



PUBLIC NOTICE

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APPLICATIONS GRANTED FOR THE TRANSFER OF CONTROL OF STI PREPAID, LLC AND STI TELECOM INC. TO ANGEL AMERICAS LLC

WC Docket No. 13-242

On January 30, 2013, STi Prepaid, LLC (STi Prepaid), STi Telecom Inc. (STi Telecom, and together with STi Prepaid, STi), and Next Angel LLC (Next Angel) filed applications pursuant to section 214 of the Communications Act of 1934, as amended (Act),¹ to transfer the domestic and international authorizations and assets of STi Prepaid and STi Telecom to Next Angel.² On June 30, 2013, the ownership of Next Angel changed, and on July 10, 2013, Next Angel changed its name to Angel Americas LLC (Angel Americas, collectively with STi, Applicants).³ The Wireline Competition Bureau and International Bureau (together, Bureaus) have determined that grant of these Applications, as conditioned, serves the public interest, and accordingly the Applications are granted with the conditions stated herein.

STi Prepaid and STi Telecom provide resold long distance telecommunications services, including prepaid domestic and international calling cards.⁴ Prior to this transaction, Angel Americas did not provide telecommunications services. On September 27, 2013, March 26, 2014, May 1, 2014, and May 14, 2014, the Bureaus granted Angel Americas special temporary authority (STA) to provide service

¹ 47 U.S.C. § 214.

² Application of Next Angel LLC to Transfer Control of the Domestic Section 214 Authorization of STi Prepaid, LLC (filed Jan. 30, 2013) (STi Prepaid Domestic 214 Application); Application of Next Angel LLC to Transfer Control of the Domestic Section 214 Authorization of STi Telecom Inc. (filed Jan. 30, 2013) (STi Telecom Domestic 214 Application); Application for Assignment of the International Section 214 Authority of STi Prepaid, LLC to Next Angel LLC, ITC-ASG-20130130-00035; Application for Assignment of the International Section 214 Authority of STi Telecom Inc. to Next Angel LLC, ITC-ASG-20130130-00037 (collectively, Applications). On October 22, 2013, the Bureaus released a Public Notice requesting comment on the Applications. *Applications Filed for the Transfer of Control of STi Prepaid, LLC and STi Telecom Inc. to Angel Americas LLC*, WC Docket No. 13-242, Public Notice, 28 FCC Rcd 14593 (Wireline Comp. Bur/Int'l. Bur. 2013).

³ Letter from Thomas M. Lynch, Counsel for Next Angel LLC, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 13-242, File Nos. ITC-ASG-20130130-00035, ITC-ASG-20130130-00037 (filed July 9, 2013); Letter from Thomas M. Lynch, Counsel for Angel Americas LLC, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 13-242, File Nos. ITC-ASG-20130130-00035, ITC-ASG-20130130-00037 (filed July 10, 2013).

⁴ Both companies are debtors-in-possession and filed voluntary petitions for relief under Chapter 11 of the U.S. Bankruptcy Code on September 5, 2012. *Vivaro Corporation, et al.*, Case No. 12-13810 (Ch. 11) (Bankr. S.D.N.Y. 2012).

to STi's customers pending grant of the Applications.⁵ The Bureaus conditioned grant of the STA on Angel Americas' compliance with requirements proposed by the Commission's Enforcement Bureau. These requirements, referred to as "Authorization Conditions," consist of a plan designed to ensure Angel Americas' future compliance with Commission rules and requirements regarding the operations and marketing of prepaid calling card services.⁶

Angel Americas has further agreed to abide by the Authorization Conditions as a condition of a grant of the Applications and affirms that the commitments in the Authorization Conditions, attached to this grant, will continue to be binding after the proposed transfer of control.⁷ We find that Angel Americas' compliance with the Authorization Conditions will lead to public interest benefits in terms of access to prepaid calling card services for Angel Americas' customers.⁸ We therefore accept Angel Americas' commitment and make it a binding and enforceable condition of our approval. Our public interest authority enables us, where appropriate, to impose and enforce narrowly tailored, transaction-

⁵ Letter from Thomas M. Lynch, Counsel for Angel Americas LLC, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 13-242, ITC-STA-20130926-00264 (STi Prepaid), ITC-STA-20130926-00265 (STi Telecom) (filed Sept. 26, 2013) (Sept. 26, 2013 STA Letter); Letter from Thomas M. Lynch, Counsel for Angel Americas LLC, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 13-242, ITC-STA-20140314-00097 (STi Prepaid), ITC-STA-20140314-00102 (STi Telecom) (filed Mar. 14, 2014) (Mar. 14, 2014 STA Letter); Letter from Thomas M. Lynch, Counsel for Angel Americas LLC, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 13-242, ITC-STA-20140430-00137 (STi Telecom), ITC-STA-20140430-00143 (STi Prepaid) (filed Apr. 30, 2014) (Apr. 30, 2014 STA Letter); Letter from Thomas M. Lynch, Counsel for Angel Americas LLC, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 13-242, ITC-STA-20140430-00137 (STi Telecom), ITC-STA-20140430-00143 (STi Prepaid) (filed May 13, 2014) (May 13, 2014 STA Letter).

⁶ The Authorization Conditions set out certain operating procedures in connection with prepaid calling cards to ensure consumers receive clear information about the rates, terms, and conditions of the cards. Angel Americas stated that it "agrees to abide by the Authorization Conditions proposed by the Enforcement Bureau for an entity providing services to the customers of STA, and set forth in Exhibit A to this letter." Sept. 26, 2013 STA Letter at 2; Mar. 14, 2014 STA Letter at 2; Apr. 30, 2014 STA Letter at 1-2; May 13, 2014 STA Letter at 1-2. Angel Americas further stated that "by granting the STA application, Angel Americas will be able to, and commits to, serve customers of STi still holding unused or unexpired prepaid calling cards and minutes during the period authorized by the STA (and thereafter if the transfer is ultimately approved)." Sept. 26, 2013 STA Letter at 1-2; Mar. 14, 2014 STA Letter at 1-22; Apr. 30, 2014 STA Letter at 1-2; May 13, 2014 STA Letter at 1-2.

⁷ Letter from Thomas M. Lynch, Counsel for Angel Americas, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 13-242 (filed Apr. 30, 2014).

⁸ The Commission has stated that unfair and deceptive marketing practices by interstate common carriers harm consumers and would constitute unjust and unreasonable practices under section 201(b) of the Act. *See, e.g., NOS Communications, Inc.*, File No. EB-00-TC-005, Notice of Apparent Liability for Forfeiture, 16 FCC Rcd 8133 (2001) (finding that the companies engaged in deceptive marketing of their interstate communication services by failing to disclose clearly and conspicuously material facts regarding their promotional plan offerings and pricing methodology, in violation of section 201(b)); *Business Discount Plan, Inc.*, File No. ENF-98-02, Order of Forfeiture, 15 FCC Rcd 14461 (2000), *recon. granted in part and denied in part*, 15 FCC Rcd 24396 (2000) (finding that the company violated section 201(b) by using unjust and unreasonable telemarketing practices such as misrepresenting the nature of its service offerings); *Telecommunications Research & Action Center & Consumer Action*, File No. E-99-104, *et al.*, Memorandum Opinion and Order, 4 FCC Rcd 2157 (Com.Car.Bur. 1989) (recognizing that section 201(b) provides a cause of action against carriers for failing to convey sufficient information about their rates, practices, and range of services). *See also* Joint FCC/FTC Policy Statement For the Advertising of Dial-Around And Other Long Distance Services To Consumers, File No. 00-EB-TCD-1(PS), 15 FCC Rcd 8654 (2000).

specific conditions to ensure that the public interest is served.⁹ In addition, a threshold requirement in our transaction review process is whether the Applicants meet the requisite character qualifications to hold Commission licenses.¹⁰ To meet this requirement, Commission precedent requires that an applicant must operate in a manner consistent with the Act and the Commission's rules.¹¹ We conclude that Angel Americas' commitment to abide by the Authorization Conditions will further the public interest, and we are satisfied that Angel Americas is qualified to hold an authorization, subject to the Authorization Conditions.

On November 18, 2013, the Department of Justice, including the Federal Bureau of Investigation, with the concurrence of the Department of Homeland Security (collectively, the Executive Branch Agencies), submitted a Petition to Adopt Conditions to Authorizations and Licenses (Petition).¹² In the Petition, the Executive Branch Agencies advise the Commission that they have no objection to the Commission granting its consent in this proceeding, provided the Commission conditions the grant on the assurance by Angel Americas that it will abide by the commitments and undertakings set forth in the November 2013 Agreement between Angel Americas and the Executive Branch Agencies that addresses national security, law enforcement, and public safety concerns (hereinafter referred to as the November 2013 Agreement).¹³ The Executive Branch Agencies filed the November 2013 Agreement in WC Docket No. 13-242 on November 18, 2013.¹⁴

Consistent with Commission precedent, the Bureaus accord the appropriate level of deference to the Executive Branch Agencies' expertise on national security and law enforcement issues.¹⁵ The Bureaus

⁹ See, e.g., *Application of AT&T Inc. and BellSouth Corporation Application to Transfer Control*, WC Docket No. 06-74, Memorandum Opinion and Order, 22 FCC Rcd 5662, 5674, para. 22 (2007) (*AT&T/BellSouth Order*); *Applications Granted for the Transfer of Control of the Operating Subsidiaries of Securus Technologies Holdings, Inc. to Securus Investment Holdings, LLC*, WC Docket No. 13-29, Public Notice, 28 FCC Rcd 5720, 5723-24 (Wireline Comp. Bur./Int'l. Bur. 2013) (conditioning section 214 grant on Applicants' compliance with certain public interest conditions).

¹⁰ See *AT&T/BellSouth Order* at 5756, para. 191; *Applications of Guam Cellular and Paging, Inc. and DoCoMo Guam Holdings, Inc.*, WT Docket No. 06-96, Memorandum Opinion and Order and Declaratory Ruling, 21 FCC Rcd 13580, 13590, para. 14 (2006).

¹¹ See *Policy Regarding Character Qualifications in Broadcast Licensing Proceedings*, Gen. Docket No. 81-500, Docket No. 78-108, 102 F.C.C.2d 1179, 1189, 1209, paras. 21, 55-56 (1986).

¹² Petition to Adopt Conditions to Authorizations and Licenses, WC Docket No. 13-242 and File Nos. ITC-ASG-20130130-000035; ITC-ASG-20130130-00037; ITC-214-20130429-00125 (filed Nov. 18, 2013).

¹³ *Id.* at 1-2.

¹⁴ Letter to John Carlin, Acting Assistant Attorney General, National Security Division, U.S. Department of Justice, from Roland J. Bopp, Chief Executive Officer, Angel Americas LLC, WC Docket No. 13-242, File Nos. ITC-ASG-20130130-000035; ITC-ASG-20130130-00037; ITC-214-20130429-00125 (filed Nov. 18, 2013).

¹⁵ The Commission considers national security, law enforcement, foreign policy, and trade policy concerns when analyzing a transfer of control or assignment application in which foreign ownership is an issue. See *Amendment of the Commission's Regulatory Policies to Allow Non-U.S. Licensed Satellites Providing Domestic and International Service in the United States*, Report and Order, 12 FCC Rcd 24094, 24170-72, paras. 178-82 (1997); *Rules and Policies on Foreign Participation in the U.S. Telecommunications Market*, IB Docket No. 97-142, *Market Entry and Regulation of Foreign Affiliated Entities*, IB Docket No. 95-22, Report and Order and Order on Reconsideration, 12 FCC Rcd 23891, 23919-21, paras. 61-66 (1997) (*Foreign Participation Order*), Order on Reconsideration, 15 FCC Rcd 18158 (2000). In assessing the public interest, the Commission considers the record and accords the appropriate level of deference to Executive Branch expertise on national security and law enforcement issues. See *Foreign Participation Order*, 12 FCC Rcd at 23919-21, paras. 61-66.

find, upon consideration of the record, that grant of the Applications, subject to compliance with the November 2013 Agreement with the Executive Branch Agencies, will serve the public interest, convenience, and necessity. Upon consummation of the transaction, the resulting entity will have a market share in the U.S. interstate interexchange market of less than 10 percent and will provide competitive telephone exchange services or exchange access services exclusively in geographic areas served by a dominant local exchange carrier in the U.S. that is not a party to the transaction. In addition, no party to the transaction is dominant with respect to any domestic service.¹⁶

Further, as Applicants acknowledged, STi Prepaid and STi Telecom were delinquent in certain debts owed to the Commission at the time of the filing of the Applications.¹⁷ The grant of these Applications shall be effective on June 27, 2014, provided that the conditions set forth in section 16 of the certain Settlement Agreement addressing the debt, dated as of May 16, 2014, by and among Angel Americas LLC, Angel Telecom Holding AG, and the Federal Communications Commission shall have been satisfied and the said Settlement Agreement shall be effective, otherwise this grant shall be null and void.¹⁸

Therefore, pursuant to section 214 of the Act, 47 U.S.C. § 214, and sections 0.51, 0.91, 0.261, and 0.291 of the Commission's rules, 47 C.F.R. §§ 0.51, 0.91, 0.261, 0.291, the Bureaus hereby grant the Applications discussed in this Public Notice subject to compliance with the Authorization Conditions and the November 2013 Agreement. A failure to comply with and/or remain in compliance with any of the provisions of the November 2013 Agreement shall constitute a failure to meet a condition of this authorization and thus grounds for declaring the underlying authorizations terminated without further action on the part of the Commission. Failure to meet a condition of this authorization may also result in monetary sanctions or other enforcement action by the Commission.

Pursuant to section 1.103 of the Commission's rules, 47 C.F.R. § 1.103, the grant is effective upon release of this Public Notice. Petitions for reconsideration under section 1.106 or applications for review under section 1.115 of the Commission's rules, 47 C.F.R. §§ 1.106, 1.115, may be filed within 30 days of the date of this Public Notice.

¹⁶ STi Prepaid Domestic 214 Application at Att. 1, p. 10; STi Telecom Domestic 214 Application at Att. 1, p. 10.

¹⁷ Letter from Jennifer Hindin, Counsel for Next Angel LLC, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 13-242, File Nos. ITC-ASG-20130130-00035; ITC-ASG-20130130-00037, at 1 (filed Feb. 5, 2013). Applicants had requested a waiver of section 1.1910(c) of the Commission's rules addressing the withholding of action on applications by entities that are delinquent in debt owed to the Commission. *Id.* at 1-2 (citing 47 C.F.R. § 1.1910(c)); STi Prepaid Domestic 214 Application at Att. 1, p. 5; STi Telecom Domestic 214 Application at Att. 1, p. 5. Because Applicants have entered into a settlement agreement, it is unnecessary to address this request.

¹⁸ See *Application for License Renewal of Station KBIL-FM San Angelo, Texas*, File No. BRH-900402B9, Memorandum Opinion and Order, 7 FCC Rcd 5292, 5293, para. 17 (1992) (stating that grant of a license assignment is rendered null and void, and the application would be reverted to pending status, if applicants did not meet a consummation condition associated with the transaction).

SECTION 214 AUTHORIZATIONS

The International Bureau grants the Applications to transfer control of international section 214 authorizations held by STi Prepaid and STi Telecom to Angel Americas in connection with the proposed transaction.

A. International

<u>File No.</u>	<u>Authorization Holder</u>	<u>Authorization Number</u>
ITC-ASG-20130130-00035	STi Prepaid, LLC	ITC-214-20010220-00085 ITC-214-20010618-00348 ITC-214-20020531-00293 ITC-214-20050315-00105
ITC-ASG-20130130-00037	STi Telecom Inc.	ITC-214-20031020-00495

B. Domestic

The Wireline Competition Bureau grants the Applications to transfer control of domestic section 214 authority in connection with the proposed transaction.

For further information, please contact Jodie May, Wireline Competition Bureau, Competition Policy Division, (202) 418-0913; David Krech, Policy Division, International Bureau, (202) 418-7443.

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ATTACHMENT

Authorization Conditions

Definitions

- (a) “Act” means the Communications Act of 1934, as amended, 47 U.S.C. § 151 *et seq.*
- (b) “Additional Charge” means any and all charges other than a per-minute rate assessed for use of a Prepaid Calling Card, including taxes, regulatory fees, maintenance fees, weekly fees, monthly fees, connection fees, hang-up fees, payphone fees, cell phone fees, access number fees, and any and all charges or other assessments of any kind whatsoever the Company imposes that may reduce or otherwise affect the Calling Time, Rate, or value of a Prepaid Calling Card.
- (c) “Affiliate” shall have the same meaning defined in Section 153(2) of the Act, 47 U.S.C. § 153(2).
- (d) “Bureau” means the Enforcement Bureau of the Commission.
- (e) “Calling Time” means calling minutes actually delivered by a Prepaid Calling Card to a particular destination.
- (f) “Clear and Prominent Disclosure” means:
 - i. in a printed advertisement, printed promotional material (including Point-of-Sale Materials), printed instructional manual, or on a Calling Card or its packaging, a disclosure that appears in a font no smaller than the claim to which it relates, that is in a location that appears in close proximity to the claim to which it relates and sufficiently noticeable for an ordinary person to read and comprehend it, and that is in print that contrasts with the background against which it appears;
 - ii. in an advertisement communicated through an electronic audio medium (including radio and audio streaming), a disclosure that is delivered in a volume, speed and cadence sufficient for an ordinary consumer to hear and understand it;
 - iii. in an advertisement communicated through an electronic visual medium (including television, video, and interactive media such as the Internet and online services), a disclosure that appears in a font no smaller than the claim to which it relates, that is in a location, as well on screen for a duration, sufficient for an ordinary consumer to read and comprehend it, and in a print that contrasts with the background against which it appears;
 - iv. in an advertisement communicated through interactive media, a disclosure that is unavoidable and presented prior to the consumer incurring a financial obligation; and
 - v. in any medium (printed, audio, and visual, etc.), a disclosure that is in the same language as any claim about Calling Time and/or Rates, is in plain and

understandable language and syntax, and is not contradicted, inconsistent with, or in mitigation of any such claim.

- (g) “Commission” or “FCC” means the Federal Communications Commission and all of its bureaus and offices.
- (h) “Communications Laws” means, collectively, the Act, the Rules, and the published and promulgated orders and decisions of the Commission to which the Company is subject by virtue of its business activities.
- (i) “Company” means Angel Americas LLC f/k/a Next Angel LLC and any Affiliates.
- (j) “Compliance Plan” means the compliance obligations, program, and procedures described in these Authorization Conditions at Paragraph 2.
- (k) “Compliance Reports” mean the reports the Company is required to file with the Commission pursuant to Paragraph 4.
- (l) “Covered Personnel” means all employees, independent contractors, subcontractors, and agents of the Company, who perform, supervise, oversee, or manage any activities that relate to the Company’s responsibilities under, and compliance with the Communications Laws.
- (m) “Effective Date” means the date of grant by the Commission of the assignment of the Section 214 authorizations to the Company.
- (n) “Operating Procedures” means the operating procedures and compliance policies established and used by the Company to implement the Compliance Plan.
- (o) “Point of Sale Material” means any poster, sign, bulletin, advertisement, “take one” card, hang tag, tear-away, product packaging, or other promotional material that is displayed at a location where a Prepaid Calling Card is sold, including kiosks, and vending machines, as well as online points of sale.
- (p) “Prepaid Calling Card” means a card or other means that can be used to make one or more telephone calls that is or are represented as being paid for prior to placing the telephone call.
- (q) “Rate” means the applicable per-minute rate for each individual destination served by a Prepaid Calling Card.
- (r) “Rules” means the Commission’s regulations found in Title 47 of the Code of Federal Regulations.

Conditions

1. **Compliance Officer.** Within thirty (30) calendar days after the Effective Date, the Company shall designate a senior corporate manager with the requisite corporate and organizational authority to serve as “Compliance Officer” and to discharge the duties set forth below. The Compliance Officer shall be responsible for developing, implementing, and administering the Compliance Plan and ensuring that the Company complies with the terms and conditions of the Compliance Plan and these Authorization Conditions.

2. **Compliance Plan.** The Company shall within sixty (60) calendar days after the Effective Date, develop, implement, and maintain a Compliance Plan that is designed to ensure future compliance with the Communications Laws and with the Authorization Conditions. With respect to the Company’s operations and marketing of Prepaid Calling Cards, the Company shall implement the following:

- (a) **Operating Procedures.** Within sixty (60) calendar days after the Effective Date, the Company shall establish, use, and maintain Operating Procedures that the Compliance Officer and all Covered Personnel shall follow to help ensure the Company’s compliance with the Communications Laws and these Authorization Conditions. The Company’s Operating Procedures shall, at a minimum, include procedures and policies specifically designed to ensure that the Company’s operations and provision of telecommunications services, including any aspect of its Prepaid Calling Card service provided by independent contractors, subcontractors, or agents, comply with the Communications Laws and these Authorization Conditions.
- (b) **Compliance Manual.** Within sixty (60) calendar days after the Effective Date, the Company shall develop, use, and maintain a Compliance Manual and distribute the Compliance Manual to all Covered Personnel. For any person who becomes Covered Personnel more than sixty (60) calendar days after the Effective Date, the Company shall distribute the Compliance Manual to that person within thirty (30) calendar days after the date such person becomes Covered Personnel. The Compliance Manual shall explain the applicable Communications Laws and these Authorization Conditions and instruct Covered Personnel to consult and follow the Operating Procedures to help ensure the Company’s compliance with the Communications Laws. The Compliance Manual shall require Covered Personnel to contact their supervisor and/or the Compliance Officer with any questions or concerns that arise with respect to the Communications Laws or these Authorization Conditions and the Company’s obligations under or compliance with the same. The supervisor shall promptly notify the Compliance Officer when a violation or potential violation of the Communications Laws or these Authorization Conditions is raised by Covered Personnel. The Company shall periodically review and revise the Compliance Manual as necessary to ensure that the information set forth therein remains current and complete, taking into account changes in the Company’s Prepaid Calling Card service and processes. The Company shall distribute any revisions to the Compliance Manual to all Covered Personnel within thirty (30) calendar days after any revisions have been made by the Company.
- (c) **Compliance Training Program.** Within sixty (60) calendar days after the Effective Date, the Company shall establish, implement, and maintain a Compliance Training Program to ensure compliance with the Communications Laws and the Operating Procedures. As part of the Compliance Training Program, Covered Personnel shall be advised of the Company’s obligation to report any noncompliance with the Communications Laws under Paragraph 3 of these Authorization Conditions and shall be instructed on how to disclose

noncompliance to the Compliance Officer. All Covered Personnel shall be trained pursuant to the Compliance Training Program within sixty (60) calendar days after the Effective Date, except that any person who becomes Covered Personnel at any time after the Effective Date shall be trained within thirty (30) calendar days after the date such person becomes Covered Personnel. The Company shall repeat the compliance training on an annual basis and shall periodically review and revise the Compliance Training Program as necessary to ensure that it remains current and complete and to enhance its effectiveness.

- (d) **Acts or Omissions of Contractors and Agents**. The Company acknowledges that the act, failure to act, or omission by any independent contractor, subcontractor, or agent of the Company, acting in such capacity, that results in a violation of the Communications Laws or these Authorization Conditions constitutes an act, failure to act, or omission by the Company.
- (e) **Additional Compliance Measures**. The Company shall implement the following additional compliance measures:
- i. **General Marketing Requirements**. In connection with the advertising, distribution, marketing, promotion, offering for sale, sale, or provision of Prepaid Calling Cards or any telecommunications service, the Company:
 - a. shall not, directly or indirectly, make any material misrepresentation concerning Calling Time, Rates or Additional Charges;
 - b. shall be specific with respect to the amount of any Additional Charge and shall not include a possible range applicable to any such Additional Charge or use ambiguous language such as “up to,” “may apply,” or “no higher than,” etc. when referring to such Additional Charge;
 - c. shall, in any advertisement, offer for sale, Point of Sale Material, or Prepaid Calling Card that contains an express or implied representation about the specific value of a Prepaid Calling Card, Calling Time and/or Rate, or any Additional Charge or the absence thereof, make a Clear and Prominent Disclosure of all material limitations relating to the use of the Prepaid Calling Card, including:
 1. the existence and exact amount of each Additional Charge and when and under what circumstances each such Additional Charge applies when using the Prepaid Calling Card;
 2. the statement that the advertised Calling Time and/or Rates are available only for a single or limited number of calls, if such is the case;
 3. any limitation on the period of time during which the advertised Calling Time and/or Rate is available; and
 4. the time at which the Prepaid Calling Card expires;
 - d. shall not, directly or indirectly, use the term “toll free access number” or any similar term to refer to a number that results in the application of an Additional Charge or increase in the Rate;

- e. shall include a toll-free number and website address (if the Company maintains a website) where consumers can obtain the current Rate for each destination served by a Prepaid Calling Card of the Company; and
 - f. shall not, directly or indirectly, implement or otherwise give any effect of any kind whatsoever to any term or condition of service for which there has not been a Clear and Prominent Disclosure of such term or condition. This prohibition applies to Prepaid Calling Cards and telecommunications services advertised, distributed, marketed, promoted, offered for sale, or sold before the effective date of these Authorization Conditions.
- ii. **Specific Requirements for Physical Prepaid Calling Cards.** In any case where the Prepaid Calling Card contains a “hang tag” or “tear-away tag,” the disclosures required by Paragraph 2(e)i.c. and 2(e)i.e. above shall be set forth on the physical Prepaid Calling Card that contains information on how to use the card.

3. Reporting Noncompliance. The Company shall report any noncompliance with the Communications Laws and with these Authorization Conditions within fifteen (15) calendar days after discovery of such noncompliance. Such reports shall include a detailed explanation of: (i) each instance of noncompliance; (ii) the steps that the Company has taken or will take to remedy such noncompliance; (iii) the schedule on which such remedial actions will be taken; and (iv) the steps that the Company has taken or will take to prevent the recurrence of any such noncompliance. All reports of noncompliance shall be submitted to the Chief, Telecommunications Consumers Division, Enforcement Bureau, Federal Communications Commission, Room 3-C366, 445 12th Street, S.W. Washington, D.C. 20554, with a copy submitted electronically to Richard Hindman at richard.hindman@fcc.gov and to fceebaccess@fcc.gov.

4. Compliance Reports. The Company shall file “Compliance Reports” with the Commission ninety (90) calendar days after the Effective Date, twelve (12) months after the Effective Date, twenty-four (24) months, and thirty-six (36) months after the Effective Date.

- (a) Each Compliance Report shall include a detailed description of the Company’s efforts during the relevant period (beginning on the Effective Date, and continuing through to the filing date of each report) to comply with these Authorization Conditions and the Communications Laws.
- (b) In addition, each Compliance Report shall include a certification by the Compliance Officer, as an agent of and on behalf of the Company, stating that the Compliance Officer has personal knowledge that the Company: (i) has established, implemented, and is maintaining a plan to monitor and ensure compliance with the Communications Laws and the Authorization Conditions, and (ii) is not aware of any instances of noncompliance with these Authorization Conditions, including the reporting obligations set forth in Paragraph 3 above.
- (c) The Compliance Officer’s certification shall be accompanied by a statement explaining the basis for such certification and must be in the form set forth in Section 1.16 of the Rules (47 C.F.R. § 1.16) and be subscribed to as true under penalty of perjury in substantially the form set forth therein.
- (d) If the Compliance Officer cannot provide the requisite certification, the Compliance Officer, as an agent of and on behalf of the Company, shall provide the Commission with

a detailed explanation of the reason(s) why and describe fully: (i) each instance of noncompliance; (ii) the steps that the Company has taken or will take to remedy such noncompliance, including the schedule on which proposed remedial actions will be taken; and (iii) the steps that the Company has taken or will take to prevent the recurrence of any such noncompliance, including the schedule on which such preventive action will be taken.

- (e) All Compliance Reports shall be submitted to the Chief, Telecommunications Consumers Division, Enforcement Bureau, Federal Communications Commission, 445 12th Street, SW, Washington, D.C. 20554, with a copy submitted electronically to Richard Hindman at richard.hindman@fcc.gov and to fccebaaccess@fcc.gov.