

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO**

Docket No. 11A-744T

**IN THE MATTER OF THE APPLICATION OF TERRACOM, INC. FOR
DESIGNATION AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER ON A
WIRELESS BASIS FOR THE LIMITED PURPOSE OF OFFERING FEDERAL
LIFELINE AND LINK-UP PROGRAMS.**

STIPULATION AND SETTLEMENT AGREEMENT

TerraCom, Inc. ("TerraCom"), Trial Staff of the Public Utilities Commission of the State of Colorado ("Staff"), the Adams County E-911 Emergency Telephone Service Authority, the Arapahoe County E-911 Emergency Communications Service Authority and the Jefferson County E-911 Emergency Communications Service Authority (collectively, the "Authorities") and the Colorado Office of Consumer Counsel ("OCC") (collectively the "Stipulating Parties" or the "Parties"), through their undersigned counsel, enter into this Stipulation and Settlement Agreement ("Stipulation") regarding the Application filed by TerraCom in the instant docket. The Parties submit this Stipulation for approval by the Colorado Public Utilities Commission (the "Commission" or the "PUC") pursuant to the Commission's Rules of Practice and Procedure, 4 CCR 723-1-1407 and 1408.

PRELIMINARY STATEMENT

1. On May 8, 1997, the Federal Communications Commission ("FCC") issued its Universal Service Report and Order, 12 FCC Rcd 8776 (1997) ("Universal Service Order") implementing the Communications Act of 1934, as amended by the Telecommunications Act of 1996 (the "Federal Act"). The FCC provided further guidance on Eligible Telecommunications Carrier ("ETC") designation in its ETC Report and Order issued March 17, 2005, Federal-State Joint Board on Universal Service, Report and Order, 20 FCC Rcd 6371, 6384 (2005).

2. The Universal Service Order provides that where states certify ETCs, such as is the case in Colorado, only ETCs designated by a state public utilities commission (“State Commission”) shall receive federal universal service support. Under 47 U.S.C. § 214(e), a State Commission shall, upon its own motion or upon request, designate a common carrier that meets the requirements set forth by the FCC as an ETC for a service area designated by the State Commission. The FCC defines a service area as a geographic area established by a State Commission for the purpose of determining universal service obligations and support mechanisms.

3. To be designated as a federal ETC under the Federal Act, a carrier must: (1) be a common carrier; (2) demonstrate an intent and ability to provision the supported services set forth in 47 C.F.R. § 54.101(a) throughout its designated service areas; and (3) demonstrate an intent and ability to advertise its universal service offerings and the charges therefor, using media of general distribution. 47 U.S.C. § 214(e); Universal Service Order, 12 FCC Rcd at 8791.

4. The FCC's supported services as set forth in 47 C.F.R. § 54.101(a), and which was revised on December 23, 2011, are:

- a. voice grade access to the public switched telephone network or its functional equivalent;
- b. minutes of use for local service without additional charge to the end user;
- c. access to emergency services; and
- d. toll limitation for qualifying low-income consumers.

5. On February 6, 2012, the FCC issued a Report and Order and Further Notice of Proposed Rulemaking, (“*FCC 12-11 Lifeline Order*”)¹, in which it issued a blanket forbearance

¹ See *In the Matter of Lifeline and Link Up Reform and Modernization, Lifeline and Link Up, Federal-State Joint Board on Universal Service, Advancing Broadband Availability through Digital Literacy Training*, WC Docket

from the facilities-based requirement to all carriers that were seeking limited ETC designation for the purpose of offering Lifeline service only.² Lifeline-only ETCs are now subject to the following conditions:

- a. provide Lifeline subscribers with 911/E911 access, regardless of activation status and availability of minutes;
- b. provide E911-compliant handsets and replace noncompliant handsets at no additional charge; and
- c. file a compliance plan with the FCC for approval that includes the procedures to enroll a subscriber in Lifeline service and for reimbursement for that subscriber, sample marketing materials, materials on initial and ongoing certification, how the carrier will offer service, the geographic areas in which it will offer service, and a detailed description of its Lifeline service plans including the rates, number of minutes and types of plans available to Lifeline customers.

6. In addition, the *FCC 12-11 Lifeline Order* eliminated Link-Up support for all ETCs serving non-Tribal lands.³

7. The *FCC 12-11 Lifeline Order* further requires that a carrier seeking ETC designation for the purpose of offering Lifeline-only, must demonstrate its technical and financial capacity to provide the supported services.⁴

No. 11-42, WC Docket No. 03-109, CC Docket No. 96-45, WC Docket 12-23, Report and Order and Further Notice of Proposed Rulemaking, FCC 12-11 (rel. Feb. 6, 2012) (FCC 12-11 Lifeline Order).

² *Id.* at ¶ 496.

³ *Id.* at ¶ 245.

⁴ *Id.* at ¶ 388.

8. This Commission has adopted its own rules for implementing 47 U.S.C. Section 214(e)(1)-(2) of the Federal Act which appear at 4 CCR 723-2-2180 through 2191, which rules are consistent with Section 214(e) and the FCC's Rules.

9. On September 9, 2011, TerraCom filed an Application seeking designation as an ETC for the limited purpose of receiving universal service support for low-income customers in Colorado, Docket Number 11A-744T. TerraCom sought ETC designation for the limited purpose of offering Lifeline and Link-Up service in its entire service area in Colorado encompassing all areas directly served by the underlying Sprint-Nextel ("Sprint") and Verizon Wireless ("Verizon") networks. A list of incumbent local exchange carrier ("ILEC") exchanges is shown on Attachment 1 to the Stipulation. These exchanges include non-rural exchanges of Qwest Corporation in Colorado.

10. Concurrent with this Application, TerraCom filed a request for waiver of 4 CCR 723-2-2187(d)(III), which requires a description of the service area by metes and bounds and a map.

11. The Parties engaged in settlement discussions regarding issues raised by TerraCom's Application.

12. The Parties have now reached agreement on the issues raised in this docket, as is set forth herein. This Stipulation and Settlement Agreement is entered into for the purpose of avoiding the costs and risks of litigation. The Parties agree this Stipulation should have no legal effect outside of the instant docket.

AGREEMENT

WHEREFORE, based on their review of all testimony and exhibits submitted and upon their settlement discussions, the Parties hereby stipulate and agree as follows:

**Variance of Commission Rules 723-2-2187(d)(III),
2187 (f)(II)(F), (H), (K) through (N)**

1. TerraCom seeks variance of Rule 2187(d)(III) that requires an ETC to describe the service area in which the Applicant seeks designation as an ETC by metes and bounds.
2. TerraCom is a beneficial user of the Sprint and Verizon networks.
3. Much of Sprint's and Verizon's Colorado networks are located along the I-25, I-70 and I-76 highways in Colorado.
4. As such, the underlying carrier's physical network does not precisely correlate within a metes and bounds description as required by Rule 2187(d)(III). However a list of the exchanges of Qwest Corporation in Colorado where TerraCom will serve is contained on Attachment 1 and thereby adequately describes its study area.
5. TerraCom promotes its Lifeline service offering throughout its service area through television, radio and print advertising notifying customers of the availability of TerraCom Lifeline service.
6. TerraCom seeks ETC designation for the limited purpose of providing universal service low-income Lifeline and Link-Up service in Colorado. TerraCom is not seeking Federal universal service high-cost support ("USF") nor Colorado high cost support ("CHCSM") in its service area.
7. Because TerraCom does not seek high cost USF or CHCSM support, the Parties agree that it would be in the public interest and consistent with the *FCC 12-11 Lifeline Order*⁵ for TerraCom to be granted a variance from Rules 2187 (f)(II)(F), (H), (K) through (N), which

⁵ The *FCC 12-11 Lifeline Order* streamlined the reporting requirements for ETCs designated by the FCC and an ETC applicant is no longer required to submit a five-year network improvement plan.

would otherwise require the submission of a detailed exhibit showing network expansion plans paid for by high cost funds in areas where TerraCom has been designated an ETC.

8. TerraCom's Lifeline program furthers the statutory goal that basic service be available and affordable to all citizens of the state of Colorado.

9. TerraCom's Lifeline product offering provides an additional choice of another provider offering Lifeline service for low-income consumers, which is a significant benefit for those consumers and is in the public interest.

10. The Parties stipulate and agree that TerraCom has shown good cause, that its Lifeline offering as described in Attachment 3 meets all applicable state and federal requirements, and its ETC designation for Colorado low-income universal service purposes will serve the public interest, convenience and necessity, that it does not receive high cost USF support in Colorado, that its television, radio and print advertising adequately informs potential customers of the availability of TerraCom Lifeline service throughout its proposed ETC service area, and recommend that the Commission grant a waiver from 4 CCR 723-2-2187(d)(III) and 723-2-2187 (f)(II)(F), (H), (K) through (N).

Federal ETC Designation For the Limited Purpose of Offering Lifeline

1. TerraCom is a commercial mobile radio service ("CMRS") provider, and a common carrier as defined by 47 U.S.C. § 153(10) and 47 C.F.R. § 20.9(a)(7).

2. TerraCom has been granted ETC status to offer Lifeline wireless services in West Virginia, Arkansas, Maryland, Texas, Oklahoma, Indiana, Puerto Rico, Nevada, Wisconsin, Iowa and Louisiana. TerraCom has not been the subject of any enforcement action in any state. TerraCom offers non-Lifeline service, has been in business for eight years, and has ample financial resources to expand its services to Colorado. As TerraCom does not, and does not

intend to, offer exclusively Lifeline-supported services—it is therefore not exclusively dependent on USAC for its revenue.

3. TerraCom provides each of the supported services set forth in 47 C.F.R. § 54.101(a), as amended, and has shown an intent and ability to offer those services once designated an ETC throughout the areas set forth on Attachment 1 of the Stipulation contingent on FCC approval of TerraCom’s compliance plan.

4. TerraCom shall initially offer a Lifeline plan to eligible Lifeline customers that provides:

- 250 free minutes of use and a free handset to each qualifying customer,
- Caller ID, Call Waiting, Call Forwarding, Three-Way Calling and Voicemail,
- Any unused minutes are available for a maximum of sixty days and do not roll over,
- Additional minutes are available at different nominations starting at \$5.00 for 60 minutes up to \$60.00 for 1,700 minutes.
- Roaming is blocked for Lifeline customers unless requested by a Lifeline customer in which case roaming will be billed at the rate of \$0.59 per minutes of use that will be deducted from any available minutes.

5. TerraCom agrees to work with the Colorado Department of Human Services regarding certification and verification of the eligibility of Lifeline customers. It is understood that TerraCom, as a prepaid provider, will not be required to obtain or retain social security numbers of customers.

6. TerraCom’s Lifeline plans are not offered on a distance sensitive basis and there is no additional charge for toll minutes of use. As such, toll limitation is not a concern because of the prepaid nature of these Lifeline plans. Prepaid offerings, by their very construct, act as a toll limitation mechanism.

7. The parties agree that TerraCom's application seeking ETC designation for the purpose of offering Link-Up is moot and TerraCom's request for ETC designation to offer Link-Up is withdrawn. In the *FCC 12-11 Lifeline Order*, the FCC eliminated support for Link-Up for all ETCs on non-Tribal lands.

8. The *FCC 12-11 Lifeline Order* further requires each applicant seeking ETC designation to submit to the FCC for approval a compliance plan that contains the information as outlined in Section 5.c of the Preliminary Statement above. The Parties agree that TerraCom will file a copy of its FCC Compliance Plan with this Commission and the OCC within seven business days after it is filed with the FCC.

9. TerraCom agrees to file as a compliance filing with this Commission the FCC's approval of its FCC Compliance Plan. The Parties further agree that approval of TerraCom's application and its designation as a Colorado ETC is contingent upon the FCC's approval of TerraCom's FCC Compliance Plan.

10. The Parties stipulate and agree that with the incorporation of the agreed upon terms and conditions in Attachments 2 and 3, designating TerraCom as an ETC in the study areas and wire centers set forth in Attachment 1, serves the public interest, convenience and necessity, as required by 47 U.S.C. § 214(e)(2) and §§ 40-15-101, 40-15-501, and 40-15-502, C.R.S. The Parties further stipulate and agree that the areas shown in Attachment 1 are approved on a contingent basis, contingent on TerraCom receiving FCC approval of its FCC Compliance Plan. TerraCom shall not offer Lifeline Service in areas shown in Attachment 1 until such approval has been granted by the FCC.

11. Without waiving any of its positions stated in this proceeding, TerraCom has entered into this Stipulation with Staff, the Authorities, and the OCC to settle this matter. Thus,

the Parties stipulate and agree that TerraCom shall provide its ETC Lifeline universal service offerings in Colorado pursuant to this Stipulation (including attachments 1 through 3). The Parties agree that TerraCom's provision of its universal service offering as an ETC shall be governed by the following requirements:

- A. Upon appropriate pleading, or upon its own motion, the Commission may investigate any change to TerraCom's Lifeline Basic Universal Service Description, Terms and Conditions and Operating Procedures, and TerraCom agrees to respond to requests for information from the Commission Staff. After notice to TerraCom and a subsequent investigation, the Commission may find that a change is not consistent with TerraCom's ETC status or results in a universal service Lifeline offering that is not eligible for universal service Lifeline funding. TerraCom shall thereafter make such changes as are necessary to bring its Lifeline offering into compliance with such requirements. The Parties agree that the Commission has authority to enforce compliance with this Stipulation and pursuant to 4 CCR 723-2-2187 and, consistent with this Paragraph, may exercise its audit powers derived from Section 40-15-107, C.R.S., with respect to the basic universal service Lifeline offerings or the Company's ETC status.
- B. The Parties acknowledge that because TerraCom is using the network of its underlying carriers Sprint and Verizon throughout its service area, that no notice to Public Safety Answering Points (PSAPs) is required.
- C. The Parties agree that TerraCom shall remit and pay the prepaid wireless E911 charge of one and four-tenths percent, as specified in C.R.S § 29-11-102.5, of \$0.19 on its 250 free prepaid minutes provided to eligible Lifeline customers based on a value of \$13.60 per month in Colorado. In the event C.R.S § 29-11-102.5 is amended to change the E911 charge, TerraCom shall pay the E911 charge at the amended rate and in the same manner as its wireless Lifeline competitors. TerraCom shall notify the Commission of the amount paid to the appropriate state agency for imputing the E911 charge on its free minutes on a monthly basis.
- D. The Parties agree that TerraCom shall remit and pay the Colorado High Cost charge, at the rate then in effect, on all intrastate retail voice minute revenues from voice minutes above the 250 free voice minutes. TerraCom will also pay the prepaid wireless E911 charge on all voice minutes sold above the 250 minutes. For prepaid minutes bundled with text messages or other services sold directly through TerraCom, TerraCom will pay the prepaid wireless E911 charge on the full amount of the retail transaction. In the event that TerraCom develops a system to separate out the voice minute charges from non-voice charges at the point of sale, TerraCom shall notify the PUC at least 30 days in advance of its intent to pay the

prepaid wireless E911 charge only on voice minutes when bundled with text messages or other services. The 911 Authorities reserve the right to file a complaint with the State Commission contesting TerraCom's intent not to pay the E-911 charge on bundled services.

- E. The Parties agree that TerraCom provides all its customers with the ability to make and receive interexchange or toll calls through interconnection arrangements made by TerraCom or its underlying providers. The Parties note that the FCC may require one-plus equal access dialing in the event that no other eligible telecommunications carrier is providing equal access within the service area. The Parties agree that deferring to the FCC on any equal access dialing requirements is reasonable given the inability of TerraCom to provide such dialing at this time. The Parties agree that this approach should be held to satisfy 47 C.F.R. § 54.202(a)(5).
- F. TerraCom commits to provide service throughout its proposed designated service area as listed in Attachment 1 of this Settlement to all customers making a reasonable request for service. TerraCom certifies that it will provide service on a timely basis and that it will follow the FCC's six-step process as defined in 47 C.F.R. § 54.202(a)(1)(i).
- G. Before offering Lifeline service TerraCom will place on its web site www.terracomwireless.com for the state of Colorado, the Commission's contact information as listed in Attachment 2, Section D.3, to the Stipulation for any unresolved customer questions or complaints.

I. GENERAL PROVISIONS

12. Without waiving any of its positions stated in this case, TerraCom desires to end further uncertainty in this Docket by entering this Stipulation. Accordingly, the Parties hereby agree to be bound to the terms of this Stipulation. The Parties recognize and acknowledge that should the Commission or the FCC determine a change in the particular regulatory treatment applicable to wireless ETC designees, in further rulemakings or otherwise, any such lawful and applicable determinations would apply to TerraCom.

13. This Stipulation is a settlement of disputed and compromised claims and accordingly, this Stipulation is made for settlement purposes only. No Party concedes the validity or correctness of any regulatory principle or methodology directly or indirectly incorporated in this Stipulation.

14. All witnesses of the Parties will support all aspects of the Stipulation and Settlement Agreement embodied in this document in any hearing conducted to determine whether the Commission should approve this Stipulation. Each Party also agrees that, except as expressly provided in this Stipulation, it will take no action in any administrative or judicial proceeding, which would have the effect, directly or indirectly, of contravening the provisions of this Stipulation. Without prejudice to the foregoing, the Parties expressly reserve the right to advocate positions different from those stated in this Agreement in any proceeding other than one necessary to obtain approval of, or enforce this Stipulation or a Commission order approving this Stipulation. Nothing in this Stipulation shall constitute a waiver by any Party with respect to any matter not specifically addressed in this Stipulation.

15. This Stipulation shall not become effective until the Commission issues a final order approving the Stipulation, which order does not contain any modification of the terms and conditions of this Stipulation that is unacceptable to any of the Parties to the Stipulation. In the event the Commission modifies this Stipulation in a manner unacceptable to any Party hereto, that Party may withdraw from the Stipulation and shall so notify the Commission and the other Parties to the Stipulation in writing within ten (10) days of the date of the Commission order. In the event a Party exercises its right to withdraw from the Stipulation, this Stipulation shall be null and void and of no effect in this or any other proceedings.

16. In the event this Agreement becomes null and void or in the event the Commission does not approve this Stipulation, this Stipulation, as well as the negotiation undertaken in conjunction with the Stipulation, shall not be admissible into evidence in these or any other proceedings.

17. The Parties state that they have reached this Stipulation by means of a negotiated process that is in the public interest, and that the results reflected in this Stipulation are just, reasonable and in the public interest. Approval by the Commission of this Stipulation shall constitute a determination that the Stipulation represents a just, equitable, and reasonable resolution of all issues, which were or could have been contested by the Parties with respect to the TerraCom Application.

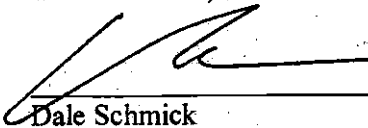
18. This Stipulation is an integrated agreement that may not be altered by the unilateral determination of any Party.

19. This Stipulation may be executed in separate counterparts, including facsimile. The counterparts taken together shall constitute the Stipulation and Settlement Agreement. The Parties represent that the signatories, except Counsel for Staff of the Commission, to the Stipulation have full authority to bind their respective parties to the terms of the Stipulation.

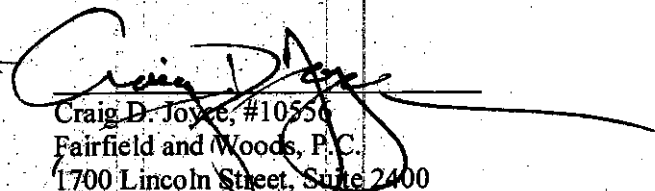
WHEREFORE, the Parties respectfully submit this Stipulation and Settlement Agreement for approval by the Commission and request that the Commission grant such approval.

Dated this 27 day of March, 2012.

TERRACOM, INC


Dale Schmick
Vice President
401 E. Memorial Road, Suite 400
Oklahoma City, OK 73114
Tel.: 816-388-1066


APPROVED AS TO FORM:


Craig D. Joyce, #10556
Fairfield and Woods, P.C.
1700 Lincoln Street, Suite 2400
Denver, CO 80203
Tel.: 303-830-2400
Fax: 303-830-1033
E-Mail: cjoyce@fwlaw.com

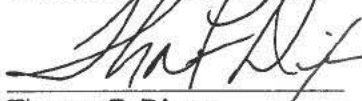
**FOR THE STAFF OF THE
COLORADO PUBLIC UTILITIES
COMMISSION**


Susan A. Travis
Colorado Public Utilities Commission
1560 Broadway, Suite 250
Denver, CO 80202
Tele: 303-894-2843
Fax: 303-894-2813

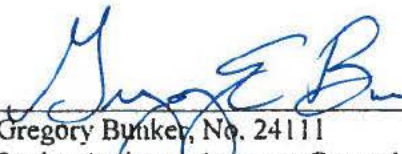
APPROVED AS TO FORM:


Michael Santisi, No. 29673
Assistant Attorney General
Office of the Colorado Attorney
General
1525 Sherman Street, 7th Floor
Denver, CO 80203
Tele: 303-866-3764
Fax: 303-866-5395

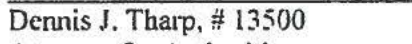
**FOR THE
COLORADO OFFICE OF
CONSUMER COUNSEL**


Thomas F. Dixon
Colorado Office of Consumer
Counsel
1560 Broadway, Suite 200
Denver, CO 80202
Tele: 303-894-2125
Fax: 303-894-2117

APPROVED AS TO FORM:


Gregory Bunker, No. 24111
Senior Assistant Attorney General
Office of the Colorado Attorney
General
1525 Sherman Street, 7th Floor
Denver, CO 80203
Tele: 303-866-5354
Fax: 303-866-5342

FOR THE AUTHORITIES


Dennis J. Tharp, # 13500
Attorney for Authorities
Stevens, Littman, Biddison, Tharp & Weinberg
250 Arapahoe, Suite 301
Boulder, CO 80302
Tel: (303) 443-6690
E-Mail: Tharp@slblaw.com

**FOR THE STAFF OF THE
COLORADO PUBLIC UTILITIES
COMMISSION**

Susan A. Travis
Colorado Public Utilities Commission
1560 Broadway, Suite 250
Denver, CO 80202
Tele: 303-894-2843
Fax: 303-894-2813

APPROVED AS TO FORM:

Michael Santisi, No. 29673
Assistant Attorney General
Office of the Colorado Attorney
General
1525 Sherman Street, 7th Floor
Denver, CO 80203
Tele: 303-866-3764
Fax: 303-866-5395

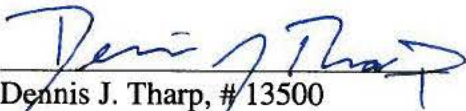
**FOR THE
COLORADO OFFICE OF
CONSUMER COUNSEL**

Thomas F. Dixon
Colorado Office of Consumer
Counsel
1560 Broadway, Suite 200
Denver, CO 80202
Tele: 303-894-2125
Fax: 303-894-2117

APPROVED AS TO FORM:

Gregory Bunker, No. 24111
Senior Assistant Attorney General
Office of the Colorado Attorney
General
1525 Sherman Street, 7th Floor
Denver, CO 80203
Tele: 303-866-5354
Fax: 303-866-5342

FOR THE AUTHORITIES



Dennis J. Tharp, #13500
Attorney for Authorities
Stevens, Littman, Biddison, Tharp & Weinberg
250 Arapahoe, Suite 301
Boulder, CO 80302
Tel: (303) 443-6690
E-Mail: Tharp@slblaw.com

LIST OF ATTACHMENTS

- Attachment 1: TerraCom Colorado service area overlaid on ILEC exchange areas
- Attachment 2: Operating Procedures
- Attachment 3: TerraCom Initial Lifeline Offerings

TerraCom, LLC ETC Designation - Lifeline Only Non-Rural Service Area			
	Cili	Central Office Name	Underlying Provider
1	ENWDCOAB	ABERDEEN	Qwest Corporation
2	AGLRCOMA	AGUILAR	Qwest Corporation
3	AFACCOMA	AIR FORCE ACADEMY	Qwest Corporation
4	ALMSCOMA	ALAMOSA	Qwest Corporation
5	ARVDCOMA	ARVADA	Qwest Corporation
6	ASPECOMA	ASPEN	Qwest Corporation
7	AULTCOMA	AULT	Qwest Corporation
8	AURRCOMA	AURORA	Qwest Corporation
9	AVONCOMA	AVON	Qwest Corporation
10	AVDLCOMA	AVONDALE	Qwest Corporation
11	BALYCOMA	BAILEY	Qwest Corporation
12	BSLTCOMA	BASALT	Qwest Corporation
13	BYFDCOMA	BAYFIELD	Qwest Corporation
14	BRTHCOMA	BERTHOUD	Qwest Corporation
15	BLFSCOMA	BLACK FOREST	Qwest Corporation
16	BLDRCOMA	BOULDER	Qwest Corporation
17	BRRGCOMA	BRECKENRIDGE	Qwest Corporation
18	BITNCOMA	BRIGHTON	Qwest Corporation
19	BRFDCOMA	BROOMFIELD	Qwest Corporation
20	BRSHCOMA	BRUSH	Qwest Corporation
21	BNVSCOMA	BUENA VISTA	Qwest Corporation
22	CLHNCOMA	CALHAN	Qwest Corporation
23	CACYCOMA	CANON CITY	Qwest Corporation
24	DNVRCOCH	CAPITOL HILL	Qwest Corporation
25	CRDLCOMA	CARBONDALE	Qwest Corporation
26	CSRKCONM	CASTLE ROCK	Qwest Corporation
27	CNCYCOMA	CENTRAL CITY	Qwest Corporation
28	CFTNCONM	CLIFTON	Qwest Corporation
29	CCCNCOMA	COAL CREEK CANYON	Qwest Corporation
30	CLSPCOEA	COLO SPRINGS EAST	Qwest Corporation
31	CLSPCOMA	COLO SPRINGS MAIN	Qwest Corporation
32	DNVRCOCL	COLUMBINE	Qwest Corporation
33	CPMTCOMA	COPPER MOUNTAIN	Qwest Corporation
34	CRTZCOMA	CORTEZ	Qwest Corporation
35	DNVRCOCW	COTTONWOOD	Qwest Corporation
36	CRAGCOMA	CRAIG	Qwest Corporation
37	CRBTCOMA	CRESTED BUTTE	Qwest Corporation
38	CRCKCOMA	CRIPPLE CREEK	Qwest Corporation
39	DNVRCOCP	CURTIS PARK	Qwest Corporation
40	DCKRCOMA	DECKERS	Qwest Corporation
41	DLNRCOMA	DEL NORTE	Qwest Corporation
42	DELTCOMA	DELTA	Qwest Corporation
43	DNVRCOEA	DENVER EAST	Qwest Corporation
44	DNVRCOMA	DENVER MAIN	Qwest Corporation
45	DNVRCONO	DENVER NORTH	Qwest Corporation
46	DNVRCONE	DENVER NORTHEAST	Qwest Corporation

TerraCom, LLC ETC Designation - Lifeline Only Non-Rural Service Area			
	Clii	Central Office Name	Underlying Provider
47	DNVRCOSO	DENVER SOUTH	Qwest Corporation
48	DNVRCOSE	DENVER SOUTHEAST	Qwest Corporation
49	DNVRCOSW	DENVER SOUTHWEST	Qwest Corporation
50	DNVRCOWS	DENVER WEST	Qwest Corporation
51	DLLNCOMA	DILLON	Qwest Corporation
52	DNVRCOOU	DNVR INTL AIRPORT	Qwest Corporation
53	DNVRCODC	DRY CREEK	Qwest Corporation
54	DURNCOMA	DURANGO	Qwest Corporation
55	EATNCOMA	EATON	Qwest Corporation
56	ELBRCOMA	ELBERT	Qwest Corporation
57	ELZBCO01	ELIZABETH	Qwest Corporation
58	ENWDCOMA	ENGLEWOOD	Qwest Corporation
59	ERIECOMA	ERIE	Qwest Corporation
60	ESPKCOMA	ESTES PARK	Qwest Corporation
61	EVRGCOMA	EVERGREEN	Qwest Corporation
62	FRPLCOMA	FAIRPLAY	Qwest Corporation
63	FLRNCOMA	FLORENCE	Qwest Corporation
64	FONTCOMA	FOUNTAIN	Qwest Corporation
65	FRSRCOMA	FRASER	Qwest Corporation
66	FRDRCOMA	FREDERICK	Qwest Corporation
67	FRSCCOMA	FRISCO	Qwest Corporation
68	FRUTCOMA	FRUITA	Qwest Corporation
69	FTCLCOMA	FT COLLINS	Qwest Corporation
70	FTLPCOMA	FT LUPTON	Qwest Corporation
71	FTMRCOMA	FT MORGAN	Qwest Corporation
72	CLSPCO32	GATEHOUSE	Qwest Corporation
73	GRTWCOMA	GEORGETOWN	Qwest Corporation
74	GLCRCOMA	GILCREST	Qwest Corporation
75	GLSPCOMA	GLENWOOD SPRINGS	Qwest Corporation
76	GLDNCOMA	GOLDEN	Qwest Corporation
77	GRNBCOMA	GRANBY	Qwest Corporation
78	GDJTCOMA	GRAND JUNCTION	Qwest Corporation
79	GDLKCOMA	GRAND LAKE	Qwest Corporation
80	GRELCOMA	GREELEY	Qwest Corporation
81	GMFLCOMA	GREEN MOUNTAIN FALLS	Qwest Corporation
82	BLDRCOGB	GUNBARREL	Qwest Corporation
83	GNSNCOMA	GUNNISON	Qwest Corporation
84	FTCLCOHM	HARMONY	Qwest Corporation
85	HYDNCOMA	HAYDEN	Qwest Corporation
86	LTTNCOHL	HIGHLANDS RANCH	Qwest Corporation
87	HLRSCOMA	HILLROSE	Qwest Corporation
88	HSSPCOMA	HOT SULPHUR SPRINGS	Qwest Corporation
89	HDSNCOMA	HUDSON	Qwest Corporation
90	IDSPCOMA	IDAHO SPRNGS	Qwest Corporation
91	JHMLCOMA	JOHNSTOWN-MILLIKEN	Qwest Corporation
92	JLBGCOMA	JULESBURG	Qwest Corporation

TerraCom, LLC ETC Designation - Lifeline Only Non-Rural Service Area			
	Cili	Central Office Name	Underlying Provider
93	KNBGCOMA	KEENESBURG	Qwest Corporation
94	KIOWCOMA	KIOWA	Qwest Corporation
95	KRNGCOMA	KREMMLING	Qwest Corporation
96	LSLLCOMA	LA SALLE	Qwest Corporation
97	LKWDCOMA	LAKEWOOD	Qwest Corporation
98	LRKSCONM	LARKSPUR	Qwest Corporation
99	LDVLCOMA	LEADVILLE	Qwest Corporation
100	LIMNCOMA	LIMON	Qwest Corporation
101	LTTNCOMA	LITTLETON	Qwest Corporation
102	LNMTCOMA	LONGMONT	Qwest Corporation
103	LKMTCOMA	LOOKOUT MOUNTAIN	Qwest Corporation
104	LVLDCOMA	LOVELAND	Qwest Corporation
105	LYNSCOMA	LYONS	Qwest Corporation
106	MNCSCOMA	MANCOS	Qwest Corporation
107	MNSPCOMA	MANITOU SPRINGS	Qwest Corporation
108	MEADCOMA	MEAD	Qwest Corporation
109	MVNPCOMA	MESA VERDE	Qwest Corporation
110	MNTRCOMA	MINTURN	Qwest Corporation
111	AURRCOMB	MONAGHAN	Qwest Corporation
112	MTVSCOMA	MONTE VISTA	Qwest Corporation
113	DNVRCOMB	MONTEBELLO	Qwest Corporation
114	MTRSCOMA	MONTROSE	Qwest Corporation
115	MNMTCOMA	MONUMENT	Qwest Corporation
116	MRSNCOMA	MORRISON	Qwest Corporation
117	NDLDCOMA	NEDERLAND	Qwest Corporation
118	NWCSCOMA	NEW CASTLE	Qwest Corporation
119	NIWTCOMA	NIWOT	Qwest Corporation
120	NGLNCOMA	NORTHGLENN	Qwest Corporation
121	OLTHCOMA	OLATHE	Qwest Corporation
122	OVIDCOMA	OVID	Qwest Corporation
123	PLSDCOMA	PALISADE	Qwest Corporation
124	PACHCO01	PARACHUTE	Qwest Corporation
125	PRKRCOMA	PARKER	Qwest Corporation
126	GRELCOJC	PARKVIEW	Qwest Corporation
127	PNRSCOMA	PENROSE	Qwest Corporation
128	PYTNCOMA	PEYTON	Qwest Corporation
129	CLSPCOPV	PIKEVIEW	Qwest Corporation
130	PTVLCOMA	PLATTEVILLE	Qwest Corporation
131	PUBLCOMA	PUEBLO MAIN	Qwest Corporation
132	PUBLCO06	PUEBLO WEST	Qwest Corporation
133	RDGWCOMA	RIDGWAY	Qwest Corporation
134	RIFLCOMA	RIFLE	Qwest Corporation
135	SALDCOMA	SALIDA	Qwest Corporation
136	SCRTCOMA	SECURITY	Qwest Corporation
137	SILTCOMA	SILT	Qwest Corporation
138	SLTNCOMA	SILVERTON	Qwest Corporation

TerraCom, LLC ETC Designation - Lifeline Only Non-Rural Service Area			
	Cili	Central Office Name	Underlying Provider
139	DNVRCOSH	SMOKY HILL	Qwest Corporation
140	SFRKCOMA	SOUTHFORK	Qwest Corporation
141	STSPCOMA	STEAMBOAT SPRINGS	Qwest Corporation
142	STNGCOMA	STERLING	Qwest Corporation
143	CLSPCOSM	STRATMOOR	Qwest Corporation
144	DNVRCOSL	SULLIVAN	Qwest Corporation
145	PUBLICOSU	SUNSET	Qwest Corporation
146	TEMACOMA	TABLE MESA	Qwest Corporation
147	TLRDCOMA	TELLURIDE	Qwest Corporation
148	TRNDCOMA	TRINIDAD	Qwest Corporation
149	VAILCOMA	VAIL	Qwest Corporation
150	VNLDCOMA	VINELAND	Qwest Corporation
151	WLBGCOMA	WALSENBURG	Qwest Corporation
152	WARDCOMA	WARD	Qwest Corporation
153	WLDACOMA	WELDONA	Qwest Corporation
154	WGTCOMAC	WELLINGTON	Qwest Corporation
155	WMNSCOMA	WESTMINSTER	Qwest Corporation
156	WNDSCOMA	WINDSOR	Qwest Corporation
157	WDPKCOMA	WOODLAND PARK	Qwest Corporation

Operating Procedures Applicable to Lifeline BUS Offering TerraCom, Inc.

A. ACCESS TO RECORDS.

All records required by these procedures pertaining to TerraCom's Lifeline Basic Universal Service (LBUS) offering shall be made available to the Commission or its authorized representatives at any time upon request.

B. RETENTION OF RECORDS.

Unless otherwise authorized by the Commission, all records required by these procedures pertaining to TerraCom's LBUS offering shall be preserved for the period of time specified by Rule 4 CCR 723-2-2005 of the Rules Regulating Telecommunications Providers, Services, and Products, but in no event less than a minimum of 24 months after the date of entry of the record or for any longer period of time specified by FCC rule or order or Commission rule, whichever is longer.

C. SERVICE AREA MAPS.

Attachment 1 depicts the non-rural exchanges where TerraCom is designated ETC status.

D. RECORDS OF COMPLAINTS

1. TerraCom shall maintain an accurate record of all oral and written complaints made by its customers regarding its service, or rates and charges. This record shall include the name and address of the customer or complainant, the time, date and nature of the complaint, the action taken to clear trouble, and the date and time of trouble clearance.
2. The record of complaints shall be categorized to indicate to TerraCom and to the Commission whether any particular customer encounters the same difficulties frequently, in terms of complaints per month, including customer trouble reports, whether a large number or percentage of all complaints from different customers arise from the same irregularity in service, with 5 percent or more of all complaints over a three month period being considered significant, or whether some phase of the construction, equipment, maintenance or operation are causing the complaints.
3. For any unresolved complaints or customer questions, TerraCom shall direct its personnel engaged in initial contact with an applicant or Customer in which dissatisfaction with the decision or explanation by the personnel is expressed, to inform the Customer of the right to have the problem considered and acted upon by another consumer representative or supervisory personnel of TerraCom. If the applicant or Customer continues to express dissatisfaction after the supervisory personnel have addressed the problem, TerraCom shall further direct the supervisory personnel to provide the complainant that they may contact the

External Affairs Section of the Commission at Colorado Public Utilities Commission, Consumer Affairs, 1560 Broadway, Suite 250, Denver Colorado 80202, Phone 303-894-2070 or 800-456-0858, fax number 303-894-2532 or by e-mail to PUCconsumer.complaints@dora.state.co.us for further review of an unresolved problem.

F. DESIGNATED SERVICE AREA.

TerraCom shall file an application with the Commission for expansion of its ETC designation service area if it increases its footprint to align with its underlying the carriers (Sprint and Verizon) as they expand their footprint. TerraCom shall not serve eligible Lifeline customers in the portions of those wire centers beyond those listed in Attachment 1 herein.

G. HELD SERVICE APPLICATIONS.

1. During periods of time, if any, when TerraCom may not be able to supply service to customers in TerraCom's service areas within the time frames established in these procedures, TerraCom shall keep a record for each service area showing the name and address of each applicant for service, the date of application, the class type and grade of service applied for, (e.g., first line or additional line), together with the reason for the delay in providing the service to the applicant, and the expected date of service.
2. If the number of held service orders exceeds 50 orders in a service area providing service to 2,000 or more customers, or 20 held service orders in a service area serving fewer than 2,000 customers, TerraCom shall maintain a summary of applications for each affected service area showing the total number categorized by various causes for delay and by dates of application.
3. If conditions described in paragraph G.1 occur, TerraCom shall submit to the Commission a report showing the information required by paragraph 1 of this procedure, and the number of days service has been delayed, when the lesser of 50 or 5 percent of the total number of service applications in a service area in a consecutive three-month period are held service orders. TerraCom shall further submit a report of its proposed action to reduce the number of those held service orders to fewer than the lesser of 50 or five percent of the total number of service applications in that service area. Reports must be submitted to the Commission by April 1st of each year.
4. All customers who have not been mailed a telephone and assigned a telephone number within ten days of the date of approval of their eligibility by the Colorado Department of Human Services shall be provided a written or email notice by TerraCom, stating the order number assigned by TerraCom to the application for service, the general status of the order, and a phone number to call with questions. This notice shall be postmarked or sent via email on or before the 15th day after the

date of approval of their eligibility by the Colorado Department of Human Services (“DHS”).

5. Under circumstances where the period to provide Lifeline service exceed 30 calendar days after the approval of the customer eligibility by the DHS , TerraCom shall file a letter with the Director of the Commission stating the circumstances causing the delay, explaining whether such circumstances are beyond TerraCom’s control, and providing an estimate of the time necessary to provide service.

H. SERVICE INTERRUPTIONS.

General

1. Service is interrupted when it becomes unusable to the Customer or when the Customer is unable to transmit or receive calls due to the failure of a component of the network furnished by TerraCom.
2. An interruption period begins when the Customer reports a service, facility or circuit to be inoperative and releases it for testing and repair. An interruption period ends when the service, facility or circuit is operative.

Reestablishing Service

1. Company will make all reasonable efforts to prevent interruptions of service and, when interruptions do occur, reestablish service with the shortest possible delay. Company will make attempts to resolve emergencies at all hours, consistent with the bona fide needs of customers and the personal safety of Company’s employees. In almost all cases, Company will be able to reestablish service within 24 hours. If unusual repairs are required, or other factors will prevent the prompt reestablishment of service, TerraCom will make reasonable efforts to contact Customer.

Limitations on Allowances

1. No credit allowance will be made for any interruption of service due to the failure of power, equipment, systems or services not provided by TerraCom; during any period in which TerraCom is not given full and free access to the Customer’s or TerraCom’ facilities and equipment for the purpose of investigating and correcting the interruption; during any period in which the Customer continues to use the service on an impaired basis; during any period in which the Customer has released service to TerraCom for maintenance purposes or for implementation of a Customer order for a change in service arrangements; or that was not reported to TerraCom within thirty (30) days of the date that service was affected.

Record Keeping and Reports

1. TerraCom shall keep a record showing all interruptions affecting service in an entire service area or any major portion of it that affects the lesser of 25 percent or 1,000 of the service area’s customers for one or more hours during the day. This record shall show the date, time, duration, extent and cause of the interruption.

TerraCom shall inform Customers of the potential of future service unavailability when TerraCom is experiencing or is forecasting potential service unavailability in specific areas for purposes other than outages due to routine maintenance. Services are available twenty-four (24) hours per day, seven (7) days per week. TerraCom will make reasonable arrangements to resolve emergency resulting from failures of service, unusual and prolonged increases in traffic, illness of personnel, fire, storm or other acts of God, and inform its employees as to procedures to be followed in the event of such emergencies in order to prevent or minimize interruptions or impairment of telecommunications service. Reports must be submitted to the Commission by April 1st of each year.

I. ADVERTISING.

TerraCom shall submit annual reports describing advertising materials in use in Colorado to the Commission Staff and OCC no later than April 1st of each year.

J. NETWORK REQUIREMENTS.

1. Intra-LATA Interexchange Toll Dialing Pattern. TerraCom will comply with all NANP dialing pattern requirements.

K. REPORTING REQUIREMENTS.

TerraCom shall file the following reports with the Director of the Public Utilities Commission for information purposes only:

1. Copies of filings submitted to Federal Communications Commission (FCC) or Universal Service Administrator Company (USAC). TerraCom shall file copies of all FCC forms submitted to the FCC or USAC, including Form 497, with the Commission at the time filings occur at the FCC or USAC.
2. Copies of annual filings submitted to Federal Communications Commission or Universal Service Administration Company. TerraCom shall file a copy of its annual report regarding its Lifeline verification survey results performed annually to the Commission by April 1st of each year.
3. Annual ETC Certification. TerraCom will file annual certification that it is able to function in emergency situations, is complying with applicable service quality standards and the consumer protection rules, e.g., the CTIA consumer code for wireless service. This certification shall be filed with the Commission by April 1st of each year.
4. Plan Offerings. TerraCom shall file a copy with the Commission in advance of any and all proposed Lifeline offering(s) 30 days prior to offering service to Lifeline customers in Colorado.

5. Changes to existing plans or new plans for Lifeline. TerraCom shall notify the Commission 30 days in advance before implementing any changes to terms, conditions, rates and any changes to the allocations of free minutes as well as any new plans or products introduced.
6. Submit quarterly report to Commission regarding customer-specific data. TerraCom shall submit a quarterly report to the Commission to include customer-specific data: customer name, address, and zip code for:
 - a. Lifeline customers receiving or that have applied through TerraCom for a second Lifeline subsidy per household in that same month from TerraCom,
 - b. Lifeline customers receiving or that have applied through TerraCom for a second Lifeline subsidy per household in that same month from another carrier,
 - c. New Lifeline customers enrolled in TerraCom' Lifeline service,
 - d. Lifeline customers removed from Lifeline service due to non-usage, and
 - e. Lifeline customers removed from Lifeline service due to ineligibility through the verification process.
7. Unfilled Requests for Service. Number of requests for service from eligible Lifeline customers approved by DHS within TerraCom' service area which were unfulfilled during the past year. Report must be submitted to Commission by April 1st of each year.

K. LIFELINE NON-USAGE POLICY AND INELIGIBILITY NOTICE.

1. TerraCom will identify Lifeline customers that have not used TerraCom' Lifeline service for 60 days and if such customers do not use their service within a 30-day grace period following the initial 60-day non-usage period, cease to claim Lifeline reimbursement for such customer. Non-usage shall be:
 - a. a Lifeline customer's account where no usage appears during any continuous 60-day period will be subject to the Lifeline non-usage policy,
 - b. TerraCom shall promptly notify the customer in writing that he or she may no longer be eligible for Lifeline service subject to a 30-day grace period,
 - c. TerraCom shall keep the Lifeline customer's account active during the 30-day grace period and will engage in outreach efforts to determine whether the Lifeline customer desires to remain on TerraCom's Lifeline service,
 - d. if the Lifeline customer's account does not show any customer-specific activity during the grace period such as making or receiving a voice call or adding money to the account, TerraCom will deactivate Lifeline services for that customer, and
 - e. TerraCom will no longer seek to recover federal Universal Lifeline Service subsidy or thereafter report that customer on its USAC Form 497.
2. The Customer shall be notified in writing of TerraCom' intention to discontinue Lifeline services due to the Lifeline customer no longer meeting the qualification criteria upon notification from DHS. Any notice shall clearly state that the

customer contact DHS registration system to verify eligibility. TerraCom will not seek Lifeline reimbursement from USAC upon notice from DHS that the customer is no longer eligible unless the customer confirms eligibility with DHS.

M. CTIA CODE OF CONDUCT

1. TerraCom shall comply with the principles, disclosures, and practices for wireless service provided to consumers in the Cellular Telecommunications and Internet Association's (CTIA) Consumer Code for Wireless Service. Such Code can be found at: http://files.ctia.org/pdf/The_Code.pdf.

N. SUBSCRIBER ELIGIBILITY.

1. Subscriber eligibility shall be established pursuant to a DHS certification process and as modified by the Colorado General Assembly. Upon initial application for TerraCom's Lifeline service, the Customer must certify by his or her signature under penalty of perjury that he or she is head of household and that he or she will receive Lifeline supported services only from TerraCom.
 - a TerraCom shall require each eligible Lifeline consumer to self-certify under penalty of perjury at the time of enrollment and annually thereafter that he or she is the head of household, receives Lifeline-supported service only from TerraCom, and does not receive Lifeline from any other provider;
 - b TerraCom shall require each eligible Lifeline consumer at the time of application to initial on the certification form that to the best of his or her knowledge that he or she is not receiving Lifeline-supported service from any other Lifeline provider and to ensure the consumer understands that "Lifeline-supported service" is a federal subsidy.
2. TerraCom shall file a copy of state-specific subscriber data, including name and address of Lifeline subscribers, to the Universal Service Administrative Company (USAC), upon request, and to this Commission for the purpose of determining whether an existing Lifeline subscriber receives Lifeline service from another carrier.
3. TerraCom shall immediately investigate any notification from the Commission or DHS regarding any Lifeline customer receiving duplicate subsidy from another carrier or from TerraCom. If it is determined that the Lifeline customer is receiving duplicate subsidy, TerraCom will work with the other carrier(s) to notify the customer of the duplicate accounts and work with the customer to choose only one provider of Lifeline service. TerraCom shall also abide by any rules of the FCC and work with USAC and the Commission Staff to rectify any duplicate accounts. In the event the customer selects a carrier other than TerraCom to provide Lifeline service, TerraCom shall promptly remove the customer's Lifeline service and remove customer from any USAC reimbursement.
4. TerraCom shall deal directly with the subscriber and DHS to certify and verify the subscriber's Lifeline eligibility on an annual basis.

5. TerraCom shall explain in prominent, plain, easily comprehensible language to all new and potential subscribers that no consumer is permitted to receive more than one Lifeline subsidy.
6. TerraCom shall ensure that all marketing materials for the service make clear that it is a Lifeline-supported service.
7. TerraCom shall promptly, de-enroll any subscriber whom TerraCom determines is no longer eligible for Lifeline service or is notified by DHS that the subscriber is no longer eligible for Lifeline service. TerraCom shall promptly remove a customer's Lifeline service and remove customer from any USAC reimbursement.

O. 9-1-1 CALLING.

1. TerraCom shall provide access to 911 service. If service is disconnected or minutes are depleted, customers may still make 911 calls and calls to Customer Care number (611).
2. 911 or E-911 Access. TerraCom shall pay the appropriate wireless E911 charge of one and four-tenths percent based on the \$13.60 worth of free voice minutes provided to eligible Lifeline customers and on all other minutes sold to customers whether sold separately or bundled with text messages or other services. TerraCom shall remit the amount monthly in accordance with C.R.S. § 29-11-102.5(3).

P. CUSTOMER CARE ACCESS.

1. Customers will be provided a toll-free method to access TerraCom's customer care representatives, available 8am – 12am (midnight) EST Monday through Friday by dialing 611 from a TerraCom handset, and online at www.terracomwireless.com. Customers may obtain directory assistance by dialing 411 from a TerraCom handset.

Q. LIMITATIONS OF LIABILITY.

1. Because TerraCom has no control of the content of communications transmitted over its network, and because of the possibility of errors incident to the provision and use of its services, services furnished by TerraCom are subject to the terms, conditions and limitations specified herein and in TerraCom's Terms of Service available on the www.terracomwireless.com website.

R. CUSTOMER DISCONNECTION.

1. TerraCom may not deny or discontinue service to a Customer without prior written notice after at least 15-days ("written notice" or "in writing" as used in this Section shall mean a message sent to the Customer as a SMS or "text" message or in letter form) except for the following reasons:

- a. If a condition immediately dangerous or hazardous to life, physical safety, or property exists; or
 - b. Upon order by any court, the Commission, or any other duly authorized public authority; or
 - c. For a violation of TerraCom' terms and conditions or Commission rule; or
 - d. If service was obtained fraudulently or without the authorization of the provider or is being used for, or suspected of being used for, fraudulent purposes; or
 - e. Failure to comply with municipal ordinances or other laws pertaining to telecommunications service which may adversely affect the safety of the Customer, other persons or the integrity of TerraCom' service, or
 - f. Obtaining service by subterfuge that includes, but is not restricted to, an application for service at a location in the name of another party.
 - g. Violation of any rule which may adversely affect the safety of the Customer, other persons, the integrity of TerraCom' service, or otherwise violate the TerraCom terms of Service.
2. If TerraCom disconnects service to Lifeline Customer for any reasons stated above, TerraCom will immediately cease seeking reimbursement from the Lifeline universal service fund for that Customer.

**LIFELINE BASIC UNIVERSAL SERVICE OFFERING
OF TERRACOM, INC.**

The following contains a detailed description of TerraCom, Inc.'s ("TerraCom") Lifeline Basic Universal Service (LBUS) initial offering in Colorado. This description relates only to TerraCom's wireless LBUS offering and in no way relates to TerraCom's other service offerings. TerraCom will file with this Commission any future proposed changes to the LBUS or any new Lifeline products or offerings.

A. TERRACOM's LIFELINE BASIC UNIVERSAL SERVICE OFFERING

TerraCom's Lifeline Basic Universal Service Offering ("LBUS Offering") includes the Following Services Required under 47 C.F.R. § 54.101(a), as revised on December 23, 2011 and 4 CCR 723-2-2308(a):

1. Access to Public Switched Telephone Network and Local Usage. TerraCom's service includes voice grade access to the public switched telephone network or its functional equivalent and minutes of use for local service without additional charge to the end user.
2. Access to Emergency Service. Customers of TerraCom's LBUS Offering will be able to reach a public safety answering point by dialing "911" regardless of activation status. TerraCom will provide its Lifeline customers with 911 and E911 compliant handsets and replace non-compliant handsets at no additional charge.
3. Toll Limitation. TerraCom calling plans are not offered on a distance-sensitive basis and minutes are not charged separately for local or domestic long distance services. Prepaid offerings, by their very construct, act as a toll limitation mechanism.
4. Lifeline Services. Qualified low income customers shall receive the equivalent value of \$13.60 per month (250 voice minutes).
5. Hearing Impaired. TerraCom will make available services for the hearing impaired. Customers may contact TerraCom for more information.

B. ADDITIONAL SERVICES WHICH ARE INCLUDED IN LIFELINE BASIC UNIVERSAL SERVICE OFFERINGS

1. Free Handset
2. Voice Mail
3. Call Waiting
4. Caller ID
5. Free 611 calls
6. Free calls to 911 emergency services

C. THE PRICING FOR TERRACOM'S UNIVERSAL SERVICE OFFERING

1. TerraCom will pass the imputed state subsidy and the entire federal subsidy in the form of free usage to the Lifeline customers. TerraCom shall offer at least one Lifeline calling plan with a minimum of 900 minutes of usage.
2. Retail calling plans are pay in advance offerings, excluding taxes and governmental assessments, and do not require the customer to sign a contract.
3. Long distance calls are included at no additional charge for calls made within the United States.
4. Federal and state universal service assessments are imposed separately. TerraCom shall remit and pay the Colorado high cost charge, at the rate then in effect, on all intrastate retail voice minute revenues from voice minutes above the 250 free voice minutes.
5. Other governmental taxes and assessments imposed by law.
6. Customers will not be required to enter into a long-term service contract.

D. THE AREAS IN WHICH TERRACOM'S LIFELINE UNIVERSAL SERVICE OFFERINGS ARE AVAILABLE, AND THE CORRESPONDING LOCAL CALLING AREAS

TerraCom LBUS Offering is available to customers within the exchanges in which TerraCom has been designated as an ETC. TerraCom shall file an application with the Commission if it expands its footprint to exchanges not listed in Attachment 1.

TerraCom shall initially provide the following Lifeline plan to eligible Lifeline customers:

- 250 free minutes of use each month and a free handset to each qualifying customer;
- Caller ID, Call Waiting, Call Forwarding, Three-Way Calling and Voicemail;
- Any unused minutes are available for a maximum of sixty days and do not roll over;
- Additional minutes are available at different denominations starting at \$5.00 for 60 minutes up to \$60.00 for 1,700 minutes; and
- Roaming is blocked for Lifeline customers unless requested by a Lifeline customer in which case roaming will be billed at the rate of \$0.59 per minutes of use that will be deducted from any available minutes.