketing, autodialed calls, other commercial uses, or other connections that do not consist of uninterrupted live dialogue between individuals.

Examples of prohibited data uses: TAG data services are provided solely for purposes of web surfing, sending and receiving email, photographs and other similar messaging activities, and the non-continuous streaming of videos, downloading of files or on line gaming. Our data services may not be used:

- (1) to generate excessive amounts of Internet traffic through the continuous, unattended streaming, downloading or uploading of videos or other files or to operate hosting services including, but not limited to, web or gaming hosting;
- (2) to maintain continuous active network connections to the Internet such as through a web camera or machine-to-machine connections that do not involve active participation by a person;
- (3) to disrupt email use by others using automated or manual routines, including, but not limited to "auto-responders" or cancel bots or other similar routines;
- (4) to transmit or facilitate any unsolicited or unauthorized advertising, telemarketing, promotional materials, "junk mail", unsolicited commercial or bulk email, or fax;
- (5) for activities adversely affecting the ability of other people or systems to use either TAG's wireless services or other parties' Internet-based resources,

- including, but not limited to, "denial of service" (DoS) attacks against another network host or individual user;
- (6) for an activity that connects any device to Personal Computers (including without limitation, laptops), or other equipment for the purpose of transmitting wireless data over the network (unless customer is using a plan designated for such usage); or
 - (7) for any other reason that, in our sole discretion violates our policy of providing service for individual use.

Unlimited Use Plans. If you subscribe to rate plans, services or features that are described as unlimited, you should be aware that such "unlimited" plans are subject to these Prohibited Network Uses.

Please refer to TAG's AUP for additional information on prohibited use.

Messaging (text, picture and video): Messaging rates are subject to change. Standard message rates are charged when a message is sent or received, whether read or unread, viewed or unviewed, solicited or unsolicited. Unused plan messages do not carry forward. Certain messages, including those to 3rd parties to participate in a promotion or other program, may require an alternate method of payment and are unable to be billed through the service. There is no guarantee that messages will be received, and TAG is not responsible for lost or misdirected messages. Most text messages are limited to 160 characters.

E-Mail: Wireless access to corporate/employee email may require additional server or server access, licenses, or additional requirements which may not be available with TAG Service Plans.

Data: Services are not available with all TAG phones. The amount of data transmitted over our network is measured in kilobytes (KB), megabytes (MB) or gigabytes (GB). Unless specified otherwise 1024KB equals 1MB. 1024MB equal 1GB. Usage is calculated on a per kilobyte, megabyte or gigabyte (depending on your plan) basis and is rounded up to the next whole kilobyte, megabyte or gigabyte. Rounding occurs at the end of each session or each clock hour and at which time we deduct accumulated usage from your plan. You are responsible for all data activity from and to your device, regardless of who initiates the activity. Estimates of data usage will vary from actual use. Premium content (games, ringtones, songs, etc.) is priced separately and will require an alternate method of payment. Services are not available for use in connection with server devices or host computer applications, other systems that drive continuous heavy traffic or data sessions, or as substitutes for private lines or frame relay connections. We reserve the right to deny or terminate service without notice for any misuse or any use that adversely affects network performance. Availability of downloadable or streaming content is subject to change, including but not limited to television channels and radio stations.

Off-network Roaming: The primary use of your Device must be for domestic purposes within the TAG network. Domestic means use in the 50 United States and U.S. Territories (except Guam). Roaming is not available with single-band phones, and may not be available to customers who reside or whose primary use is outside an area covered by the TAG Network. Data services and certain calling features (Voicemail, Caller ID, Call Waiting, etc.) may not be available in all roaming areas. TAG reserves the right to deny, terminate, modify, disconnect or suspend service if the majority of minutes or kilobytes are used for roaming.

International Roaming: International calling and roaming, including in Canada, Mexico, and Guam are not included in TAG Service Plans. International calling and roaming usage will require an alternate payment method. Data services and certain calling features (Voicemail, Caller ID, Call Waiting, etc.) may not be available in all roaming areas. TAG reserves the right to deny, terminate, modify, disconnect or suspend service if the majority of minutes or kilobytes are used for international roaming.

International Long Distance and Messaging: Access to international service is available on the TAG network through an international operator service. In order to make international long-distance calls, including to Mexico and Guam, and in certain cases to send international text, an alternate payment method is required.

Domestic (U.S.): Includes the 50 United States, Washington D.C., Puerto Rico, and the Virgin Islands.

General Terms and Conditions of Service (T's & C's)

Basic Definitions

In this document:

- (1) "we," "us," "our," and "TAG" mean TAG Mobile, LLC and its affiliates;
- (2) "you," "your," "customer," and "user" mean an account holder or user with us;
- (3) "Device" means any phone, aircard, mobile broadband device, any other device, accessory or other product we sell to you or that is active on your account with us; and
- (4) "Service" means our offers, rate plans, options, wireless Service Plans or Devices on your account with us.

Services Covered by These T's & C's & Additional Terms

These T's & C's apply to our standard wireless Service Plans and any other Service we offer you that references these T's & C's. Additional terms will apply to certain Devices and applications (the terms may come from TAG or a third party) and will be provided with the Device or prior to the use of the application, as applicable. Also, a different dispute resolution provision may apply to services provided by another company (the dispute resolution provisions in this Agreement still apply to our Services).

Our Policies

Services are subject to our business policies, practices and procedures ("Policies"). You agree to adhere to all of our Policies when you use our Services. Our Policies are subject to change at any time with or without notice.

Pre-Paid Services

All TAG Services are provided on a pre-paid basis. TAG does not condition the provision of Service on a consumer's credit rating, credit history or other method of determining credit worthiness. TAG does not provide your payment history and other account billing/charge information to any credit reporting agency or industry clearinghouse. You aren't responsible for paying any early termination fee when terminating Services and no deposits are held or required as a condition of Service nor does TAG have any preset account spending limits.

Our Right To Change The Agreement & Your Related Rights

We may change any part of the Agreement at any time, including, but not limited to, rates, charges, how we calculate charges, or the ToS. We will provide you notice of material changes, and may provide you notice of non-material changes, in a manner consistent with the Agreement (see "Providing Notice To Each Other Under The Agreement" section).

Our Right To Suspend Or Terminate Services

We can, without notice, suspend or terminate any Service at any time for any reason, including, but not limited to:

- (1) harassing/threatening/abusing/offending our employees or agents;
- (2) providing false, inaccurate, dated or unverifiable identification or information;
- (3) interfering with our operations;
- (4) using/suspicion of using Services in any manner restricted by or inconsistent with the Agreement;
- (5) breaching the Agreement or failing to follow our Policies;
- (6) modifying a Device from its manufacturer specifications;
- (7) failing to use our Services for an extended period of time;
- (8) failing to maintain an active Device in connection with the Service; or
- (9) if we believe the action protects our interests, any customer's interests or our network.

Your Right To Change Services & When Changes Are Effective

The account holder can typically change Services upon request. In some instances, changes may be conditioned on payment of certain charges. Changes to Services are usually effective at the start of the next monthly service renewal date. We may, but are not obligated to, provide you the opportunity to authorize someone else to make changes to your Services. You are responsible for any changes to your Services made by a person you authorize and those changes will be treated as modifications to the Agreement.

Your Right To Terminate Services

You can terminate Services at any time by calling us and requesting that we deactivate all Services. In addition, if you return or provide your Device to TAG and fail to either deactivate service on the Device or activate another Device in connection with your Service, we reserve the right to terminate your Service. You are responsible for all charges incurred prior to termination. If Services are terminated before your next monthly service renewal date, we won't prorate charges to the date of termination and you won't receive a credit or refund for any unused Services.

Restrictions On Using Services

You can't use our Services:

- (1) in a way that could cause damage or adversely affect any of our other customers or our reputation, network, property or Services; or
- (2) in any way prohibited by the terms of our Service Plans, the Agreement or our Policies. You cannot in any manner resell the Services to another party.

See our AUP for additional restrictions on the use of our Services.

Your Device, Number & E-mail Address; Caller ID

We don't manufacture any Device we might sell to you or that is associated with our Services, and we aren't responsible for any defects, acts or omissions of the manufacturer. The only warranties on your Device are the limited warranties given to you by the manufacturer directly or that we pass through. Your Device is designed to be activated on the TAG network and in other coverage areas we make available to you. As programmed, it will not accept wireless service from another carrier. Except for any legal right you may have to port/transfer your phone number to another carrier, you have no and cannot gain any (for example, through publication, use, etc.) proprietary, ownership or other rights to any phone number, identification number, e-mail address or other identifier we assign to you, your Device or your account. We'll notify you if we decide to change or reassign them. Your TAG phone has a software programming lock that protects certain of the handset's operating parameters against unauthorized reprogramming.

Porting/Transferring Phone Numbers

We don't guarantee that number transfers to us will be successful. Further, in transferring a number to TAG from another carrier, you are solely responsible for all charges billed or incurred prior to deactivation of service with your prior carrier and for any applicable early termination fees assessed by your prior carrier. TAG does not offer the ability to transfer a number away from us to another carrier.

Coverage; Where Your Device Will Work; Service Speeds

Our coverage maps are available on our website. The specific network coverage you get will depend on the radio transmissions your Device can pick up and Services you've chosen. Our coverage maps provide high level estimates of our coverage areas when using Services outdoors under optimal conditions. Coverage isn't available everywhere and Service speeds are not guaranteed. Service speeds may depend on the Service purchased. Actual speeds will vary. Estimating wireless coverage, signal strength and Service speed is not an exact science. There are gaps in coverage within our estimated coverage areas that, along with other factors both within and beyond our control (network problems, network or internet congestion, software, signal strength, your Device, structures, buildings, weather, geography, topography, server speeds of the websites you access, etc.), may result in dropped and blocked connections, slower Service speeds, or otherwise impact the quality of Service. Services that rely on location information, such as E911 and GPS navigation, depend on your Device's ability to acquire satellite signals (typically not available indoors) and network coverage. While your Device is receiving a software update, you may be unable to use your Device in any manner until the software update is complete.

Roaming

The term "roaming" typically refers to coverage on another carrier's network that we may make available to you based on our agreements with other carriers. These agreements may change from time to time and roaming coverage is subject to change. Your ability to receive roaming coverage depends on the radio transmissions your Device can pick up and the availability of roaming coverage. TAG makes no

guaranty that roaming coverage will be available in all areas, and further, roaming may not be available to customers who reside or whose primary use is outside an area covered by the TAG Network. Roaming coverage may exist both within and outside our network coverage areas. Your Device will generally indicate when you're roaming. Depending on your Services, limits on the amount of minutes used while roaming may apply. Certain Services may not be available or work the same when roaming (including data Services, voicemail, call waiting, etc.). TAG reserves the right to deny, terminate, modify, disconnect or suspend service if the majority of minutes or kilobytes are used for roaming.

About Data Services & Content

TAG's data Services and your Device may allow you to access the internet, text, pictures, video, games, graphics, music, email, applications, sound and other materials ("Data Content") or send Data Content elsewhere. Some Data Content is available from us or our vendors, while other Data Content can be accessed from others (third party websites, games, ringtones, etc.). We make absolutely no guarantees about the Data Content you access on your Device. Data Content may be unsuitable for children/minors, unreliable or inaccurate, or offensive, indecent or objectionable. You're solely responsible for evaluating the Data Content accessed by you or anyone on your account. We strongly recommend you monitor data usage by children/minors. Data Content from third parties may also harm your Device or its software. To protect our network, Services, or for other reasons, we may place restrictions on accessing certain Data Content (such as certain websites, applications, etc.), limit throughput or the amount of data you can transfer, or otherwise limit or terminate Services. If we provide you storage for Data Content you have purchased, we may delete the Data Content with notice or place restrictions/limits on the use of storage areas. You may not be able to make or receive voice calls while using data Services. Data Content provided by our vendors or third parties is subject to cancellation or termination at any time without notice to you and you may not receive a refund for any unused portion of the Data Content.

Specific Terms & Restrictions On Using Data Services

In addition to the rules for using all of our other Services, unless we identify the Service or Device you have selected as specifically intended for that purpose (for example, wireless routers, Data Link, etc.), you can't use our data Services:

- (1) with server devices or host computer applications, or other systems that drive continuous heavy traffic or data sessions;
- (2) as a substitute or backup for private lines or frame relay connections; or
- (3) for any other unintended use as we determine in our sole discretion.

We reserve the right to limit, suspend or constrain any heavy, continuous data usage that adversely impacts our network performance or hinders access to our network. If your Services include web or data access, you also can't use your Device as a modem for computers or other equipment, unless we identify the Service or Device you have selected as specifically intended for that purpose.

Activation & Miscellaneous Charges

Based on our Policies, we may charge activation, prepayment, reactivation, program or other fees to establish or maintain Services. Certain transactions may also be subject to a charge (for example, convenience payment, changing phone numbers, handset upgrades, etc.). You will be provided notice of these types of fees before we complete the requested transaction.

Account & Service Charges

You are responsible for all charges associated with your account and the Services on your account, no matter who adds or uses the Services. Charges include, but are not limited to, usage charges, charges for additional services, taxes, surcharges and fees associated with your Services. These charges are described or referred to during the sales transaction, in our marketing materials, and in confirmation materials we may send to you. Depending on your Services, charges for additional services may include operator and directory assistance, voicemail, call forwarding, data calls, texts and web access. If you (the account holder) allow end users to access or use your Devices, you authorize end users to access, download and use Services. For Services offered on a per-day basis, you will generally be charged for use before or at the time of use. In certain instances, we may charge at some point after you use the Services. Services offered on a per-day basis end 24 hours after Service is initiated

How We Calculate Your Usage For Decrementing Purposes

Regular Voice Calls: We round up partial minutes of use to the next full minute after the first 30 seconds. Time starts when you press "Talk" or your Device connects to the network and stops when you press "End" or the network connection otherwise breaks. You're decremented minutes for all calls that connect, even to answering machines. Minutes won't be decremented for unanswered calls or if you get a busy signal. For incoming calls answered, minutes are decremented from the time shortly before the Device starts ringing until you press END or the network connection otherwise breaks.

Text Messaging: Unless specific Service Plan Terms apply, the rate to receive or send a text message to another phone is 1 minute per 3 text messages sent or received and applies when text messaging is not an included component of a Service Plan or when all text messages included in a Service Plan have been used. Plan minutes are not decremented until the third text message is either sent or received, and rounding does not apply.

Data Usage: Unless we specifically tell you otherwise, data usage is measured in bytes, kilobytes, megabytes, and gigabytes - not in minutes/time. 1024 bytes equals 1 kilobyte ('KB'), 1024 KB equals 1 megabyte, and 1024 megabytes equals 1 gigabyte. Bytes are rounded up to kilobytes, so you will be decremented at least 1 KB for each data usage session ('data session'). Rounding occurs at the end of each data session, and sometimes during a data session. Depending on your data Services you may be subject to limitations on the amount of data usage. Data Services decrement for all data directed to your Device's internet address, including data sessions you did not

initiate and for incomplete transfers. As long as your Device is connected to our data network, data usage will be decremented. Examples of data usage decremented for include the size of a requested file or Data Content (game, ringtone, etc.), web page graphics (logos, pictures, banners, advertisement, etc.), additional data used in accessing, transporting and routing the file on our network, data from partial or interrupted downloads, re-sent data, and data associated with unsuccessful attempts to reach websites or use applications. Data used and decremented will vary widely, even between identical actions or data sessions. Estimates of data usage - for example, the size of downloadable files - are not reliable predictors of actual usage.

Taxes & Government Fees

You agree to pay all federal, state and local taxes, fees and other assessments that are required by law to be collected and remitted to the government on the Services and/or Devices provided to you. These charges may change from time to time without advance notice.

Surcharges

You agree to pay all surcharges ("Surcharges"), which may include, but are not limited to: Federal Universal Service, various regulatory charges, TAG administrative charges, gross receipts charges, and charges for the costs we incur in complying with governmental programs. Surcharges are not taxes and are not required by law. They are rates we choose to collect from you and are kept by us in whole or in part. The number and type of Surcharges may vary depending upon the location of the billing address of the Device and can change over time. We determine the rate for these charges and these amounts are subject to change as are the components used to calculate these amounts. We will provide you notice of any changes to Surcharges in a manner consistent with this Agreement (see "Providing Notice To Each Other Under The Agreement" section). However, since some Surcharges are based on amounts set by the government or based on government formulas, it will not always be possible to provide advance notice of new Surcharges or changes in the amount of existing Surcharges. Information on Surcharges is provided during the sales transaction.

Customer Service

If you have a service or billing problem or inquiry, you may contact TAG's Customer Service Department toll free at (877) 564-6374. We will make all reasonable attempts to resolve your problem or inquiry. In the event the Customer Service Department is unable to resolve your issue, your dispute will be escalated to the Complaint Department. In the event that the Complaint Department is unable to resolve your issue, the Dispute Resolution provisions of this Agreement will apply.

Protecting Our Network & Services

We can take any action to:

- (1) protect our network, our rights and interests, or the rights of others; or
- (2) optimize or improve the overall use of our network and Services.

Some of these actions may interrupt or prevent legitimate communications and usage, for example message filtering/blocking software to prevent SPAM or viruses, limiting throughput, limiting access to certain websites, applications or other Data Content, prohibitions on unintended uses (for example, use as a dedicated line, or use as a monitoring service), etc. For additional information on what we do to protect our customers, network, Services and equipment, see our AUP.

Your Privacy

Our Privacy Policy is available on our website. To review the policy, visit www.tagmobile.net. This policy may change from time to time, so review it with regularity and care.

Call Monitoring:

To ensure the quality of our Services and for other lawful purposes, we may monitor or record calls between us (for example, your conversations with our customer service or sales departments).

Contact:

You agree that we may contact you for Service related reasons through the contact information you provide, through the Services or Devices to which you subscribe or through other available means, including text message, email, fax, recorded message, mobile, residential or business phone, or mail.

CPNI: As we provide telecommunications products and Services to you (the account holder), we develop information about the quantity, technical configuration, type and destination of telecommunications products and Services you use, as well as some other information ("CPNI"). Under federal law, you have the right, and we have a duty, to protect the confidentiality of your CPNI. For example, we implement safeguards that are designed to protect your CPNI, including authentication procedures when you contact us.

Third Party Applications: If you use a third party application, the application may access, collect, use or disclose your personal information or require TAG to disclose your information, including location information (when applicable), to the application provider or some other third party. If you access, use or authorize third party applications through the Services, you agree and authorize TAG to provide information related to your use of the Services or the application(s). You understand that your use of third party applications is subject to the third party's terms and conditions and policies, including its privacy policy.

Information on Devices:

Your Device may contain sensitive or personal information. TAG is not responsible for any information on your Device, including sensitive or personal information. If possible, you should remove or otherwise safeguard any sensitive or personal information when your Device is out of your possession or control, including, but not limited to, relinquishing, exchanging, returning or recycling your Device. By

submitting your Device to us, you agree that our employees, contractors or vendors may access all of the information on your Device.

Location Based Services

Our network generally knows the location of your Device when it is outdoors and/or turned on. By using various technologies to locate your Device, we can provide enhanced emergency 911 (“E-911”) services, and optional location-sensitive services provided by us or a third party. Network coverage or environmental factors (such as structures, buildings, weather, geography, landscape, and topography) can significantly impact the ability to access your Device's location information and use of location-sensitive services.

You agree that any authorized user may access, use or authorize TAG or third party location sensitive applications through the Services. You understand that your use of such location sensitive applications is subject to the application's terms and conditions and policies, including its privacy policy. If you activate location sensitive services for devices used by other authorized users, you agree to inform the authorized user(s) of the terms of use for location sensitive applications and that the Device may be located. For additional information on location-sensitive services, see our Privacy Policy at our website.

911 Or Other Emergency Calls

Public Safety Officials advise that when making 911 or other emergency calls, you should always be prepared to provide your location information. Unlike traditional wireline phones, depending on a number of factors (for example, whether your Device is GPS enabled, where you are, whether local emergency service providers have upgraded their equipment, etc.), 911 operators may not know your phone number, your location or the location of your Device. In certain circumstances, an emergency call may be routed to a state patrol dispatcher or alternative location set by local emergency service providers. E911 service, where enabled by local emergency authorities, uses GPS technology to provide location information. Even when available, however, E911 does not always provide accurate location information. If your Device is indoors or for some other reason cannot acquire a satellite signal, you may not be located. Some Devices have a safety feature that prevents use of the keypad after dialing 911 - you should follow voice prompts when interacting with emergency service providers employing IVR systems to screen calls.

If Your Device Is Lost Or Stolen

Call us immediately if your Device is lost or stolen because you may be responsible for usage occurring before you notify us of the alleged loss or theft. You agree to cooperate if we choose to investigate the matter (provide facts, sworn statements, etc.). We will not prorate charges to the date of termination and you won't receive a credit or refund for any unused Services if you choose to terminate Services as a result of loss or theft of your Device.

Disclaimer of Warranties

WE MAKE NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, INCLUDING (TO THE EXTENT ALLOWED BY LAW) ANY IMPLIED WARRANTY OF MERCHANTABILITY, NON-INFRINGEMENT OR FITNESS FOR A PARTICULAR PURPOSE CONCERNING YOUR SERVICES (INCLUDING YOUR DEVICE). WE DON'T PROMISE UNINTERRUPTED OR ERROR-FREE SERVICES AND DON'T AUTHORIZE ANYONE TO MAKE WARRANTIES ON OUR BEHALF.

You Agree We Are Not Responsible For Certain Problems

You agree that neither we nor our vendors, suppliers or licensors are responsible for any damages resulting from:

- (1) anything done or not done by someone else;
- (2) providing or failing to provide Services, including, but not limited to, deficiencies or problems with a Device or network coverage (for example, dropped, blocked, interrupted Services, etc.);
- (3) traffic or other accidents, or any health-related claims relating to our Services;
- (4) Data Content or information accessed while using our Services;
- (5) an interruption or failure in accessing or attempting to access emergency services from a Device, including through 911, Enhanced 911 or otherwise;
- (6) interrupted, failed, or inaccurate location information services;
- (7) information or communication that is blocked by a spam filter;
- (8) damage to your Device or any computer or equipment connected to your Device, or damage to or loss of any information stored on your Device, computer, equipment, or Sprint storage space from your use of the Services or from viruses, worms, or downloads of malicious content, materials, data, text, images, video or audio; or
- (9) things beyond our control, including acts of God (for example, weather-related phenomena, fire, earthquake, hurricane, etc.), riot, strike, war, terrorism or government orders or acts. You should implement appropriate safeguards to secure your Device, computer or equipment and to back-up your information stored on each.

You Agree Our Liability Is Limited - No Consequential Damages

TO THE EXTENT ALLOWED BY LAW, OUR LIABILITY FOR MONETARY DAMAGES FOR ANY CLAIMS YOU MAY HAVE AGAINST US IS LIMITED TO NO MORE THAN THE PROPORTIONATE AMOUNT OF THE SERVICE CHARGES ATTRIBUTABLE TO THE AFFECTED PERIOD. UNDER NO CIRCUMSTANCES ARE WE LIABLE FOR ANY INCIDENTAL, CONSEQUENTIAL, PUNITIVE OR SPECIAL DAMAGES OF ANY NATURE WHATSOEVER ARISING OUT OF OR RELATED TO PROVIDING OR FAILING TO PROVIDE SERVICES IN CONNECTION WITH A DEVICE, INCLUDING, BUT NOT LIMITED TO, LOST PROFITS, LOSS OF BUSINESS, OR COST OF REPLACEMENT PRODUCTS AND SERVICES.

DISPUTE RESOLUTION

We Agree To First Contact Each Other With Any Disputes

We each agree to first contact each other with any disputes and provide a written description of the problem, all relevant document//information and the proposed resolution. We agree to contact each other as described in the Providing Notice to Each Other Under The Agreement section of the T's & C's.

Instead Of Suing In Court, We Each Agree To Arbitrate Disputes

We each agree to finally settle all disputes (as defined and subject to any specific exceptions below) only by arbitration. In arbitration, there's no judge or jury and review is limited. However, just as a court would, the arbitrator must honor the terms and limitations in the Agreement and can award the same damages and relief, including any attorney's fees authorized by law. The arbitrator's decision and award is final and binding, with some exceptions under the Federal Arbitration Act ("FAA"), and judgment on the award may be entered in any court with jurisdiction. We each also agree as follows:

- (1) "Disputes" are any claims or controversies against each other related in any way to our Services or the Agreement, including, but not limited to, coverage, Devices, privacy, or advertising, even if it arises after Services have terminated - this includes claims you bring against our employees, agents, affiliates or other representatives, or that we bring against you.
- (2) If either of us wants to arbitrate a dispute, we agree to send written notice to the other providing a description of the dispute, previous efforts to resolve the dispute, all supporting documents/information, and the proposed resolution. Notice to you will be sent as described in the Providing Notice to Each Other Under The Agreement section of the T's & C's and notice to us will be sent to: Tag Mobile, LLC, Attn: General Counsel; 1330 Capital Parkway, Carrollton, TX 75006. We agree to make attempts to resolve the dispute. If we cannot resolve the dispute within forty-five (45) days of receipt of the notice to arbitrate, then we may submit the dispute to formal arbitration.
- (3) The FAA applies to this Agreement and arbitration provision. We each agree the FAA's provisions, not state law, govern all questions of whether a dispute is subject to arbitration.
- (4) Unless we each agree otherwise, the Arbitration will be conducted by a single neutral arbitrator and will take place in the county of the last billing address of the Device. We will agree on the arbitrator, and if we cannot agree, then the arbitrator will be appointed by the court as provided by the FAA.
- (5) The arbitration will be governed by the arbitration rules selected by the Arbitrator. The federal or state law that applies to the Agreement will also apply during the arbitration.
- (6) We each agree not to pursue arbitration on a classwide basis. We each agree that any arbitration will be solely between you and us (not brought on behalf of or together with another individual's claim). If for any reason any court or arbitrator holds that this restriction is unconscionable or unenforceable, then

our agreement to arbitrate doesn't apply and the dispute must be brought in court.

(7) We each are responsible for our respective costs relating to counsel, experts, and witnesses, as well as any other costs relating to the arbitration. However, we will cover any arbitration administrative or filing fees above:

- a. \$25 if you are seeking less than \$1,000 from us; or
- b. the equivalent court filing fees for a court action in the appropriate jurisdiction if you are seeking \$1,000 or more from us.

Exceptions To Our Agreement To Arbitrate Disputes

Either of us may bring qualifying claims in small claims court. In addition, this arbitration provision does not prevent you from filing your dispute with any federal, state or local government agency that can, if the law allows, seek relief against us on your behalf.

No Class Actions

TO THE EXTENT ALLOWED BY LAW, WE EACH WAIVE ANY RIGHT TO PURSUE DISPUTES ON A CLASSWIDE BASIS; THAT IS, TO EITHER JOIN A CLAIM WITH THE CLAIM OF ANY OTHER PERSON OR ENTITY, OR ASSERT A CLAIM IN A REPRESENTATIVE CAPACITY ON BEHALF OF ANYONE ELSE IN ANY LAWSUIT, ARBITRATION OR OTHER PROCEEDING.

No Trial By Jury

TO THE EXTENT ALLOWED BY LAW, WE EACH WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY LAWSUIT, ARBITRATION OR OTHER PROCEEDING.

Indemnification

You agree to indemnify, defend and hold us harmless from any claims arising out of your actions, including, but not limited to, your use of the Service and any information you submit, post, transmit or make available via the Service, failing to provide appropriate notices regarding location-sensitive services (see "Location Based Services" section), failure to safeguard your passwords, backup question to your shared secret question or other account information, or violating this Agreement or any policy referenced in this Agreement, any applicable law or regulation or the rights of any third party.

Providing Notice To Each Other Under The Agreement

Except as the Agreement specifically provides otherwise, you must provide us notice by calling or writing us as instructed on our website. We will provide you notice through one or more of the following: correspondence to your last known billing address, to any fax number or e-mail address you've provided us, by calling you on your Device or any other phone number you've provided us, by voice message on your Device or any other phone number you've provided us, or by text message on your Device.

Other Important Terms

Subject to federal law or unless the Agreement specifically provides otherwise, this Agreement is governed solely by the laws of the state of Texas, without regard to the conflicts of law rules. If either of us waives or doesn't enforce a requirement under this Agreement in an instance, we don't waive our right to later enforce that requirement. Except as the Agreement specifically provides otherwise, if any part of the Agreement is held invalid or unenforceable, the rest of this Agreement remains in full force and effect. This Agreement isn't for the benefit of any 3rd party except our corporate parents, affiliates, subsidiaries, agents, and predecessors and successors in interest. You can't assign the Agreement or any of your rights or duties under it. We can assign the Agreement. You cannot in any manner resell the Services to another party. The Agreement and the documents it incorporates make up the entire agreement between us and replaces all prior written or spoken agreements. You can't rely on any contradictory documents or statements by sales or service representatives. The rights, obligations and commitments in the Agreement that, by their nature, would logically continue beyond the termination of Services (including, but not limited to, those relating to complaints, payment, E911, dispute resolution, no class action, no jury trial), survive termination of Services.

EXHIBIT "C"

Sample Advertising



Don't go any longer without a cell phone! Get your FREE Phone today with free minutes every 30-days for a year!

TAG Mobile Lifeline minute plans include:

- nationwide coverage via Sprint or Verizon networks
- minutes good for local and domestic long distance calls
- calls to 911 available even when your phone has no minutes left
- text messaging
- voicemail
- no charge calls to 211

Do you qualify for this FREE program?

You may qualify for a FREE PHONE and FREE SERVICE, with no activation fee if you participate in any one of the following programs:

- Supplemental Security Income (SSI)
- Federal Public Housing (Section 8)
- Low-Income Home Energy Assistance
- Food Stamps
- Medicaid
- National School Lunch Program
- Temporary Assistance to Needy Families (TANF)

Need More Minutes Each Month?

TAG Mobile offers fantastic rates on additional minutes!

Price	Minutes Packages	Expiration
\$7.00	100 Minutes / 200 texts	7 days
\$20.00	500 Minutes / 1000 texts	30 days
\$30.00	1000 Minutes / 1200 texts	30 days

Questions? Contact Customer Service at 1-866-959-4918

Terms and Conditions:

One Lifeline credit per household per year. By certifying you are eligible for this service, you are certifying that your household has NOT received a Lifeline credit in the past 12-months. If you do not qualify, you may opt to purchase the phone for \$30 plus a \$60 activation fee and the service for \$13.50 per month. The service will only work on cellular handsets provided by/purchased from TAG. Text messaging is billed for mobile originating and mobile terminating messages at the rate of 3 texts to 1 of your free monthly minutes. It does not cost you minutes to check your voicemail from any other phone. The value of the free 68-minutes per month is \$13.50, an effective rate of 20¢ per minute. Unused minutes expire at midnight EST on the 30th day of the billing cycle associated with your account which is determined by your service initiation date. By activating and using this service you agree to indemnify and hold harmless TAG Mobile, LLC and its affiliates for any damages that arise from the use of the service. The wireless service is provided on either the Sprint or Verizon Network and is resold under the TAG Mobile brand. TAG Mobile is a registered trademark. For complete terms and conditions visit our website: www.tagmobile.net.