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NEW CASE

IDAHO PUBLIC  
UTILITIES COMMISSION

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Attorneys for Budget PrePay, Inc.

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

IN THE MATTER OF THE APPLICATION )  
OF BUDGET PREPAY, INC. D/B/A ) CASE NO. BPP-T-12-01  
BUDGET MOBILE FOR DESIGNATION AS )  
AN ELIGIBLE TELECOMMUNICATIONS ) **APPLICATION OF BUDGET**  
CARRIER PURSUANT TO 47 U.S.C. § ) **PREPAY, INC. D/B/A BUDGET**  
214(e)(2) ) **MOBILE FOR DESIGNATION**  
) **AS AN ELIGIBLE**  
) **TELECOMMUNICATIONS**  
) **CARRIER PURSUANT TO 47**  
) **U.S.C. § 214(e)(2)**  
)

Budget PrePay, Inc. d/b/a Budget Mobile (“Budget” or the “Company”), by undersigned counsel, and pursuant to Section 214(e)(2) of the Communications Act of 1934, as amended, Section 214(e)(2) of title 47 of the United States Code (“U.S.C. Title 47”), and Sections 54.101 through 54.422 of title 47 of the Code of Federal Regulations (“C.F.R. Title 47”) of the Federal

Communications Commission (“FCC”), hereby submits this Application requesting that the Idaho Public Utilities Commission (the “Commission”) designate Budget as a wireless Eligible Telecommunications Carrier (“ETC”) throughout the State of Idaho for the limited purpose of receiving support from the Federal Universal Service Fund (“USF”) to provide wireless service under its Low-Income section for Lifeline Assistance (“Lifeline”). As demonstrated in this Application, Budget meets all statutory and regulatory requirements for designation as an ETC in the State of Idaho. Budget respectfully requests that the Commission expeditiously issue an order granting this Application so that Budget may begin providing wireless Lifeline service to qualified low-income households at the earliest practicable time. Budget also requests that the Commission either find inapplicable or waive certain reporting and certification requirements related solely to high-cost support.

## **I. INTRODUCTION.**

### **A. Background.**

Budget is a Louisiana corporation<sup>1</sup> and is authorized to conduct business as a foreign corporation in the State of Idaho.<sup>2</sup> A copy of its Certificate of Authority is attached hereto as Exhibit 1. Budget is an experienced Competitive Local Exchange Carrier (“CLEC”) that provides basic local exchange services and long distance services in 42 states, as further described in Section II.C.4 of this Application. Budget is now seeking authority to begin providing wireless Lifeline service to qualified low-income households in Idaho.

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<sup>1</sup> Budget Phone, Inc. was incorporated in the State of Louisiana on May 1, 1996 (Charter/Organization ID 34525907D). The principle office of the Company is located at 1325 Barksdale Blvd., Bossier City, LA 71111.

<sup>2</sup> Budget PrePay, Inc.’s Idaho organizational ID/filing number is C174473, and its registered agent in the State of Idaho is National Registered Agents Inc, 1423 Tyrell Lane, Boise, ID 83706.

**B. Contact Information.**

Budget's contact name and address are set forth below:

David Donahue  
Budget Prepay, Inc.  
1325 Barksdale Blvd.  
Bossier City, Louisiana 71111  
(318) 671-5706 (Phone)  
(318) 671-5024 (Fax)  
[davidd@budgetprepay.com](mailto:davidd@budgetprepay.com)

Budget's counsel in this matter is set forth below, and all communications relating to this

Application should be addressed to the following representatives:

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## **II. LEGAL COMPLIANCE WITH THE COMMISSION'S AND FCC'S REQUIREMENTS FOR DESIGNATION AS AN ETC.**

### **A. The Commission's Authority to Perform ETC Designations.**

The Commission has the requisite authority to perform the limited ETC designation requested herein. Section 214(e)(2) of U.S.C. Title 47 provides state public utility commissions with the primary responsibility for the designation of ETCs. Under U.S.C. Title 47, a state public utility commission with jurisdictional authority over ETC designations must designate a common carrier as an ETC in non-rural areas and may designate the common carrier as an ETC in rural areas if the carrier satisfies the requirements of Section 214(e)(1).<sup>3</sup> By (i) offering the services supported by the USF, (ii) advertising the availability of such services using media of general distribution, and (iii) obtaining a forbearance of the requirement that some of the services be offered over its own facilities, Budget meets the requirements of Section 214 of U.S.C. Title 47. Budget also meets the applicable requirements of Idaho law, including those required by Commission order<sup>4</sup>, warranting its designation as an ETC by the Commission.

### **B. ETC Legal Requirements.**

Section 254(e) of U.S.C. Title 47 provides that "only an eligible telecommunications carrier designated under section 214(e) of this title shall be eligible to receive specific Federal universal service support." Section 214(e)(1) and (2) of U.S.C. Title 47, in turn, require state commissions to designate as an ETC any common carrier that (i) offers services that are supported by federal universal service support mechanisms, either using its own facilities or a

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<sup>3</sup> See In the Matter of the Application of WWC Holding Co., Inc. DBA CellularOne® Seeking Designation as an Eligible Telecommunications Carrier that May Receive Federal Universal Service Support, Case No. WST-T-05-1, Order No. 29841, App. § A.4 (Aug. 4, 2005) (the "Idaho ETC Order").

<sup>4</sup> See generally *id.*

combination of its own facilities and resale of another carrier's facilities, and (ii) advertises the availability of such services and related charges using media of general distribution.

**1. Eligibility and Identification of Applicable Service Area.**

Budget is a "common carrier," as that term is defined in U.S.C. Title 47<sup>5</sup>, and, as such, is eligible for designation as an ETC so long as it meets the requirements of Section 214(e)(2).

Budget is currently requesting ETC status, and the FCC and the Commission have recognized on numerous occasions that telecommunications providers offering wireless services are eligible for ETC designation.

Section 214(e)(2) of U.S.C. Title 47 provides that ETC designation shall be made for a "service area" designated by the state commission. Section 214(e)(5) of U.S.C. Title 47 provides that the "service area" shall be a "geographic area established by the State commission."

Attached hereto as Exhibit 2 is a map of Budget's proposed service area and a list of the exchanges, consisting of the wire centers of rural and non-rural ILECs, for which Budget is seeking ETC authority for its wireless services.

**2. Supported Services.**

Section 214(e)(1)(A) of U.S.C. Title 47 and the Idaho ETC Order require that an ETC offer voice telephony services that are supported by federal universal service support mechanisms ("Supported Services") either using its own facilities or a combination of its own facilities and resale of another carrier's services. Along with significant recent changes to the Supported Services, the FCC has provided a blanket forbearance from the "own facilities" requirement for all ETC applicants who meet certain conditions, including obtaining the FCC's

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<sup>5</sup> 47 U.S.C. § 153(11) (defining "common carrier" as "any person engaged as a common carrier for hire, in interstate or foreign communication by wire or radio . . .").

approval of a compliance plan.<sup>6</sup> Budget will provide each of the Supported Services identified in Section 54.101 of C.F.R. Title 47, as amended by the FCC on December 23, 2011 and February 6, 2012<sup>7</sup>, throughout its designated service area, as indicated below:

1. Voice grade access to the public switched telephone network or its functional equivalent – Budget will provide its customers with the ability to make and receive calls on the public switched network.
2. Minutes of use for local service provided at no additional charge to the end user – Though Budget may ultimately decide to expand the number of Lifeline service plan options available to eligible Lifeline customers, Budget intends to initially offer qualifying customers an “active user talk & text” wireless plan that will provide 4,000 minutes of combined local/toll usage and texting, as well as another plan with 250 free minutes of local/toll usage.
3. Access to the emergency services provided by local government or other public safety organizations, such as 911 or enhanced 911, to the extent the local government in Budget’s service area has implemented 911 or enhanced 911 systems – All of the phones that Budget distributes are capable of delivering automatic numbering information and automatic location information and otherwise satisfy applicable state and federal E911 requirements.
4. Toll limitation for qualifying low-income consumers means toll blocking service and toll control service. Toll limitations service does not need to be offered for any Lifeline service that does not distinguish between toll and non-toll calls in the pricing of its service. Because the plans offered by Budget include an established number of minutes with no distinction between the pricing for local and toll calls, Budget’s customers will not be subjected to unexpected bills for telecommunication toll services, and Budget’s services satisfy the requirements.

As Budget offers all Supported Services currently required by Section 54.101 of C.F.R.

Title 47, it believes it also satisfies the intent of the Commission’s requirements regarding

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<sup>6</sup> *In The Matter of Lifeline and Link Up Reform and Modernization*, WC Docket No. 111-42 et al., Report and Order and Further Notice of Proposed Rulemaking, FCC 12-11, ¶ 368 (rel. Feb. 6, 2012) (the “Lifeline Reform Order.”).

<sup>7</sup> *See In the Matter of Connect America Fund*, WC Docket No. 10-90 et al., Order on Reconsideration, FCC 11-189 (rel. Dec. 23, 2011); Lifeline Reform Order ¶ 367. The FCC Order of December 23, 2011 removed from eligibility numerous types of services that had previously been Supported Services, including dual-tone multi-frequency signaling, single-party service, access to operator services, access to interexchange service, and access to directory assistance. The Lifeline Reform Order removed toll limitation services from the list of Supported Services, but only for those services that do not distinguish between toll and non-toll calls in the pricing of the service.

provision of universal services.<sup>8</sup>

### **3. Advertising of Supported Services.**

Section 214(e)(1)(B) of U.S.C. Title 47 and the Idaho ETC Order<sup>9</sup> require that an ETC advertise the availability of Supported Services and the related charges using media of general distribution. ETCs are also required to publicize the availability of Lifeline services in a manner reasonably designed to reach those likely to qualify for such services.<sup>10</sup> Budget will advertise the availability of the Supported Services throughout its designated service areas using media of generally distribution in a manner that is designed to reach those likely to qualify for such services. Budget will use a variety of media resources, including point of sale material of various kinds, onsite merchandising, banners, customer direct mail, customer brochures, television, and print media. A sample of Budget's marketing materials is attached as Exhibit 3. In addition, Budget agrees to comply with all form and content requirements, if any, promulgated by the FCC or the Commission in the future and required of all designated ETCs.

### **4. Forbearance from the Requirement that a Carrier Use its Own Facilities to Supply the Supported Services.**

Section 214(e)(1)(A) of U.S.C. Title 47 and Section 54.201(d) of C.F.R. Title 47 require ETCs to offer the Supported Services, at least in part, over their own facilities. However, the FCC has provided a blanket forbearance of the "own facilities" requirement for all ETC applicants who meet two conditions.<sup>11</sup> First, carriers must provide Lifeline subscribers with 911 and E911 access, regardless of activation status and availability of minutes, and with E911 compliant handsets. Second, a carrier must obtain the FCC's approval of a compliance plan

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<sup>8</sup> See Idaho ETC Order, App. § A.2.

<sup>9</sup> *Id.* at App. § A.3.

<sup>10</sup> 47 C.F.R. § 54.405(b).

<sup>11</sup> Lifeline Reform Order, ¶¶ 368, 373.

describing (a) the safeguards it will implement against waste, fraud, and abuse to comply with FCC requirements and (b) the carrier's Lifeline service plan offerings. Budget has met both of these requisites for forbearance and thus has obtained a waiver of the "own facilities" requirement.

As required by the Lifeline Reform Order, Budget will (a) provide its Lifeline customers with 911 and E911 access regardless of activation status (if it provides the customer with prepaid service) or availability of prepaid minutes; (b) provide 911/E911-compliant handsets to all of its Lifeline customers; and (c) replace, at no charge to customers, any non-compliant handset of an existing customer who obtains Lifeline-supported services with a 911/E911-compliant handset. All Budget customers will have access to emergency calling services at the time that Lifeline service is initiated, and such access will be available for Budget handsets even if the associated account has no minutes remaining. Thus, Budget meets the first requisite for forbearance.

On May 1, 2012, Budget submitted a Compliance Plan for FCC approval in WC Docket No. 09-197 and WC Docket No. 11-42.<sup>12</sup> The Compliance Plan details the verification, certification, and other anti-fraud measures Budget will take to comply with state and federal requirements and to ensure that Lifeline support is provided only to consumers who are truly eligible. On May 25, 2012, the FCC issued a public notice that it had approved Budget's Compliance Plan. A copy of Budget's approved Compliance Plan is set forth as Exhibit 4, and a copy of the FCC's approval is set forth as Exhibit 5. Since the FCC has approved its Compliance Plan, Budget meets the second requisite for forbearance.

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<sup>12</sup> Budget submitted an initial Compliance Plan to the FCC on March 1, 2012, and subsequently submitted several revised versions. The May 1, 2012 Compliance Plan was the final version, which the FCC approved on May 25, 2012.



Consistent with the requirements of 47 C.F.R. § 54.201(d)(1), Budget is able to offer all of the services and functionalities supported by the federal USF throughout its designated service area.<sup>13</sup> The FCC has provided a blanket forbearance authorizing Budget to provide Lifeline services without use of its “own facilities” so long as it meets E911 access requirements and obtains approval of a compliance plan. Since it has obtained the FCC’s approval of its Compliance Plan, Budget is entitled to the FCC’s blanket forbearance from the “own facilities” requirement. While the Idaho ETC Order does not address a forbearance option<sup>14</sup>, Budget has satisfied or obtained a waiver of the requirements of Section 214(e)(1)(A) of U.S.C. Title 47 and Section 54.201(d) of C.F.R. Title 47 and thus believes it has satisfied the intent of the Commission’s requirements.

**C. Additional Eligibility Criteria.**

The FCC has established additional criteria that ETC applicants should satisfy in order to be designated as an ETC, which include: (1) a certification that the applicant will comply with service requirements applicable to the support it receives; (2) a demonstration that the applicant will remain functional in emergency situations; (3) a demonstration that the applicant will satisfy applicable consumer protection and service quality standards; (4) a demonstration of financial and technical ability to provide the Supported Services; and (5) provision of information regarding the voice telephony Lifeline services it will provide.<sup>15</sup> The Commission has adopted similar requirements and, in addition, requires a description of the ILEC’s local usage plans.<sup>16</sup>

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<sup>13</sup> See 47 C.F.R. § 54.101(a).

<sup>14</sup> See Idaho ETC Order, App. § A.2.

<sup>15</sup> 47 C.F.R. § 54.202 (eff. May 1, 2012).

<sup>16</sup> Idaho ETC Order, App. § B.

With regard to service offerings in tribal lands, an ETC applicant also must provide a copy of its application to the appropriate tribal government or regulatory authority.<sup>17</sup>

**1. Applicable Service Requirements.**

The FCC's rules at 47 C.F.R. § 54.202(a)(1)(i) require an ETC applicant to "[c]ertify that it will comply with the service requirements applicable to the support that it receives." In some cases, a service improvement plan must also be submitted.

**a. Certification of Compliance with Service Requirements.**

The version of 47 C.F.R. § 54.202 in effect through December 28, 2011 required that carriers commit to provide service throughout their service area to all customers making a reasonable request, provide service on a timely basis within its network, and provide service within a reasonable period of time to customers outside its existing network coverage if service could be provided at a reasonable cost by modifying or replacing the customer's equipment, deploying a roof-mounted antenna, and using other methods. The Idaho ETC Order imposed similar requirements.<sup>18</sup> However, 47 C.F.R. § 54.202 has recently been significantly amended to remove the requirements above. If designated as a wireless ETC, Budget certifies that it will comply with all service requirements applicable to Lifeline support funding, as detailed herein and in its Compliance Plan at Exhibit 4. As a result, Budget meets the current requirements of 47 C.F.R. § 54.202(a)(1)(i) and believes it satisfies the intent of the Idaho ETC Order.

**b. Service Improvement Plan.**

For some carriers, the FCC requires the filing of a five-year service improvement plan pursuant to 47 C.F.R. § 54.202(a)(1)(ii), and the Commission has alternatively required the filing

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<sup>17</sup> *Id.* at App. § A.5.

<sup>18</sup> *Id.* at 8-9.

of a two-year service plan.<sup>19</sup> However, the FCC's requirement does not apply to carriers seeking only ETC status to provide Lifeline service to low income consumers. The Commission's Idaho ETC Order suggested that the two-year service improvement plan requirement was designed to demonstrate the ETC applicant's use of high-cost support.<sup>20</sup> The requirement that a new service improvement plan and progress report be submitted annually and that a carrier annually certify as to its use of federal high-cost support<sup>21</sup> similarly relate only to high-cost support. The FCC has clarified that carriers seeking only Lifeline support are no longer subject to such requirements, although they must still annually submit information related to the number of complaints received, service outages, certification of compliance with service quality standards and consumer protection rules, and certification of their ability to remain functional in emergency situations.<sup>22</sup> Thus, Budget believes the high-cost reporting and certification requirements are inapplicable to a request for ETC designation for only low-income support. Budget respectfully requests that the Commission either find that the high-cost support requirements listed above are inapplicable to this Application or waive the requirements.

## **2. Ability to Remain Functional in Emergency Situations.**

FCC rules, as adopted by the Idaho ETC Order, require that an ETC applicant "[d]emonstrate its ability to remain functional in emergency situations."<sup>23</sup> Budget has the ability to remain functional in emergency situations in accordance with the Idaho ETC Order and Section 54.202(a)(2) of the FCC's Rules, 47 C.F.R. § 54.202(a)(2). Budget has geographically located its switching infrastructure in two locations. This network design is in an effort to

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<sup>19</sup> *Id.* at 21.

<sup>20</sup> *See id.* at 18.

<sup>21</sup> *See id.* at App. § D.

<sup>22</sup> 47 C.F.R. § 54.422(b); Lifeline Reform Order ¶ 389.

<sup>23</sup> 47 C.F.R. § 54.202(a)(2); *see* Idaho ETC Order, App. § B.2.

eliminate a single isolated power incident from affecting traffic on Budget's network. All facilities are equipped with both AC and DC battery backup as well as generators. All critical equipment is also supplied with two separate power sources (or primary and redundant power feeds).

Budget maintains multiple paths to reach its network. This is accomplished by using multiple Internet Protocol ("IP") transit providers for all IP connectivity and an N+1 configuration for all Time Division Multiplexing connectivity. Once the origination traffic reaches the Budget network, all elements are set up with the same N+1 configuration. The configuration allows each element a primary and redundant path to terminate the traffic without service interruption. In the event the main element fails or that element reaches maximum capacity, Budget has designed the network to advance the traffic to one of three other elements in the same N+1 configuration that is listed above.

Budget has built the voice network to be self-sustaining in the event of a failure. The switching infrastructure will advance to the next termination carrier in route in the event of a failure on any termination carrier's route. Budget maintains a Least Cost Routing engine that has over 20 carriers available for every call.

Budget has redundant, geographically separated call centers with the capability to route incoming calls as needed, and additional data processing capacity at each of its three data centers that can accommodate extra workload as needed in the event of a systems outage. With daily Grandfather-Father-Son backups, monthly offsite tape backup, and a tertiary optical backup of critical Structured Query Language databases, data can be quickly restored in the event of a key systems failure. Budget maintains 24x7x365 support agreements on all key systems, with four-

hour maximum response time specified where possible, so that technical support is always available.

In the event of a service impacting event, an initial investigation and impact analysis should determine whether the affected services can be restored within the timeframe of the Maximum Tolerable Outage (“MTO”). If it is uncertain that services can be restored within the MTO, a disaster is declared and a detailed incident investigation ensues. Based upon the results Budget will either correct the affected service(s) or invoke disaster recovery activities, such as routing all calls to the alternate call center and rerouting data and/or voice traffic to servers and equipment in the unaffected data centers while the affected service is restored.

Budget’s underlying wireless providers, Sprint and Verizon Wireless, have indicated that they implement best practices in business continuity and have very robust emergency response and disaster recovery capabilities which enable quick restoration of impacted services following a disaster and mitigates congestion risks through traffic management algorithms to handle the overload surges in traffic. Additionally, their disaster recovery response teams proactively monitor congestion and performance of the wireless network and determine the appropriate course of action. This may include performing parameter changes, adding additional capacity to the network via radio installations to cell sites and/or by adding additional backhaul. Cell Site On-Wheels (“COW”) and Satellite On-Light-Trucks (“SatCOLT”) may also be used to replace and/or expand Budget’s underlying provider’s foot print or add additional capacity to the network. In addition, both Sprint and Verizon Wireless are ETCs and have certified to the FCC

that they are both able to function in emergency situations in accordance with 47 C.F.R.

54.202(a)(2).<sup>24</sup>

### **3. Consumer Protection and Commitment to Provide Quality Service.**

If designated as a wireless ETC, Budget will satisfy all applicable consumer protection and service quality standards provided in Section 54.202(a)(3) of C.F.R. Title 47 and the Idaho ETC Order, as well as all applicable state-specific consumer protection and service quality standards, and will commit that all universal service fund support received by Budget will be directly reflected in the price that eligible customers pay. In addition, as required by Section 54.202(a)(3) and the Idaho ETC Order<sup>25</sup>, Budget will comply with the Cellular Telecommunications and Internet Association's Consumer Code for Wireless Service. It will also protect Customer Proprietary Network Information. Through the use of resold services and its own facilities, Budget will be able to provide the same quality and reliability as that currently provided by other wireless providers. Budget's contractual arrangements and its own facilities are designed to minimize any failures, provide alternate call routing, and expedite recovery in the event a failure occurs. Budget affirms its commitment to continue to satisfy or exceed applicable consumer protection and service quality standards.

### **4. Financial and Technical Capability.**

As required by the Lifeline Reform Order<sup>26</sup> and federal regulations,<sup>27</sup> Budget is financially and technically capable of providing supported Lifeline services. Budget, based in

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<sup>24</sup> See, e.g., Sprint Nextel Corporation Verified Filing in Compliance with 47 C.F.R. § 54.209, CC Docket No. 96-45, at 6 (filed Oct. 1, 2010); Alltel Communications, LLC d/b/a Verizon Wireless 2010 Eligible Telecommunications Carrier Certification and Annual Report for the State of Georgia, pursuant to 47 U.S.C. § 254(e), 47 C.F.R. §§ 54.313, 54.314, 54.202(a) and 54.209(b), WC Docket No. 09-197, at 8-9 (filed Sept. 30, 2010).

<sup>25</sup> Idaho ETC Order, App. § B.3.

<sup>26</sup> See Lifeline Reform Order ¶¶ 387-88.

<sup>27</sup> See 47 C.F.R. § 54.202(a)(4).

Bossier City, Louisiana, has been in business since 1996. For its wireless services in Idaho, the Company intends to resell the services of Sprint and Verizon Wireless. The Company has been designated as an ETC for wireless services in the states of Arkansas, Kentucky, Louisiana, Maryland, Rhode Island, Wisconsin, Nevada, Pennsylvania and Michigan, and is currently offering, or will begin offering, Lifeline service in each of these states.<sup>28</sup> Biographies of Budget's President and Chief Financial Officer are provided at Exhibit 6. Budget operates its wireless business under the name Budget Mobile, and it operates its wireline business under the name Budget Phone.

Budget currently derives the majority of its revenue from selling low-cost prepaid telephone services on a nationwide basis to thousands of customers and employs approximately 340 people nationally. Budget owns and operates its own switching facilities in Dallas, Texas and Shreveport, Louisiana. In addition, Budget has invested millions of dollars in software development, including its own customized, user friendly point-of-sale software.

Budget has not been subject to any enforcement action at the FCC or in any state. No ETC designations held by Budget have been rescinded, revoked or terminated by the FCC or by any state.

#### **5. Terms and Conditions of Lifeline Service Plans.**

An ETC is required to provide information on the terms and conditions of the telecommunications plans it offers to Lifeline subscribers<sup>29</sup> and a description of the ILEC's plan.<sup>30</sup> Though Budget may offer additional plans in the future, its initial Lifeline service

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<sup>28</sup> Budget also has been designated as an ETC for wireline services in Tennessee, Oklahoma, Alabama, Florida, Nebraska, Maryland, Louisiana, Mississippi, Arkansas, Kentucky, Michigan, Missouri, North Carolina, and South Carolina. The Company does not seek ETC designation for its wireline services in this Application.

<sup>29</sup> 47 C.F.R. § 54.202(a)(5); Idaho ETC Order 12.

<sup>30</sup> Idaho ETC Order, App. § B.4.

offering will include an “active user talk & text” wireless plan that will provide 4,000 combined texts and local and domestic minutes, as well as a free plan providing 250 minutes of local and domestic toll usage, as further detailed below and in Budget’s Compliance Plan at Exhibit 4.

**Lifeline Service:** Budget will offer two wireless prepaid federal USF offerings throughout its designated service area: the Active User Talk & Text Plan and the Free 250 Minute Talk Plan. A summary of each is provided below.

*Active User Talk & Text Plan:* This prepaid service provides 4,000 combined voice minutes and text messages.<sup>31</sup> The plan includes local and domestic long distance calling, texting, caller ID, call waiting and voicemail. Customers can add additional minutes at \$5.00 intervals and data/pic packages for \$15.00. Customers will receive a free handset or can purchase an upgraded handset from Budget.

Non-Lifeline	\$34.25
Federal Lifeline Credit	(\$9.25) <sup>32</sup>

<b>Active User Talk &amp; Text Lifeline Price</b>	<b>\$25.00</b>
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*Free 250 Minute Talk Plan:* This prepaid service provides 250 minutes of local and domestic long distance calling, caller ID, call waiting and basic voicemail. Customers will receive a free handset, or they can purchase an upgraded handset from Budget. Customers can add additional airtime in denominations and at the rates indicated below. Customers can purchase additional minutes at \$5.00 intervals, data/pic packages at \$15.00 and a text-message add-on for \$10.00.

<sup>31</sup> Each text counts as one voice minute.

<sup>32</sup> Budget will seek reimbursements for all non-Tribal Lifeline customers at \$9.25 on an interim basis, pursuant to Lifeline Reform Order ¶ 58, pending the outcome of the FCC’s request for comments on aspects of Lifeline support in Lifeline Reform Order ¶¶ 404-15. The FCC imposed a May 1, 2012 deadline for most Lifeline Reform Order requirements but has since provided a waiver that makes the use of a \$9.25 flat rate optional through July 31, 2012 and mandatory thereafter. *See* FCC, Public Notice DA 12-689 (rel. May 1, 2012).



Non-Lifeline	\$9.25
Federal Lifeline Credit	(\$9.25)

<b>250 Minute Talk Plan Lifeline Price</b>	<b>FREE</b>
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Additional Minutes	\$ 5.00 – 50 minutes
	\$10.00 – 100 minutes
	\$15.00 – 150 minutes

Tribal Lifeline Offerings: Budget’s prospective service area encompasses tribal areas, and Budget intends to offer the Active User Talk &Text Plan for free to eligible tribal customers.<sup>33</sup> The Active User Talk & Text Plan offered in tribal areas will share the same features as that offered in non-tribal areas, including 4,000 minutes of combined local and domestic long distance calling and texting, caller ID, call waiting and voicemail. Tribal customers can add additional minutes at \$5.00 intervals and data/pic packages for \$15.00. Tribal customers will receive a free handset or can purchase an upgraded handset from Budget.

Description of ILEC Plan: While ILEC offerings vary across geographic regions, Qwest/CenturyLink has advertised several popular options.<sup>34</sup> For unbundled residential telephone service, its offerings include a “Home Phone Plus Plan” that starts at \$35.00 per month. For the applicable price, customers receive unlimited local calling, choices among ten popular calling features, and long distance calls at a cost of \$.05 per minute. Qwest’s “Home Phone Unlimited Plan” starts at \$45.00 per month. This plan offers unlimited local and domestic long distance, as well as choices among ten of Qwest’s popular features. Qwest’s telephone plans can be bundled with high-speed internet at prices starting at \$54.95. While one-time activation fees may vary, Budget believes they are commonly around \$30.00.

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<sup>33</sup> For tribal areas, Budget will seek Tier 4 reimbursement, which provides up to \$34.25 for monthly Lifeline support. See Lifeline Reform Order ¶ 270.

<sup>34</sup> See, e.g., Qwest Is Now CenturyLink™! Home Phone Service Starts At Only \$35.00/month!, <http://www.connectmyphone.com/qwest/index.html>.

Budget offers high-quality, high-value Lifeline services that Budget believes compare favorably to Idaho ILEC offerings. One of Budget's offerings would be completely free to Lifeline users who select it. To Budget's knowledge, no Idaho ILEC offers its customers a comparable free service. Budget's Active User Talk & Text Plan Lifeline offering would provide a large number of monthly minutes and texts – 4,000 minutes and texts – at a customer charge of only \$25.00. Each of Budget's Lifeline offerings include, at no extra charge, several popular features for which ILECs typically charge separately: local and domestic long distance calling, caller ID, call waiting and voicemail. Furthermore, Budget's Lifeline customers are not subject to credit check or deposit requirements. Budget does not charge a service activation fee for its Lifeline offerings. Customers are not required to bundle their service with any other to obtain favorable rates. Budget's Lifeline customers can have the benefits of mobility offered by wireless service but are not bound to a two-year contract term, as is commonly required for wireless service.

## **6. Tribal Notification**

As required by the Idaho ETC Order, Budget will provide a copy of this Application to “the affected tribal government or tribal regulatory authority”<sup>35</sup> of the tribal areas it intends to serve. The applicable tribal areas include those of the Nez Perce Tribe, the Shoshone-Bannock Tribe, and the Coeur D'Alene Tribe.

### **D. The ETC Designation Request is Consistent with Recent Commission Precedent.**

The Commission's grant of Budget's request for wireless ETC designation would be consistent with the Commission's recent designation of other carriers as wireless ETCs,

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<sup>35</sup> Idaho ETC Order, App. § A.5.

including, but not limited to, TracFone Wireless, Inc. and Cricket Communications, Inc., both of which received ETC designation as to rural and urban areas.<sup>36</sup> Budget requests that the Commission expeditiously process this ETC Application so that it can quickly commence providing qualifying low-income Idaho customers with affordable USF-supported wireless services during these challenging economic times for all Idaho residents.

### **III. DESIGNATION OF BUDGET AS A WIRELESS ETC WILL PROMOTE THE PUBLIC INTEREST.**

#### **A. Benefits to Customers.**

Budget's ETC designation is required to be in the public interest.<sup>37</sup> Although "Congress did not establish specific criteria to be applied under the public interest test," the FCC did establish that "the public interest benefits of a particular ETC designation" should be analyzed in a manner consistent with U.S.C. Title 47's purposes, including the "goals of preserving and advancing universal service, ensuring the availability of quality telecommunications at just, reasonable, and affordable rates, and promoting the deployment of advanced telecommunications and information services to all regions of the nation, including rural and high-cost areas."<sup>38</sup> In recent orders, the FCC has continued to affirm its commitment to ensuring that all Americans, including those in rural areas, have access to high-quality telecommunications services.<sup>39</sup>

Additionally, the FCC established that "a variety of factors" are applicable "in the overall ETC

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<sup>36</sup> See generally *In the Matter of the Amended Application of TracFone Wireless, Inc. for Designation as an Eligible Telecommunications Carrier*, Case No. TFW-T-09-01, Order No. 32550 (May 18, 2012); *In the Matter of the Application of Cricket Communications, Inc. for Designation as an Eligible Telecommunications Carrier Pursuant to 47 U.S.C. § 214(e)(2)*, Case No. CRI-T-11-01, Order No. 32501 (Mar. 27, 2012) (the "Cricket Order").

<sup>37</sup> 47 U.S.C. § 214(e)(2), (e)(6); 47 C.F.R. § 54.202(c); Idaho ETC Order 21.

<sup>38</sup> Federal-State Joint Board on Universal Service, CC Docket No. 96-45, FCC Docket No. 05-46, Report and Order, 20 FCC Rcd 6371, at ¶ 40 (rel. Mar. 17, 2005).

<sup>39</sup> *In the Matter of Lifeline and Link Up Reform and Modernization*, WC Docket No. 11-42 *et al.*, Report and Order and Further Notice of Proposed Rulemaking ¶ 51 (rel. Feb. 6, 2012) ("All Americans in all parts of the nation, including those in rural, insular, and high-cost areas, should have access to affordable modern communications networks capable of supporting the necessary applications that empower them to learn, work, create, and innovate."); see also 47 U.S.C. § 254(b).

determination, including the benefits of increased consumer choice, and the unique advantages and disadvantages of the competitor's service offering."<sup>40</sup> The Commission has stated that it will consider many factors, including the benefits of consumer choice, the unique advantages of service offerings, cream skimming, if applicable, and "any other factors it deems relevant."<sup>41</sup>

Budget believes that providing discounted wireless service in both rural and urban areas is consistent with the public interest. The following information demonstrates that Budget's designation as a wireless ETC is consistent with the public interest, convenience, and necessity and will provide consumers with increased competitive choice through the offering of a unique service at rates that are just, reasonable and affordable. All of this will further federal legislative goals of ensuring that all Idahoans have access to affordable basic telephone services.<sup>42</sup>

The public interest benefits associated with Budget's wireless service include larger local calling areas (as compared to traditional wireline carriers), and the convenience, security and mobility afforded by mobile telephone service. Further, Budget's offerings provide increased competitive choice, allowing customers to select from various options ranging from a high value wireless plan that provides 4,000 minutes of local and domestic calling and texting to a free plan that includes 250 calling minutes. The ability of the customer to select between prepaid offerings that include 4,000 minutes or 250 minutes removes the risk of any customer becoming burdened with large and unexpected toll charges and unexpected overage charges. Additionally, wireless service greatly benefits consumers whose lifestyles involve commuting or travel.

Budget's unique pre-paid options are designed to provide consumers who, due to credit or deposit requirements, may not be able to obtain the safety and convenience of telephone

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<sup>40</sup> Federal-State Joint Board on Universal Service, CC Docket No. 96-45, FCC Docket No. 05-46, Report and Order, 20 FCC Rcd 6371, at ¶ 41 (rel. Mar. 17, 2005).

<sup>41</sup> Idaho ETC Order 16.

<sup>42</sup> See 47 U.S.C. § 254(b).

service from traditional providers, and a Budget customer is never obligated for more than 30 days. Unlike many wireless providers, Budget offers, among other services, a high-value wireless service that includes 4,000 combined texts and local and domestic voice minutes, caller ID, call waiting and voicemail, all without the requisite credit check, deposit, service activation fees and contract requirements of the more traditional wireless and wireless service providers. Budget believes that its offerings, including a plan that provides 250 free minutes to Lifeline customers, provide unique value as compared to those currently offered in Idaho by ILECs and current wireless ETC designees.<sup>43</sup> Thus, Budget would provide highly competitive options to Idaho Lifeline customers.

Because Budget's service is provided with no credit check, deposit requirement, minimum service periods, service activation fees or early termination fees, the service will be an attractive and affordable alternative to qualified low-income consumers without regard to age, residency, or creditworthiness. Providing Budget with the authority necessary to offer discounted Lifeline services to those most in danger of losing wireless services altogether promotes the public interest by ensuring that such customers have high-quality wireless options at an affordable price.

Wireless ETC designation in Idaho would enable Budget to offer appealing and affordable service offerings to low-income Idaho customers to ensure that they are able to afford wireless services on a consistent and uninterrupted basis. Prepaid wireless services have become essential for lower-income customers, providing them with value for their money, access to

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<sup>43</sup> For example, while Cricket Communications, Inc. offers a wide variety of Lifeline plans, its least expensive options begin at \$35.00. In the Matter of the Application of Cricket Communications, Inc. for Designation as an Eligible Telecommunications Carrier Pursuant to 47 U.S.C. § 214(e)(2), Case No. CRI-T-11-01, Application of Cricket Communications, Inc. for Designation as an Eligible Telecommunications Carrier Pursuant to 47 U.S.C. § 214(e)(2) at Exhibit C (Nov. 7, 2011) (the "Cricket Application").

emergency services on wireless devices, and a reliable means of contact for prospective employers, social service agencies or dependents. Additionally, Budget intends to provide such benefits without seeking high-cost support funding. Thus, it believes its application does not raise concerns regarding cream-skimming.

As noted in the Cricket Application, the FCC and this Commission have consistently recognized that increased competition is beneficial in rural, as well as in non-rural, areas.<sup>44</sup> The most recent available data suggests that only 10-20% of eligible Idaho customers currently participate in the Lifeline program,<sup>45</sup> which indicates that there is significant need in Idaho for the services Budget proposes to provide. Budget believes its Lifeline choices will be attractive and highly competitive options for Lifeline customers in both rural and urban areas of Idaho. The wireless service offered by Budget will provide consumers with a convenient and affordable alternative to traditional telecommunications service that can be used while at home and away from home. Because of these benefits, Budget expects that many qualified Idaho consumers, both rural and urban, will select its wireless Lifeline services in lieu of the more traditional wireline or wireless services.

**B. Other Public Interest Benefits.**

As further described in Section V, Budget will contribute to the Idaho Telephone Service Assistance Program and the Idaho Emergency Communications Act Fund.

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<sup>44</sup> See Cricket Application 15-16 (citing In the Matter of the Petition of Edge Wireless, LLC for Designation as an Eligible Telecommunications Carrier Under 47 U.S.C. § 214(e)(2), Case No. EDG-T-07-01, Order No. 30360 at 14 (June 29, 2007); In the Matter of the Federal-State Joint Board on Universal Service, Western Wireless Corp. Petition for Designation as an Eligible Telecommunications Carrier in the State of Wyoming, CC Docket No. 96-45, Memorandum and Opinion Order, DA. 00-2896, ¶ 17 (rel. Dec. 26, 2000)).

<sup>45</sup> See Universal Service Administrative Company, 2010 Lifeline Participation Rates by State (Feb. 15, 2011), available at <http://www.usac.org/res/documents/li/pdf/participation-rates/li-participation-rate-map-2010.pdf>

The FCC's Lifeline Reform Order requires ETC applicants to take numerous steps to combat the potential for fraud. Budget will comply with all FCC requirements and will also make voluntary commitments to combat the potential for waste, fraud and abuse with respect to its provision of Lifeline services in Idaho, as described below and in Budget's Compliance Plan at Exhibit 4:

- Budget will implement a 60-day inactivity policy for subscribers of pre-paid services and will notify customers of the inactivity policy at the time of service initiation. Under this policy, if no usage appears on a Budget prepaid Lifeline customer's account during any continuous 60-day period, Budget will deactivate Lifeline services for that customer. For the purposes of Budget's deactivation policy, usage will occur when a customer makes a voice call, receives a voice call from anyone other than a Budget representative, makes a monthly payment, purchases additional minutes, or affirmatively responds to a direct contact from Budget confirming that the customer wishes to continue Lifeline services.
- Budget will follow any established FCC or Commission procedures to comply with the "one-per-household rule" for Lifeline support. In addition, Budget will make available state-specific customer data, including name and address, to the Universal Service Administrative Company ("USAC") and to the Commission for the purpose of permitting USAC or the Commission to determine whether an existing Budget Lifeline customer receives Lifeline service from another carrier. Budget will promptly investigate any notification that it receives from USAC or the Commission that one of its customers already receives Lifeline service from another carrier. Should the Company's investigation conclude that the customer receives Lifeline services from another carrier in violation of applicable regulations, or if otherwise directed by USAC or the Commission, Budget will immediately notify the customer and no longer report that customer on USAC Form 497. Budget will de-enroll within ten business days any subscriber whom Budget discovers is receiving Lifeline services from another ETC or is otherwise not eligible. If USAC informs Budget that a subscriber is receiving duplicative support, Budget will de-enroll that subscriber within five business days.
- Budget will (1) require (a) each employee to access an electronic database (if applicable) or (b) each customer to provide proof of documentation to determine eligibility at initial enrollment and annually thereafter require each customer to self-certify his or her continued Lifeline eligibility and that he or she is the head of household and receives Lifeline-supported service only from Budget; (2) establish safeguards to prevent its customers from receiving multiple Lifeline subsidies at the same address; (3) deal directly with the customer to certify and verify the customer's Lifeline eligibility and/or check electronic eligibility databases, where available; and (4) certify that it is in full compliance with any applicable 911/E911 obligations, including obligations relating to

the provision and support of 911 and E911 service, for each state in which Budget is designated as an ETC.

- Budget will ensure that the penalty for perjury language is clearly stated on its Lifeline certification form, and it will track its Lifeline customer's primary residential address in a database and prohibit more than one supported Budget service at each residential address. Budget's Lifeline certification form will include a disclosure section on which a Lifeline applicant must initial disclosure statements. Additionally, Budget will maintain the customer's self-certification and provide the documentation to the Commission upon request. It will collect all required information, including the customer's date of birth and the last 4 digits of the customer's social security number or Tribal ID number, and will provide financial and enrollment data to the National Lifeline Accountability Database, once it is established.
- Budget will distribute its Lifeline service directly to its Lifeline customers. Budget will deal directly with the customer to certify and verify the customer's initial and continued Lifeline eligibility, including through the web, mail, internet, telephone, and its agents. Budget will provide Lifeline-specific training to all personnel who interact with actual or prospective customers with respect to obtaining, changing, or terminating Lifeline services. Budget's marketing materials will provide clear information about the Lifeline program, including that the law limits the Lifeline program to one phone per household.

#### **IV. BUDGET WILL COMPLY WITH LIFELINE CERTIFICATION AND VERIFICATION REQUIREMENTS.**

Sections 54.410 and 54.416 of C.F.R. Title 47 require ETCs to comply with requirements of initial certification of eligibility and verification for continued eligibility for participation in the Lifeline programs. Budget commits that it will certify and verify consumer eligibility in accordance with applicable FCC rules governing both certification and verification of Lifeline eligibility, including the requirement that Budget re-certify the eligibility of its current Lifeline subscribers and report the results to USAC by January 31, 2013. Budget has developed a detailed compliance policy that includes the Company's procedures for initial certification of eligibility and the verification of continued eligibility for participation in these vital low-income programs as detailed in Exhibit 4. Budget also commits to comply with any



applicable Lifeline eligibility requirements developed by the Commission or the Idaho Legislature.

**V. OTHER REQUIREMENTS.**

Budget will comply with all applicable state and federal laws and regulations in providing and administering its services in Idaho. In particular, it will comply with the annual certification requirements adopted by the Idaho ETC Order <sup>46</sup>except for the requirements related solely to high-cost support. As explained in more detail in Section II.C.1.b, Budget believes those requirements are inapplicable, as it is not seeking high-cost funding. It therefore requests that this Commission find such requirements inapplicable or waive those requirements.

Budget will collect and remit all applicable surcharges and pay applicable taxes and fees, including those related to universal service funding pursuant to chapter 9 of title 56 of the Idaho Code and the emergency communications fee collected pursuant to Idaho Code § 31-4804. Budget will continue to comply with any applicable certification and verification processes developed by the FCC and by the Commission.

**VI. ANTI-DRUG ABUSE CERTIFICATION.**

No party to this Application is subject to denial of federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 862.

**VII. RELIEF REQUESTED.**

Because, as the foregoing demonstrates, Budget meets all the requirements for ETC designation, and such designation would be in the public interest, Budget respectfully requests that the Commission, at the earliest possible time (a) designate Budget as a wireless ETC throughout the State of Idaho for the purpose of receiving federal universal service support for

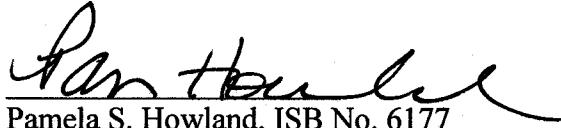
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<sup>46</sup> See Idaho ETC Order 18-19.

Lifeline services and (b) either find inapplicable or waive requirements related solely to high-cost funding, including initial and annual provision of a network improvement plan, provision of related progress reports and certification as to use of high-cost funds.

RESPECTFULLY SUBMITTED this 19th day of July, 2012.

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[tlantor@fcclaw.com](mailto:tlantor@fcclaw.com)

**Attorneys for Budget PrePay, Inc.**

**d/b/a Budget Mobile**

**CERTIFICATE OF SERVICE**

I hereby certify that on this 19th day of July, 2012, I served a true and correct copy of the foregoing **APPLICATION OF BUDGET PREPAY, INC. D/B/A BUDGET MOBILE FOR DESIGNATION AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER PURSUANT TO 47 U.S.C. §214(e)(2)** upon the following named parties by the method indicated below, and addressed to the following:

**Commission Staff**

Jean Jewell, Commission Secretary  
Idaho Public Utilities Commission  
472 W. Washington Street (83720)  
PO Box 83720  
Boise, ID 83702  
[Jean.jewell@puc.idaho.gov](mailto:Jean.jewell@puc.idaho.gov)

- Hand Delivery
- U.S. Mail, postage pre-paid
- Facsimile
- Electronic Mail

**Commission Staff**

Neil Price, Deputy Attorney General  
Idaho Public Utilities Commission  
472 W. Washington Street (83720)  
PO Box 83720  
Boise, ID 83702  
[Neil.price@puc.idaho.gov](mailto:Neil.price@puc.idaho.gov)

- Hand Delivery
- U.S. Mail, postage pre-paid
- Facsimile
- Electronic Mail

**Nez Perce**

Nez Perce Tribe  
P.O. Box 305  
Lapwai, ID 83540

- Hand Delivery
- U.S. Mail, postage pre-paid
- Facsimile
- Electronic Mail

**Fort Hall**

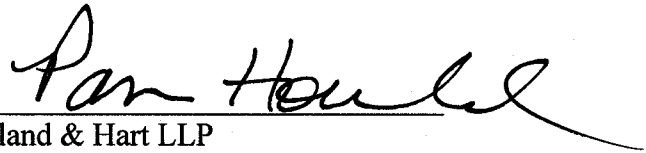
Shoshone-Bannock Tribes  
Tribal Attorneys' Office  
Tribal Business Center  
P.O. Box 306  
Fort Hall, ID 83203

- Hand Delivery
- U.S. Mail, postage pre-paid
- Facsimile
- Electronic Mail

**Coeur D'Alene**

Coeur D'Alene Tribe  
850 A Street  
Plummer, ID 83851

- Hand Delivery
- U.S. Mail, postage pre-paid
- Facsimile
- Electronic Mail



Holland & Hart LLP

Budget PrePay, Inc.  
d/b/a Budget Mobile

EXHIBIT 1

CERTIFICATE OF AUTHORITY

Budget PrePay, Inc.  
d/b/a Budget Mobile  
Application for ETC Designation  
Idaho Public Utilities Commission

Exhibit 1

# State of Idaho

Office of the Secretary of State

**CERTIFICATE OF AUTHORITY  
OF  
BUDGET PREPAY, INC.**

File Number C 174473

I, BEN YSURSA, Secretary of State of the State of Idaho, hereby certify that an Application for Certificate of Authority, duly executed pursuant to the provisions of the Idaho Business Corporation Act, has been received in this office and is found to conform to law.

ACCORDINGLY and by virtue of the authority vested in me by law, I issue this Certificate of Authority to transact business in this State and attach hereto a duplicate of the application for such certificate.

Dated: August 9, 2007



*Ben Yursa*  
SECRETARY OF STATE

By *[Signature]*

# APPLICATION FOR CERTIFICATE OF AUTHORITY (For Profit)

(Instructions on Back of Application)

AUG - 9 PM 2:44  
SECRETARY OF STATE  
STATE OF IDAHO

To the Secretary of State of Idaho:

The undersigned Corporation applies for a Certificate of Authority and states as follows:

- The name of the corporation is Budget PrePay, Inc.
- The name which it shall use in Idaho is \_\_\_\_\_
- It is incorporated under the laws of Louisiana
- Its date of incorporation is May 1, 1996
- The address of its principal office is 1325 Barksdale Blvd., Suite 200, Bossier City, LA 71111
- The address to which correspondence should be addressed, if different from item 5, is \_\_\_\_\_  
1325 Barksdale Blvd., Suite 200, Bossier City, LA 71111
- The street address of its registered office in Idaho is 5481 Kendall St., Boise, ID 83706  
\_\_\_\_\_, and its registered agent in Idaho at that address is TCS Corporate Services, Inc.

8. The names and respective business addresses of its directors and officers are:

Name	Office	Address
See Attached		
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Dated: 7/19/07

Budget PrePay, Inc.  
(Corporation name)

By [Signature]

Its Director of Operations  
(specify capacity of signer)

Customer Acct # : \_\_\_\_\_  
(if using pre-paid account)

Secretary of State use only  
0174473  
IDAHO SECRETARY OF STATE  
08/09/2007 05:00  
CX: 111764 CT: 216319 BH: 1069959  
1 @ 100.00 = 100.00 AUTH PRO # 2

Revised 7/97  
@ccpforms\ack\jms



**LIST OF OFFICERS & DIRECTORS OF**  
**Budget PrePay, Inc.**

**Officers**

<b>R. Daniel Hyde, Jr.</b>	<b>President</b>
<b>Tony Cason</b>	<b>Manager of Operations</b>
<b>R. Daniel Hyde, III</b>	<b>Secretary</b>
<b>Stephen Hyde</b>	<b>Regional Sales Manager</b>

**Directors**

**R. Daniel Hyde, Jr.**  
**Tony Cason**  
**R. Daniel Hyde, III**  
**Stephen Hyde**

**All the above referenced Officers & Directors can be reached at:**  
**1325 Barksdale Blvd., Bossier City, Louisiana 71111**

United States of America  
State of Louisiana



As Secretary of State, Jay Dardenne, I do hereby Certify that

**BUDGET PREPAY, INC.**

A corporation domiciled in BOSSIER CITY, LOUISIANA,

Filed charter and qualified to do business in this State on  
May 1, 1996,

I further certify that the records of this Office indicate  
the corporation has paid all fees due the Secretary of  
State, and so far as the Office of the Secretary of State is  
concerned is in good standing and is authorized to do  
business in this State.

I further certify that this Certificate is not intended to  
reflect the financial condition of this corporation since  
this information is not available from the records of this  
Office.

In testimony whereof, I have hereunto set  
My hand and caused the Seal of my Office  
To be affixed at the City of Baton Rouge on,

August 1, 2007

Secretary of State  
34525907D



Certificate ID: 20070801006368

To validate this certificate, visit the following web site,  
go to Commercial Division, Validate Certificate, then  
follow the instructions displayed.

[www.sos.louisiana.gov](http://www.sos.louisiana.gov)

Budget PrePay, Inc.  
d/b/a Budget Mobile

EXHIBIT 2

MAP AND LIST OF WIRE CENTERS OF  
PROPOSED SERVICE AREA

Budget PrePay, Inc.  
d/b/a Budget Mobile  
Application for ETC Designation  
Idaho Public Utilities Commission

Exhibit 2

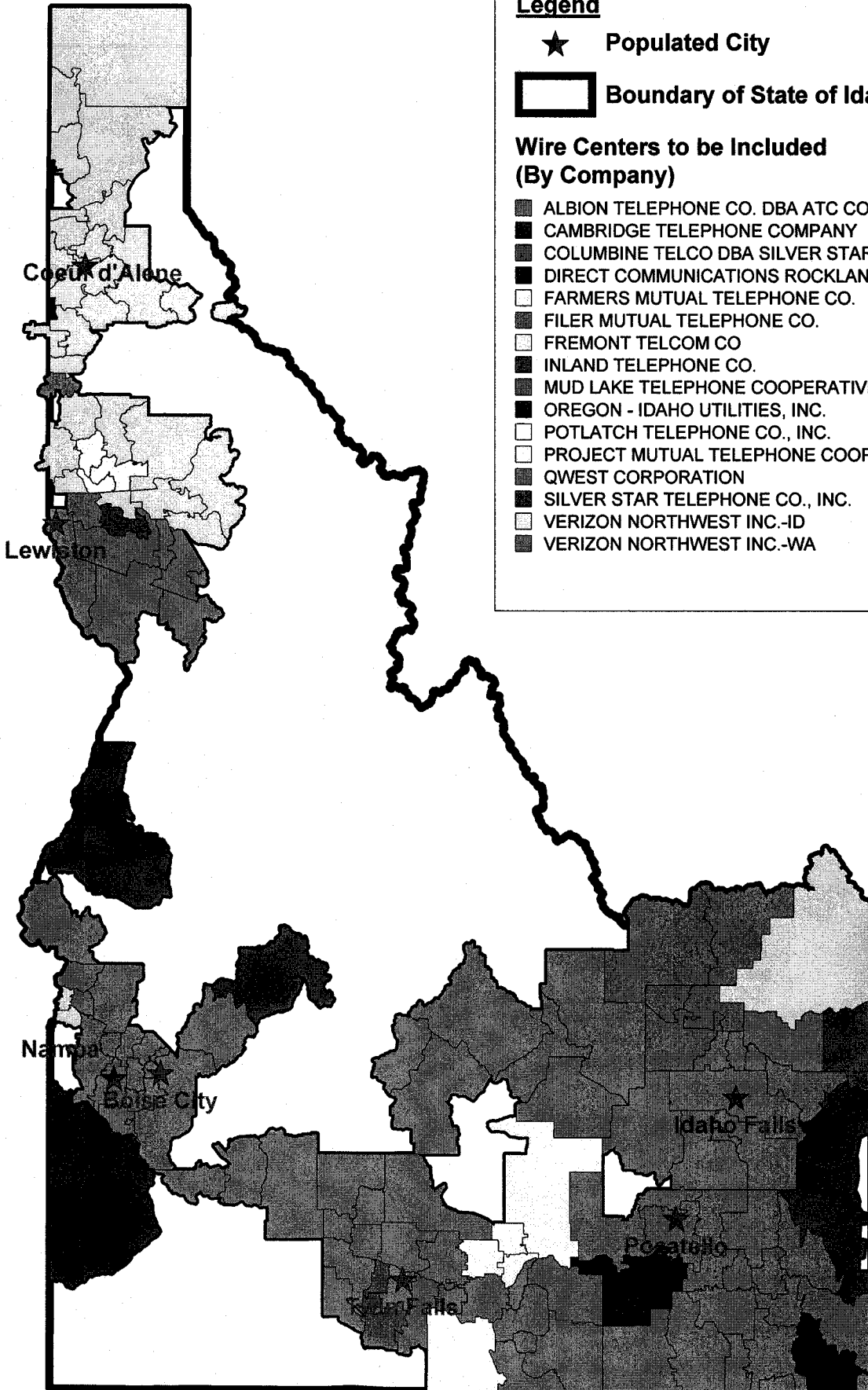
**Legend**

★ Populated City

□ Boundary of State of Idaho

**Wire Centers to be Included  
(By Company)**

- ALBION TELEPHONE CO. DBA ATC COMMUNICATIONS (11)
- CAMBRIDGE TELEPHONE COMPANY (4)
- COLUMBINE TELCO DBA SILVER STAR COMMUNICATIONS (1)
- DIRECT COMMUNICATIONS ROCKLAND, INC. (3)
- FARMERS MUTUAL TELEPHONE CO. (2)
- FILER MUTUAL TELEPHONE CO. (2)
- FREMONT TELCOM CO (1)
- INLAND TELEPHONE CO. (1)
- MUD LAKE TELEPHONE COOPERATIVE ASSOICATION, INC. (5)
- OREGON - IDAHO UTILITIES, INC. (1)
- POTLATCH TELEPHONE CO., INC. (3)
- PROJECT MUTUAL TELEPHONE COOP. ASSOCIATION, INC. (5)
- QWEST CORPORATION (69)
- SILVER STAR TELEPHONE CO., INC. (2)
- VERIZON NORTHWEST INC.-ID (25)
- VERIZON NORTHWEST INC.-WA (1)



**List of Rural and Non-Rural Wire Centers  
Within Budget Proposed  
ETC Service Area**

**Rural Wire Centers**

<u>Company</u>	<u>Wire Center</u>
ALBION TELEPHONE CO. DBA ATC COMMUNICATIONS	ALBNIDXC
ALBION TELEPHONE CO. DBA ATC COMMUNICATIONS	ALMOIDXC
ALBION TELEPHONE CO. DBA ATC COMMUNICATIONS	ARCOIDXC
ALBION TELEPHONE CO. DBA ATC COMMUNICATIONS	ELBAIDXC
ALBION TELEPHONE CO. DBA ATC COMMUNICATIONS	HLBKIDXC
ALBION TELEPHONE CO. DBA ATC COMMUNICATIONS	HOWEIDXC
ALBION TELEPHONE CO. DBA ATC COMMUNICATIONS	MALTIDXC
ALBION TELEPHONE CO. DBA ATC COMMUNICATIONS	MCKYIDXC
ALBION TELEPHONE CO. DBA ATC COMMUNICATIONS	MLCYIDXC
ALBION TELEPHONE CO. DBA ATC COMMUNICATIONS	MOORIDXC
ALBION TELEPHONE CO. DBA ATC COMMUNICATIONS	RFRVIDXC
CAMBRIDGE TELEPHONE COMPANY	CMBRIDXC
CAMBRIDGE TELEPHONE COMPANY	CNCLIDXC
CAMBRIDGE TELEPHONE COMPANY	CPRMIDXC
CAMBRIDGE TELEPHONE COMPANY	LWMNIDXC
COLUMBINE TELCO DBA SILVER STAR COMMUNICATIPMS	DRGSIDMA
DIRECT COMMUNICATIONS ROCKLAND, INC.	ARBNIIDXC
DIRECT COMMUNICATIONS ROCKLAND, INC.	PARSIDXC
DIRECT COMMUNICATIONS ROCKLAND, INC.	RKLDIDXC
FARMERS MUTUAL TELEPHONE CO.	FRLDIDXX
FARMERS MUTUAL TELEPHONE CO.	NUARIDXC
FILER MUTUAL TELEPHONE CO.	FILRIDAA
FILER MUTUAL TELEPHONE CO.	HLSTIDXC
FREMONT TELCOM CO	STATIDMA
INLAND TELEPHONE CO.	LENRIDXA
MUD LAKE TELEPHONE COOPERATIVE ASSOICATION, INC.	DUBSIDXC
MUD LAKE TELEPHONE COOPERATIVE ASSOICATION, INC.	HAMRIDXC
MUD LAKE TELEPHONE COOPERATIVE ASSOICATION, INC.	KLGRIDXC
MUD LAKE TELEPHONE COOPERATIVE ASSOICATION, INC.	MNVWIDXC
MUD LAKE TELEPHONE COOPERATIVE ASSOICATION, INC.	TRTNIDXC
OREGON - IDAHO UTILITIES, INC.	SOMTIDXC
POTLATCH TELEPHONE CO., INC.	JLTTIDXA
POTLATCH TELEPHONE CO., INC.	KNDRIDXX
POTLATCH TELEPHONE CO., INC.	TROYIDXX
PROJECT MUTUAL TELEPHONE COOP. ASSOCIATION, INC.	MNDKIDXC
PROJECT MUTUAL TELEPHONE COOP. ASSOCIATION, INC.	NRLDIDXC
PROJECT MUTUAL TELEPHONE COOP. ASSOCIATION, INC.	OKLYIDXC

Note: To the extent that any wire centers have been inadvertently excluded from this Exhibit, Budget intends to serve the entirety of the rural and non-rural incumbent local exchange carrier wire centers identified.

PROJECT MUTUAL TELEPHONE COOP. ASSOCIATION, INC.  
PROJECT MUTUAL TELEPHONE COOP. ASSOCIATION, INC.  
SILVER STAR TELEPHONE CO., INC.  
SILVER STAR TELEPHONE CO., INC.

PAULIDXC  
RPRTIDXC  
IRWNIDXC  
WAYNIDXC

**Non-Rural Wire Centers**

<b><u>Company</u></b>	<b><u>Wire Center</u></b>
QWEST CORPORATION	AMFLIDMA
QWEST CORPORATION	BLFTIDMA
QWEST CORPORATION	BLSSIDMA
QWEST CORPORATION	BNCRIDMA
QWEST CORPORATION	BOISIDMA
QWEST CORPORATION	BOISIDNW
QWEST CORPORATION	BOISIDSW
QWEST CORPORATION	BOISIDWE
QWEST CORPORATION	BRLYIDMA
QWEST CORPORATION	BUHLIDMA
QWEST CORPORATION	CLWLIDMA
QWEST CORPORATION	CRGMID01
QWEST CORPORATION	CSFRIDMA
QWEST CORPORATION	CTWDID01
QWEST CORPORATION	DECLIDMA
QWEST CORPORATION	DWNYIDMA
QWEST CORPORATION	DYTNIDMA
QWEST CORPORATION	EAGLIDNM
QWEST CORPORATION	EDHZIDMA
QWEST CORPORATION	EMMTIDMA
QWEST CORPORATION	FKLNIDMA
QWEST CORPORATION	FRTHIDMA
QWEST CORPORATION	GAVLID01
QWEST CORPORATION	GDNGIDMA
QWEST CORPORATION	GLFYIDMA
QWEST CORPORATION	GRACIDMA
QWEST CORPORATION	HALYIDMA
QWEST CORPORATION	HGMNIDMA
QWEST CORPORATION	IDCYIDMA
QWEST CORPORATION	IDFLIDMA
QWEST CORPORATION	INKMIDMA
QWEST CORPORATION	JERMIDNM
QWEST CORPORATION	KAMHID01
QWEST CORPORATION	KMBRIDMA
QWEST CORPORATION	KOSKID01

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QWEST CORPORATION	KTCHIDMA
QWEST CORPORATION	KUNAIMDA
QWEST CORPORATION	LAPWID01
QWEST CORPORATION	LHSPIDMA
QWEST CORPORATION	LSMNIDMA
QWEST CORPORATION	LSTNIDSH
QWEST CORPORATION	MCCMIDMA
QWEST CORPORATION	MDTNIDMA
QWEST CORPORATION	MELBIDMA
QWEST CORPORATION	MRDNIDMA
QWEST CORPORATION	MRTGIDMA
QWEST CORPORATION	MTHOIDMA
QWEST CORPORATION	MTHOIDS0
QWEST CORPORATION	MTPLIDMA
QWEST CORPORATION	NMPAIDMA
QWEST CORPORATION	NPMOIDMA
QWEST CORPORATION	NZPRID01
QWEST CORPORATION	PCTLIDMA
QWEST CORPORATION	PCTLIDNO
QWEST CORPORATION	PSTNIDMA
QWEST CORPORATION	PYTTIDMA
QWEST CORPORATION	RBRTIDMA
QWEST CORPORATION	RGBYIDMA
QWEST CORPORATION	RIRIIDMA
QWEST CORPORATION	RVSDIDMA
QWEST CORPORATION	RXBGIDMA
QWEST CORPORATION	SDSPIDMA
QWEST CORPORATION	SHLYIDMA
QWEST CORPORATION	SHSHIDMA
QWEST CORPORATION	STARIDNM
QWEST CORPORATION	THTCIDMA
QWEST CORPORATION	TWFLIDMA
QWEST CORPORATION	WESRIDMA
QWEST CORPORATION	WNDLIDMA
VERIZON NORTHWEST INC.-ID	BNFYIDXX
VERIZON NORTHWEST INC.-ID	BOVLIDXX
VERIZON NORTHWEST INC.-ID	BYVWIDXX
VERIZON NORTHWEST INC.-ID	CRALIDXX
VERIZON NORTHWEST INC.-ID	DERYIDXX
VERIZON NORTHWEST INC.-ID	FRFDWAXA
VERIZON NORTHWEST INC.-ID	GENSIDXX
VERIZON NORTHWEST INC.-ID	HRSNIDXA
VERIZON NORTHWEST INC.-ID	HYLKIDXX
VERIZON NORTHWEST INC.-ID	KLLGIDXX
VERIZON NORTHWEST INC.-ID	MLLNIDXX

Note: To the extent that any wire centers have been inadvertently excluded from this Exhibit, Budget intends to serve the entirety of the rural and non-rural incumbent local exchange carrier wire centers identified.

VERIZON NORTHWEST INC.-ID  
VERIZON NORTHWEST INC.-ID  
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VERIZON NORTHWEST INC.-ID  
VERIZON NORTHWEST INC.-ID  
VERIZON NORTHWEST INC.-WA

MSCWIDXX  
ORFNIDXC  
PECKIDXX  
PIRCIDXX  
PLMRIDXX  
PNHRIDXA  
PRLKIDXX  
PRRVIDXX  
PSFLIDXX  
PTLTIDXX  
RTHDIDXX  
SNPNIDXX  
SPLKIDXX  
WEPPIDXX  
FRTNWAXX

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Budget PrePay, Inc.  
d/b/a Budget Mobile

## EXHIBIT 3

### SAMPLE OF MARKETING MATERIALS

Budget PrePay, Inc.  
d/b/a Budget Mobile  
Application for ETC Designation  
Idaho Public Utilities Commission

Exhibit 3

**Budget MOBILE**  
LIFELINE

**FREE MOBILE  
PHONE**

Plus

**250 FREE MINUTES**  
Every Month

**NO CONTRACTS • NO CREDIT CHECKS • NO PAYMENTS REQUIRED**

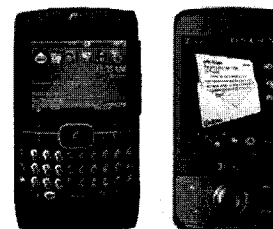
The offering is a Lifeline-supported service. Only eligible consumers may enroll in the program and proof of eligibility documentation is necessary for enrollment. By law, the Lifeline program is limited to one phone per household, consisting of either wireline or wireless service. Lifeline is a government benefit program, and consumers who willfully make false statements in order to obtain the benefit can be punished by fine or imprisonment or can be barred from the program. Free phones may take up to 10 business days for delivery once order is received. Brand and style of phone will vary and are at the discretion of Budget Mobile Lifeline.



# FREE MOBILE PHONE + 250 FREE MINUTES Each Month

There are 2 easy ways to sign up for service:

- 1 Visit a Budget Mobile Lifeline Store
- 2 Order online at [www.BudgetMobile.com](http://www.BudgetMobile.com)



FEATURES include

- Voicemail
- Call Waiting
- Caller ID
- Access to 911 Service
- Nationwide Coverage

## ELIGIBILITY

To apply for Budget Mobile Lifeline service, you MUST participate in ONE of the following programs and provide proof of enrollment:

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

### Bonanza Square Shopping Center

2338 East Bonanza Road, Las Vegas • 702-675-7557

### Mission Center

1350 East Flamingo Road, Las Vegas • 702-641-0177

Budget PrePay, Inc.  
d/b/a Budget Mobile

EXHIBIT 4  
COMPLIANCE PLAN

Budget PrePay, Inc.  
d/b/a Budget Mobile  
Application for ETC Designation  
Idaho Public Utilities Commission

Exhibit 4

**Before the  
Federal Communications Commission  
Washington, D.C. 20554**

In the Matter of	)	
	)	
Telecommunications Carriers Eligible to Receive Universal Service Support	)	WC Docket No. 09-197
	)	
Lifeline and Link Up Reform and Modernization	)	WC Docket No. 11-42
	)	
BUDGET PREPAY, INC.	)	
	)	
Petition for Limited Designation as an Eligible Telecommunications Carrier	)	

**COMPLIANCE PLAN OF BUDGET PREPAY, INC.**

Budget PrePay, Inc. (“Budget PrePay” or “Company”) is a prepaid wireless telecommunications carrier seeking designation as an Eligible Telecommunications Carrier (“ETC”) solely for the purpose of participating in the Lifeline program.<sup>1</sup> Budget PrePay requests that the Commission forbear from applying the “own facilities” requirement contained in section 214(e)(1)(A) of the Communications Act, 47 C.F.R. § 214(e)(1)(A), consistent with the Commission’s determination to forbear from applying this requirement to Lifeline-only ETC applications that comply with the conditions set forth in the *Lifeline Reform Order*.<sup>2</sup>

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<sup>1</sup> Budget PrePay notes that it no longer seeks authority to be eligible for Link Up support, as was originally requested by the Company in its pending ETC applications. *See* Letter to Marlene H. Dortch from counsel to Budget Prepay, WC Docket No. 09-197 (dated March 1, 2012), at 2.

<sup>2</sup> *In the Matter of Lifeline and Link Up Reform and Modernization*, WC Docket No. 11-42, Report and Order and Further Notice of Proposed Rulemaking, FCC 12-11 (rel. Feb. 6, 2012) (“*Lifeline Reform Order*”).

Budget PrePay hereby files its Compliance Plan outlining the measures it will take to implement the conditions set forth in the *Lifeline Reform Order*.<sup>3</sup> Budget PrePay respectfully requests expeditious approval of this Compliance Plan so that the Company, upon designation as an ETC by the FCC and other state commissions, may quickly begin providing essential Lifeline services to eligible low-income customers.

**I. INFORMATION ABOUT BUDGET PREPAY, INCLUDING FINANCIAL AND TECHNICAL QUALIFICATIONS**

Budget PrePay, based in Bossier City, Louisiana, has been in business since 1996.<sup>4</sup> The Company provides both wireline and wireless services. The Company has been designated as an ETC for wireless services in the states of Arkansas, Kentucky, Louisiana, Maryland, Rhode Island, Wisconsin and Nevada, and is currently offering, or will begin offering, Lifeline service in each of these states.<sup>5</sup>

Budget PrePay currently derives the majority of its revenue from selling low-cost prepaid telephone services on a nationwide basis to over tens of thousands of customers and employs approximately 340 people. Budget PrePay will not need to rely exclusively on USF support to provide wireless Lifeline services.

Budget PrePay owns and operates its own switching facilities in Dallas, Texas and Shreveport, Louisiana. In addition to providing access to directory assistance and operator services, the switching facilities are also used to provide access to some interexchange services (for the routing of certain domestic and all non-domestic) calls. Budget PrePay has also invested

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<sup>3</sup> This Compliance Plan and the attached supplemental materials replace the Compliance Plan submitted to the Commission on March 1, 2012 and the revised Compliance Plan submitted April 17, 2012.

<sup>4</sup> Budget PrePay was organized and incorporated in the State of Louisiana on May 1, 1996.

<sup>5</sup> Budget PrePay also has been designated as an ETC for wireline services in Tennessee, Oklahoma, Alabama, Florida, Nebraska, Maryland, Louisiana, Mississippi, Arkansas, Kentucky, Michigan, Missouri, North Carolina, South Carolina, and Texas.

millions of dollars in software development, including its own customized, user friendly point-of-sale software.

Budget PrePay has not been subject to any enforcement action at the FCC or in any state. No ETC designations held by Budget PrePay have been rescinded, revoked or terminated by the FCC or by any state.

Budget PrePay operates its wireless business under the name Budget Mobile, and operates its wireline business under the name Budget Phone. The Company directly owns 100% of the following affiliated entities: Silver Creek Long Distance, Inc.; MyMinutes.com, Inc.; and Bluebird Wireless, Inc.

## II. BACKGROUND

In the *Lifeline Reform Order*, the Commission stated that it would grant forbearance from the “own-facilities” requirement contained in Section 214(e)(1)(A) for carriers that are, or seek to become, Lifeline-only ETCs, subject to compliance with the following conditions:<sup>6</sup>

(1) the carrier must comply with certain 911 requirements: (a) providing its Lifeline subscribers with 911 and E911 access, regardless of activation status and availability of minutes; (b) providing its Lifeline subscribers with E911-compliant handsets and replacing, at no additional charge to the subscriber, noncompliant handsets of Lifeline-eligible subscribers who obtain Lifeline-supported services; and (c) complying with conditions (a) and (b) starting on the effective date of this Order; and

(2) the carrier must file, and the Bureau must approve, a compliance plan that: (a) outlines the measures the carrier will take to implement the obligations contained in this Order, including but not limited to the procedures the ETC follows in enrolling a subscriber in Lifeline and submitting for reimbursement for that subscriber from the Fund, materials related to initial and ongoing certifications and sample marketing materials, as well as further safeguards against waste, fraud and abuse the Bureau may

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<sup>6</sup> *Lifeline Reform Order* at ¶¶ 368, 373 and 379. While Budget PrePay owns some facilities and appears to satisfy the revised supported services requirements applicable to ETCs, Budget PrePay is filing this Compliance Plan out of an abundance of caution, to illustrate its support for many of the recent reform measures taken by the Commission that attempt to curb waste, fraud and abuse in the Low Income Fund, and in the hopes that this filing will expedite processing of its pending ETC designation Petitions. Budget PrePay commits to comply with its Compliance Plan in all states where it is designated as a Lifeline-only ETC.

deem necessary; and (b) provides a detailed description of how the carrier offers service, the geographic areas in which it offers service, and a description of the carrier's various Lifeline service plan offerings, including subscriber rates, number of minutes included and types of plans available.

### **III. COMPLIANCE PLAN**

Budget PrePay will comply with all of the conditions set forth in the *Lifeline Reform Order* and Sections 54.101 et. seq. of the Commission's Rules (as amended by the *Lifeline Reform Order*), the provisions of its Compliance Plan, and all laws and regulations governing its provision of Lifeline-supported prepaid wireless service to customers throughout the United States.

#### **A. Access to 911 and E911 Services**

The *Lifeline Reform Order* requires ETCs to provide their Lifeline customers with access to 911 and E911 services, regardless of activation status and availability of minutes.<sup>7</sup> Budget PrePay hereby affirms that all of its customers will have access to emergency calling services at the time that Lifeline service is initiated, and that such 911 and E911 access will be available from Budget PrePay handsets even if the account associated with the handset has no minutes remaining.

#### **B. E911-Compliant Handsets**

The Commission also conditioned its grant of forbearance on ETCs providing only E911-compliant handsets to its Lifeline customers.<sup>8</sup> Budget PrePay will ensure that all handsets used in connection with the Company's Lifeline service offering are E911-compliant. In the event that an existing Budget PrePay customer does not have an E911-compliant handset, the Company will replace it with a 911/E911-compliant handset at no charge to the customer. Any

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<sup>7</sup> *Id.* at ¶ 373.

<sup>8</sup> *Id.*



new customer that qualifies for and enrolls in the Lifeline program will receive a 911/E911-compliant handset, free of charge.

**C. Certification and Verification of Lifeline Eligibility**

Budget PrePay proposes the following plan to implement the certification and verification conditions outlined in the *Lifeline Reform Order*. Budget PrePay intends to keep these measures in effect until such time as the Commission implements its planned National Lifeline Accountability Database. Budget PrePay shares the Commission's concern about waste, fraud and abuse of the Lifeline program and is committed to the safeguards stated herein.

*1. Policy*

Budget PrePay will comply with all certification and verification requirements for Lifeline eligibility established by states where it is designated as an ETC. In states where there are no state-imposed requirements, Budget PrePay will comply with the certification and verification procedures in effect in that state as reflected on the website of the Universal Service Administrative Company ("USAC"). For any states which do not mandate Lifeline support and/or which do not have established rules of procedure in place, Budget PrePay will certify at the outset and will verify annually customers' Lifeline eligibility in accordance with the Commission's requirements.

*2. Certification Procedures*

Budget PrePay will implement certification procedures that require consumers to demonstrate their eligibility for Lifeline assistance by contacting the Company in person or via mail, telephone, facsimile, or the internet. At the point of sale, consumers will be provided with printed information describing Budget PrePay's Lifeline program with instructions for enrolling, including eligibility requirements. Consumers will be signed up in person or directed, via company literature, collateral or advertising, to a toll-free telephone number and to the Company

website, which will contain a link to information regarding the Company's Lifeline service plans, including a detailed description of the program and state-specific eligibility criteria. Budget PrePay's application form will clearly identify that it is a "Lifeline" application. Except in states in which applicants are enrolled through a designated state agency, Budget PrePay will have direct contact with all customers applying for Lifeline service, in person or by telephone, facsimile, mail or the internet.

Budget PrePay will provide Lifeline-specific training to all personnel, whether employees, agents or representatives, who interact with actual or prospective consumers with respect to obtaining, changing or terminating Lifeline services. Consumers who do not complete the application process in person must return the signed application and support documentation to the Company by mail, fax, email or other electronic transmission. The Company will accept electronic signatures that meet the requirements of the Electronic Signatures in Global and National Commerce Act, 15 USC 7001-7006, and any applicable state laws, and may verify consumers' signatures via interactive voice response (IVR) systems. Processing of consumers' applications, including review of all application forms and relevant documentation, will be performed under the Company's supervision by personnel trained in the administration of the Lifeline program. Budget PrePay will ensure that all required documentation is reviewed and handled properly by using state-specific compliance checklists.

For states with program-based eligibility criteria, the form will list each of the qualifying programs, and the applicant will be required to identify the specific program(s) in which they participate, and to provide the requisite proof that they currently participate in such program(s), regardless of whether such proof is required pursuant to state law. For states with income-based eligibility criteria, the applicant will be required to certify under penalty of perjury that their

household income does not exceed the relevant threshold (e.g., 135% of the Federal Poverty Guidelines for federal default states) and will be required to provide the requisite proof of income-based eligibility. Budget PrePay will not retain copies of proof documentation, but rather will maintain accurate records detailing how the customer demonstrated his or her eligibility.<sup>9</sup>

Budget PrePay will check the eligibility of low-income consumers seeking to enroll in Lifeline either by accessing electronic eligibility databases, where available, or by reviewing documentation from the consumer demonstrating his/her eligibility for Lifeline service. Where the Company is able to access a state or federal database to make determinations about customer eligibility, the Company is not required to obtain proof documentation; in such case Budget PrePay or its representative will note in its records what specific data was relied upon to confirm the customer's initial eligibility for Lifeline.<sup>10</sup> In instances where a state agency or third-party administrator is responsible for the initial determination of consumer eligibility, Budget PrePay will rely on the state identification or database.<sup>11</sup>

In addition, the Lifeline application form will include a certification section where the applicant must attest and sign under penalty of perjury that the applicant's representations are true and correct. Applicants will also be required to initial a number of disclosure statements intended to ensure that the applicant understands applicable eligibility requirements—including a statement to the effect that to the best of his or her knowledge, the applicant is not receiving Lifeline-supported service from any other Lifeline provider. Penalties for perjury will be clearly stated on the certification form. The certification form will also contain language stating that

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<sup>9</sup> *Lifeline Reform Order* at ¶ 101.

<sup>10</sup> *Id.* at ¶ 98.

<sup>11</sup> *Id.*

violation of the one-per-household requirement constitutes a violation of the Commission's rules and will result in the consumer's de-enrollment from the program, and could result in criminal prosecution by the United States government.<sup>12</sup> Although the exact wording of the disclosure statements described above may vary on a state-by-state basis, depending on state-specific requirements and/or consultations with relevant state agencies, Budget PrePay expects the substance of these disclosures to be consistent with the certifications set forth in the enclosed Lifeline Application and Certification Form. See Exhibit 1.

Finally, the application forms will require each applicant to provide the following information:<sup>13</sup>

- Name
- Primary residential address – and whether the address is a permanent address
- Billing address (if this differs from the residential address)
- Last four digits of social security number
- Birth date

After the National Database is established, Budget PrePay will provide the above information to the database, together with the following additional information:

- Telephone number (for Lifeline handset)
- Date of service initiation
- Date of de-enrollment (if applicable)
- Means by which the subscriber qualified for support
- Amount of Lifeline support received by the subscriber each month
- Whether the subscriber receives Link Up support

The application form will clearly state that Lifeline participants must provide their new address to the Company within 30 days of moving.<sup>14</sup> Budget PrePay will incorporate this information into its customer information database. Prior to initiating service for a customer, the Company will check the address of each Lifeline applicant against its database to determine

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<sup>12</sup> *Id.* at ¶ 121.

<sup>13</sup> *Lifeline Reform Order* at ¶¶ 85 and 184.

<sup>14</sup> *Id.* at ¶¶ 85 and 117.

whether or not it is associated with a customer that already receives Budget PrePay Lifeline service, and will then review the application to ascertain whether the applicant is attempting to receive Lifeline-supported service for more than one handset associated with its household.<sup>15</sup> If the Company determines that an individual at the applicant's residential address is currently receiving Lifeline-supported service, the Company will take an additional step to ensure that the applicant and the current subscriber are part of different households.<sup>16</sup> In order to make this determination, Budget PrePay will require applicants to complete and submit to the Company a written document which will be developed by USAC. Budget PrePay will deny the Lifeline application of any individual residing at the same address as a current Lifeline subscriber who is part of the same household, and will advise the applicant of the basis for the denial.

Budget PrePay also will de-enroll within ten (10) business days any subscriber whom the Company knows is receiving Lifeline-supported service from another ETC or knows is no longer eligible. In the event that the Company is notified by the Administrator that a subscriber is receiving duplicative support, the Company will de-enroll that subscriber from participation in the Lifeline program within five (5) business days.<sup>17</sup>

If the subscriber provides Budget PrePay with a temporary address, the Company will verify with the subscriber every 90 days that this address remains valid. If the subscriber fails to respond to the Company within 30 days, the subscriber will be de-enrolled from the Lifeline program.<sup>18</sup>

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<sup>15</sup> Budget PrePay will use the definition of "household" established by the *Lifeline Reform Order* at ¶¶ 29 and 74; see also revised section 47 CFR § 54.400(h).

<sup>16</sup> *Lifeline Reform Order* at ¶ 78.

<sup>17</sup> 47 C.F.R. § 54.405 (e)(2).

<sup>18</sup> *Id.* at ¶¶ 88 – 89.

### 3. *Annual Verification Procedures*

As required by the Commission's *Lifeline Reform Order*, Budget PrePay will require every consumer enrolled in the Lifeline program to verify on an annual basis that he or she is the head of his or her household, receives Lifeline-supported service only from Budget PrePay and, to the best of his or her knowledge, no one else in the subscriber's household is receiving a Lifeline-supported service.<sup>19</sup> Pursuant to the new rule adopted in the *Lifeline Reform Order*, Budget PrePay will re-certify the eligibility of all of its Lifeline subscribers as of June 1, 2012, by the end of 2012, and report the results to USAC by January 31, 2013.<sup>20</sup> The Company may undertake this re-certification on a rolling basis throughout the year.<sup>21</sup> Where ongoing eligibility cannot be determined through access to a qualifying database either by the Company or the state, and there is no state administrator verifying the continued eligibility of Lifeline subscribers, the Company will re-certify the continued eligibility of its subscribers by contacting them—either in person, in writing (by mail), by phone, by text message, by email, or otherwise through the Internet—to confirm their continued eligibility.<sup>22</sup> Such certifications may be obtained in person through a written document, an IVR system, a text message, or on-line with an electronic signature. The Company will accept electronic signatures that meet the requirements of the Electronic Signatures in Global and National Commerce Act, 15 USC 7001-7006, and any applicable state laws, in accordance with the *Lifeline Reform Order*.<sup>23</sup> In states where a state agency or a third party has implemented a database that carriers may query to re-certify the consumer's continued eligibility, the Company (or state agency or third-party, where applicable)

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<sup>19</sup> *Id.* at ¶ 120.

<sup>20</sup> *Id.* at ¶ 130.

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

<sup>22</sup> *Id.* After 2012, the Company may elect to have USAC administer the self-certification process on its behalf. *See id.* at ¶ 133.

<sup>23</sup> *Id.* at ¶ 132.

will instead query the database and maintain a record of what specific data was used to re-certify eligibility and the date of re-certification.<sup>24</sup>

The notice will explain the actions the customer must take to retain Lifeline benefits, when Lifeline benefits will be terminated if such actions are not taken, and how to contact Budget PrePay. Consistent with the *Lifeline Reform Order*, the Company will provide notice of impending Lifeline service termination to subscribers who do not respond to the annual re-certification within 30 days. Anyone who does not respond to the impending termination notice within 30 days to demonstrate that his or her Lifeline service should not be terminated will be de-enrolled from the Company's Lifeline program.<sup>25</sup>

#### **D. Specific Customer Enrollment Procedures**

Budget PrePay prefers direct contact with consumers. To this end, Budget PrePay does not offer its services through "chain" stores, but rather through its own stores, and through retail agents familiar with the underserved consumers in the communities Budget PrePay serves. Currently, Budget PrePay has 12 stores in Louisiana, 3 stores in Maryland, 2 stores in Arkansas, Nevada, and Kentucky, and one store in Rhode Island. Budget PrePay plans to open multiple stores in each state where it is designated. Budget PrePay sells the remainder of its service through Internet sales and inbound telemarketing (where a customer is seeking to initiate service with Budget PrePay).

As an initial matter, in those few states that have a state administrator, Budget PrePay fully cooperates with the state Lifeline administrators to ensure that it does everything necessary to ensure it is in compliance with both state and federal enrollment, verification, and re-certification procedures. For all states that do not have a Lifeline administrator, Budget PrePay

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<sup>24</sup> *Id.* at ¶ 131.

<sup>25</sup> *Id.* at ¶¶ 141-142.

will perform the same first step in the process of enrollment. Regardless of how the customer applies—whether in a retail store, online, or over the phone, each customer will supply the same information via Budget PrePay’s standard customer application and certification form. (Attached as **Exhibit 1.**)

Budget PrePay enrolls Lifeline customers through several different marketing channels: 1) in person, through company-owned and affiliated retail stores, 2) in person, through retail agents trained by Budget PrePay, and 3) through customer-initiated contact, either through inbound telemarketing, or more frequently, through online sales over the Internet. The majority of Budget PrePay’s sales are through its “in person” channels.

All of Budget PrePay’s retail sales are the result of direct contact with the potential Lifeline consumer.

**Retail Stores.** The prospective customer comes into the store, and is asked the basis for his or her claim to Lifeline eligibility. The store employee can verify the customer’s program, or income, based eligibility in person. Budget PrePay provides comprehensive training/reference materials to its employees which allow the employees to verify the most common forms of proof for each eligible program and/or income verification. The store employee will then ask the prospective customer for additional documentation proving identity and/or address verification. The final program/income eligibility-specific step is for the customer to provide the required information and make the certifications required by new rule §54.410(d)(3).

If the customer appears to be eligible, the employee will explain the Commission’s definition of “household” as an “economic unit” where related or unrelated people share income and expenses. In the case of multiple applicants at the same mailing address, the customer will then make the “one per household” certification required by §54.410(d)(1). Finally, Budget



PrePay will collect the necessary customer-specific information required by new rule §54.401(d)(2) so that Budget PrePay can report the information to USAC to be used to populate the National Lifeline Accountability Database (“duplicates database”), defined in §54.400(i) of the Commission’s new rules.

The retail store employee then enters the customer’s information into Budget PrePay’s OSS systems, where the information is checked against available databases (the duplicates database, and Budget PrePay’s own list of existing customers). The retail store rep quickly determines whether the customer is eligible to receive Lifeline service. In cases where a state program eligibility database exists, the retail store personnel will contact Budget PrePay’s internal group dedicated to verifying eligibility who will query the state database and either approve or deny the applicant. Where proof of eligibility is needed, the retail personnel, who are trained on what is eligible documentation will witness the documentation and sign the application demonstrating they have witnessed the documentation.

Upon successful completion of the certification process, the customer chooses a service plan and is provided with a handset. The customer’s account is activated upon completion of an outbound call. For purposes of “enrollment” in the Lifeline program, Budget PrePay will use the date of this first completed outbound call from its call records as the customer’s effective start date.

**Retail Agents.** The process for signing up customers at Budget PrePay’s retail agents is very similar to the process used by Budget PrePay for signing up customers at its owned stores. The prospective customer comes into the agent’s retail location, and is asked the basis for his or her claim to Lifeline eligibility. The agent’s employee can verify the customer’s program, or income, based eligibility in person. Budget PrePay provides comprehensive training and

reference materials to its agent's employees which allow the agent's employees to verify the most common forms of proof for each eligible program and/or income verification. The agent's employee will then ask the prospective customer for additional documentation proving identity and/or address verification. The final program/income eligibility-specific step is for the customer to provide the required information and make the certifications required by new rule §54.410(d)(3).

If the customer appears to be eligible, the agent's employee will explain the Commission's definition of "household" as an "economic unit" where related or unrelated people share income and expenses. In the case of multiple applicants at the same mailing address, the customer will then make the "one per household" certification required by §54.410(d)(1). Finally, the agent's employee will collect the necessary customer-specific information required by new rule §54.401(d)(2) so that Budget PrePay can report the information to USAC to be used to populate the National Lifeline Accountability Database ("duplicates database"), defined in §54.400(i) of the Commission's new rules.

The agent's employee then faxes the completed certification form to Budget PrePay's Agent Services department, where an employee enters the data into Budget PrePay's OSS systems. The OSS systems check the data against available databases (the duplicates database, and Budget PrePay's own list of existing customers). Where proof of eligibility is needed, the agent's employees, who are trained on what is eligible documentation, will witness the documentation and sign the application demonstrating they have witnessed the documentation.

Review of the documents and appropriate databases is completed by Budget PrePay employees. If Budget PrePay confirms that the customer is eligible, a handset will be mailed to the customer. The customer's account is not activated until completion of an outbound call. For

purposes of “enrollment” in the Lifeline program, Budget PrePay will use the date of this first completed outbound call from its call records as the customer’s effective start date.

**Inbound Channel Marketing.** Prospective customers can also apply for, and obtain, Lifeline service from Budget PrePay either over the phone or through the Internet. Customers choosing to obtain service through inbound channels must either fill out an application online, or provide the relevant information to the customer sales representative over the telephone. In these cases, Budget PrePay verifies eligibility via a state database, state administrator, or by reviewing documentation of eligibility submitted by the applicant in advance of receiving service.

**Online Sales.** To apply for Budget PrePay Lifeline service online, a customer will fill out an application, provide the necessary information that all prospective Lifeline customers must provide, and be taken through successive screens, which clearly explain all relevant legal eligibility requirements. If the customer is seeking to qualify for Lifeline service based on their participation in a particular program (or income level), the prospective customer may be able to be qualified by an inbound sales representative who inputs the prospective customer’s information into an eligibility database (if available for the relevant state). However, in most cases, the prospective customer will fill out the relevant eligibility forms on the computer, and then send in copies of the records needed by Budget PrePay to verify the customer’s eligibility to participate in Lifeline. Once the prospective customer is successfully verified by Budget PrePay, the customer can be enrolled in the service plan they have chosen, and then mailed their handset.

Assuming the customer has successfully completed the online application process, Budget PrePay will have all the information it needs to verify the customer is only receiving one Lifeline subsidy for their household, to verify eligibility, to satisfy its record-keeping obligations, and to send to USAC in order to populate the duplicates database. The requisite certifications

needed by Budget PrePay to establish service with the prospective customer is obtained as electronic signatures.

Budget PrePay's method of accepting electronic signatures—on all of its online certifications and re-certifications—is to allow the customer to create a unique electronic signature by typing their name, and providing their date of birth and their social security number. The customer's name, combined with their date of birth and their social security number, is sufficiently unique to satisfy the Commission's new rules for accepting electronic signatures.

If the prospective customer fails to qualify for Lifeline service, Budget PrePay will explain to the customer why the request was rejected. On the other hand, if the prospective customer sends in sufficient evidence to qualify for Lifeline eligibility, and adequately certifies eligibility, Budget PrePay will notify the customer, and enroll the customer in their requested service plan, and send the customer the handset. The customer's account is not activated until completion of an outbound call. For purposes of "enrollment" in the Lifeline program, Budget PrePay will use the date of this first completed outbound call from its call records as the customer's effective start date.

*Inbound Telemarketing.* To obtain Budget PrePay Lifeline service, a customer can call Budget PrePay to initiate service. The process is very similar to online enrollment, except that instead of being taken through successive screens, the customer is asked a series of qualifying questions by a customer service representative. The questions will all be designed to elicit true and accurate information that is necessary for Budget PrePay to obtain a complete standard certification form. If, at any time during the conversation, it becomes apparent to the customer service representative that the prospective customer is unlikely to qualify for Budget PrePay

Lifeline service, the customer service representative explains the issue to the customer and offers to allow the customer to sign up for one of Budget PrePay's non-Lifeline service plans.

On the other hand, if the customer provides information indicating that the customer would be eligible to obtain Lifeline service, the customer service representative will take the customer as far as possible in trying to qualify the customer. For example, if there are no other Lifeline subscribers in the customer's household, and the customer participates in a Lifeline-eligible program (or is income-qualified), the customer service representative tries to verify the customer's information through a state database (if available). If the customer seems to qualify (through a database query), then the customer service representative will open a file for the customer, take the customer's information that is required to be collected from each customer, send the customer the requisite certification forms for verification of eligibility (or allow the customer to certify eligibility through an IVR recorded and associated with the customer's account), and request copies of the evidence that would prove eligibility in cases where a state database is not available.

If the prospective customer fails to qualify for Lifeline service, Budget PrePay will explain to the customer why the request was rejected. On the other hand, if the prospective customer sends in sufficient evidence to qualify for Lifeline eligibility, and adequately certifies eligibility, Budget PrePay will notify the customer, and enroll the customer in their requested service plan, and send the customer the handset. The customer's account is not activated until completion of an outbound call. For purposes of "enrollment" in the Lifeline program, Budget PrePay will use the date of this first completed outbound call from its call records as the customer's effective start date.

**E. Additional Measures to Prevent Waste, Fraud, and Abuse**

*1. Non-usage Policy*

As required by the *Lifeline Reform Order*, Budget PrePay will implement a non-usage policy whereby it will de-enroll Lifeline customers that have not used the Company's Lifeline service for 60 consecutive days.<sup>26</sup> Budget PrePay will notify its subscribers at service initiation about the usage requirements and the de-enrollment and deactivation that will result following non-usage in any consecutive 60-day period of time.<sup>27</sup> If no usage appears on a Budget PrePay Lifeline customer's account during any consecutive 60-day period, Budget PrePay will deactivate Lifeline services for that customer. An account will be considered active if during any 60-day period the authorized subscriber does at least one of the following: makes a monthly payment; purchases minutes from the Company to add to his or her existing pre-paid Lifeline account; completes an outbound call; answers an incoming call from anyone other than the Company, its representative, or agent; or affirmatively responds to a direct contact from the Company confirming that he or she wants to continue Lifeline service.<sup>28</sup>

*2. Customer Education with Respect to Duplicates*

To supplement its verification and certification procedures, and to better ensure that customers understand the Lifeline service restrictions with respect to duplicates, Budget PrePay will implement measures and procedures to prevent duplicate Lifeline benefits being awarded to the same household. These measures entail additional emphasis in written disclosures as well as live due diligence, and will help ensure that only eligible consumers enroll in the program and that those consumers are fully informed of the rules and requirements of the program.

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<sup>26</sup> *Id.* at ¶¶ 257-263.

<sup>27</sup> *Id.* at ¶ 257.

<sup>28</sup> *Id.* at ¶ 261.

In its marketing materials, including application forms, on its web site, and in its direct contact with applicants, the Company will emphasize in plain, easily comprehensible language that: (1) Lifeline is a federal benefit; (2) Lifeline service is available for only one line per household; (3) a household is defined, for purposes of the Lifeline program, as any individual or group of individuals who live together at the same address and share income and expenses; and (4) a household is not permitted to receive Lifeline benefits from multiple providers.<sup>29</sup> Budget PrePay will also include in its marketing materials substantially the following information in clear, easily understood language: the offering is a Lifeline-supported service; that only eligible consumers may enroll in the program; what documentation is necessary for enrollment; and that the program is limited to one benefit per household, consisting of either wireline or wireless service.<sup>30</sup> In order to reinforce the limitation of one Lifeline phone per household, the following statement will appear in the Company's marketing materials and websites ([www.budgetphone.com](http://www.budgetphone.com) and [www.budgetprepay.com](http://www.budgetprepay.com)) in a conspicuous place, in bold font and in an offsetting color to ensure it is not overlooked:

**Note: By law, the Lifeline program is only available for one phone per household**

Budget PrePay will disclose the company names under which it does business and the details of its Lifeline service offerings.<sup>31</sup> A sample marketing brochure is enclosed as Exhibit 2.

### 3. *Cooperation with state and federal regulators*

Budget PrePay has and will continue to cooperate with federal and state regulators to prevent waste, fraud and abuse, including:

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<sup>29</sup> *Id.* at ¶ 121.

<sup>30</sup> *Id.* at ¶ 275.

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

- Providing a certification to USAC that the Company has procedures in place to review customer's documentation of income- and program-based eligibility. That certification will also confirm that Budget PrePay is in compliance with all federal Lifeline certification procedures and Lifeline program rules, and that Budget PrePay has obtained a valid certification form for each Lifeline customer.<sup>32</sup>
- Providing the FCC and USAC each year with general information regarding the terms and conditions of the Lifeline plans that the Company offered during the previous year, including the number of minutes provided, and whether there are additional charges to consumer for service, including minutes of use and/or toll calls.<sup>33</sup>
- Providing state commissions (PUC), the FCC or USAC upon request with data that will enable that state, the FCC or USAC to determine whether some consumers are enrolled in more than one Lifeline program. Specifically, the Company agrees to make available state-specific customer data, including name and address, upon request to each state PUC where it operates, the FCC or USAC for the purpose of permitting the PUC, FCC or USAC to determine whether an existing Lifeline customer receives Lifeline service from another carrier, and will participate in such a duplicate resolution process, provided that costs for participation are reasonable or defrayed through the universal service contribution mechanisms;
- Promptly investigating any notification that it receives from a state PUC, the FCC or USAC that one of its customers already receives Lifeline service from another carrier;
- Immediately deactivating a customer's Lifeline service and no longer report that customer on USAC Form 497 if the Company's investigation, a state, the FCC or USAC concludes that the customer receives Lifeline services from another carrier in violation of the Commission's regulations and that the Company's Lifeline service should be discontinued such as a de-enrollment notification pursuant to the FCC's June 17, 2011 Report and Order (Section III, B.).
- Complying with all audit requirements set forth in the *Lifeline Reform Order*.

**F. Lifeline Offering**

Budget PrePay will offer its Lifeline service in the states where it is designated as an ETC throughout the coverage area of its underlying carriers, Sprint and Verizon Wireless. As

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<sup>32</sup> *Lifeline Reform Order* at ¶¶ 125 – 128.

<sup>33</sup> *Id.* at ¶ 390.



summarized in Exhibit 3 attached hereto, the Company's Lifeline offering will provide customers with the option to choose between two (2) Lifeline plans<sup>34</sup> that best meets their needs.

Additional minutes will be loaded electronically. Customers can purchase extra minutes at retail outlets frequented by low-income customers throughout the Company's service area and online. All of Budget PrePay's Lifeline plans will include a free handset and the following custom calling features: Caller ID, Call Waiting, and Voicemail. Budget PrePay does not impose credit checks or long-term service contracts on its prepaid customers. Customers are not bound by a local calling area requirement; all Budget PrePay plans come with domestic long distance at no extra per minute charge. Calls to 911 emergency services are always free, regardless of service activation or availability of minutes.

#### IV. CONCLUSION

Budget PrePay submits that its Compliance Plan fully satisfies the conditions of forbearance set forth in the Commission's *Lifeline Reform Order*. Implementation of the procedures described herein will promote public safety and ensure that Lifeline customers have access to 911 and E911 services while safeguarding against misuse of the Company's Lifeline services. Accordingly, Budget PrePay respectfully requests that the Commission expeditiously

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<sup>34</sup> Budget PrePay's Lifeline Plans vary from state to state in accordance with state requirements; the two Lifeline plans outlined in this Compliance Plan would be offerings available in all states in which the FCC has jurisdiction over competitive ETC applications. Please see the Company's websites ([www.budgetphone.com](http://www.budgetphone.com) and [www.budgetprepay.com](http://www.budgetprepay.com)) for more detailed information regarding plans available in each state.

approve its Compliance Plan so that the Company may begin providing the benefits of much-needed Lifeline service to qualifying low-income consumers as quickly as possible.

Respectfully submitted,

BUDGET PREPAY, INC.

*Robert S. Koppel*

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Todd B. Lantor

Robert S. Koppel

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Suite 1200

McLean, Virginia 22102

Phone: (703) 584-8678

*Counsel for Budget PrePay, Inc.*

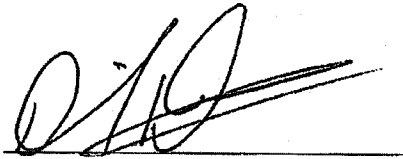
May 1, 2012

Attachments (Certification, Exhibits 1 – 3)

## CERTIFICATION

I, David Donahue, do hereby declare under penalty of perjury as follows:

1. I am the Chief Financial Officer of Budget PrePay, Inc., a Louisiana Corporation, with its principal place of business at 1325 Barksdale Blvd., Bossier City, Louisiana 71111.
2. I have read Budget PrePay's revised Compliance Plan and confirm the information contained therein to be true and correct to the best of my knowledge.
3. I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.



---

David Donahue  
Chief Financial Officer  
Budget PrePay, Inc.

April 27, 2012.

**Exhibit 1:**

Sample Lifeline Application and Certification (Louisiana)



# LIFELINE CERTIFICATION FORM

# Budget MOBILE LIFELINE

www.budgetmobile.com

     **INCOME QUALIFICATION:** Persons whose household income is at or below 135% of national poverty level qualify for Lifeline credit. This option is only available at a Budget Mobile retail location. Customer must provide proof of income.

How many people are in your Household? \_\_\_\_\_

Persons in HH — 135% Annual Income (at or below)

(1) \$15,080      (2) \$20,426      (3) \$25,772      (4) \$31,118      (5) \$36,464

Add \$5,346 for each additional person.

**TO QUALIFY BASED ON YOUR INCOME, YOU MUST PROVIDE COPIES OF ONE OR MORE OF THE DOCUMENTS LISTED BELOW. IF YOU PROVIDE DOCUMENTATION THAT DOES NOT COVER A FULL YEAR (SUCH AS CURRENT PAY STUBS), YOU MUST SUBMIT THREE (3) CONSECUTIVE MONTHS OF THE SAME TYPE OF DOCUMENT WITHIN THE PREVIOUS 12 MONTHS.**

- Current income statement from employer or paycheck stub
- Social Security benefits statement
- Unemployment/Workers Compensation benefits statement
- Divorce decree or child support document
- Retirement/Pension benefit statement
- Veterans Administration benefits statement
- Prior year's state, federal or tribal tax return

*(NOTE: Proof of income qualification not required during annual re-verification of Lifeline eligibility.)*

## RESIDENTIAL ADDRESS (No PO boxes, must be your principal address)

This address is:

Permanent     Temporary     Multi-Household

I share an address with another person(s) over the age of 18. However, they do not contribute income to my household or share in the household expenses.

Yes     No

(If Yes, USAC provided multi household form is to be completed and attached. Form can be obtained from Budget employee.)

Street Address:

Name of Apt. Complex/Multi Resident Facility:

Apt. No.:  Multi Resident Facility Room/Bed No.:

City:  State:  Zip Code:

## BILLING ADDRESS

Same as Residential Address

Street Address:

Name of Apt. Complex/Multi Resident Facility:

Apt. No.:  Multi Resident Facility Room/Bed No.:

City:  State:  Zip Code:

### Penalty of Perjury

Under Title 18 U.S.C. §1621, whoever will state as true any material matter which he does not believe to be true in a statement under penalty of perjury, is guilty of perjury and shall, except as otherwise expressly provided by law, be fined or imprisoned not more than five years, or both.

**\*BY LAW THE LIFELINE PROGRAM IS ONLY AVAILABLE FOR ONE PHONE PER HOUSEHOLD, WHETHER LANDLINE OR WIRELESS, NO EXCEPTIONS\***

Signature \_\_\_\_\_ Date \_\_\_\_\_

## FOR AUTHORIZED EMPLOYEE USE ONLY

Shelter/Multi Resident Authorization Code  -  -

Customer Mobile Phone #  -  -

Customer Account #

I certify that I reviewed the appropriate eligibility database to determine the above applicant's Lifeline eligibility status. Should an eligibility database not be available I certify that the above applicant demonstrated their eligibility by providing their eligibility documentation and that such documentation has been reviewed for accuracy and legitimacy.

Specific Documentation Presented by Customer and Examined by Company Representative \_\_\_\_\_

Store Representative Signature \_\_\_\_\_ Date \_\_\_\_\_

**Exhibit 2:**

Sample Marketing Brochure (Las Vegas, Nevada)

**Budget MOBILE**  
LIFELINE

**FREE MOBILE  
PHONE**



Plus

**250 FREE MINUTES**  
Every Month

**NO CONTRACTS • NO CREDIT CHECKS • NO PAYMENTS REQUIRED**

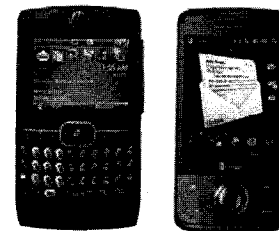
The offering is a Lifeline-supported service. Only eligible consumers may enroll in the program and proof of eligibility documentation is necessary for enrollment. By law, the Lifeline program is limited to one phone per household, consisting of either wireline or wireless service. Lifeline is a government benefit program, and consumers who willfully make false statements in order to obtain the benefit can be punished by fine or imprisonment or can be barred from the program. Free phones may take up to 10 business days for delivery once order is received. Brand and style of phone will vary and are at the discretion of Budget Mobile Lifeline.



# FREE MOBILE PHONE + 250 FREE MINUTES Each Month

There are 2 easy ways to sign up for service:

- 1 Visit a Budget Mobile Lifeline Store
- 2 Order online at [www.BudgetMobile.com](http://www.BudgetMobile.com)



FEATURES include

- Voicemail
- Call Waiting
- Caller ID
- Access to 911 Service
- Nationwide Coverage

## ELIGIBILITY

To apply for Budget Mobile Lifeline service, you MUST participate in ONE of the following programs and provide proof of enrollment:

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

### Bonanza Square Shopping Center

2338 East Bonanza Road, Las Vegas • 702-675-7557

### Mission Center

1350 East Flamingo Road, Las Vegas • 702-641-0177

**Exhibit 3:**

**Lifeline Offerings**

### EXHIBIT 3

#### Lifeline Offerings

Plan Description	Rate/Price
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#### Active User Talk & Text\*

Non Lifeline	\$34.25
Lifeline	\$25.00

#### 250 Minute Talk

Non Lifeline	\$9.25
Lifeline	Free

All plans include, at no extra charge: Free Handset; Caller ID; Call Waiting; and Voicemail. Voicemail calls count against the voice minutes provided by the plan.

Prices for the Active User Talk & Text Plan, the 250 Minute Talk (non-Lifeline), and the purchase of additional minutes or the text message add-on do not include taxes or mandatory government fees (where applicable). Although Budget PrePay must pay taxes or government fees in certain states, these taxes or government fees are not assessed to Lifeline customers subscribing to the 250 Minute Talk plan.

\*The Active User Talk & Text Plan provides for a combined 4000 voice minutes and text messages. Each text message counts as one minute of voice service.

Plan Additions	Rate/Price
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#### Additional Minutes for 250 Minute Talk

50 minutes	5.00
100 minutes	\$10.00
150 minutes	\$15.00

**Text Message Add-on for 250 Minute Talk\*\*** \$10.00

\* Applicable taxes and government fees are assessed to the above Plan Additions.

\*\*The Text Message Add-on provides 1000 text messages.

**Lifeline Credits**

**Federal Lifeline Credit**

**\$9.25**

Service Period for all plans: All airtime (airtime associated with a particular plan, as well as additional purchased minutes, text messages or other services), expires at the end of each 30-day cycle whether subscriber uses the airtime or not. No airtime (whether associated with a particular plan or purchased separately) is carried over to the next 30-day period.

Budget PrePay, Inc.  
d/b/a Budget Mobile

EXHIBIT 5

NOTICE OF APPROVAL OF COMPLIANCE PLAN

Budget PrePay, Inc.  
d/b/a Budget Mobile  
Application for ETC Designation  
Idaho Public Utilities Commission

Exhibit 5



# PUBLIC NOTICE

Federal Communications Commission  
445 12<sup>th</sup> St., S.W.  
Washington, D.C. 20554

News Media Information 202 / 418-0500  
Internet: <http://www.fcc.gov>  
TTY: 1-888-835-5322

DA 12-828

Release Date: May 25, 2012

## WIRELINE COMPETITION BUREAU APPROVES THE COMPLIANCE PLANS OF AMERICAN BROADBAND & TELECOMMUNICATIONS, BUDGET PREPAY, CONSUMER CELLULAR, GLOBAL CONNECTION, TERRACOM AND TOTAL CALL

WC Docket Nos. 09-197 and 11-42

The Wireline Competition Bureau (Bureau) approves compliance plans of six telecommunications carriers: American Broadband & Telecommunications; Budget Prepay, Inc.; Consumer Cellular, Inc.; Global Connection, Inc. of America; TerraCom, Inc.; and Total Call Mobile, Inc. filed pursuant to the *Lifeline Reform Order* as a condition of obtaining forbearance from the facilities requirement of the Communications Act of 1934, as amended (the Act), for the provision of Lifeline service.<sup>1</sup>

The Act provides that in order to be designated as an eligible telecommunications carrier for the purpose of universal service support, a carrier must “offer the services that are supported by Federal universal service support mechanisms . . . either using its own facilities or a combination of its own facilities and resale of another carrier’s services . . .”<sup>2</sup> The Commission recently amended its rules to define voice telephony as the supported service and removed directory assistance and operator services, among other things, from the list of supported services.<sup>3</sup> As a result of these amendments, many Lifeline-only ETCs that previously met the facilities requirement by relying on operator services, directory assistance or other previously supported services no longer meet the facilities requirement of the Act.<sup>4</sup> In the *Lifeline Reform Order*, the Commission found that a grant of blanket forbearance of the facilities

<sup>1</sup> See *Lifeline and Link Up Reform and Modernization et al.*, WC Docket No. 11-42 *et al.*, Report and Order and Further Notice of Proposed Rulemaking, FCC 12-11, at paras. 379-380 (rel. Feb. 6, 2012) (*Lifeline Reform Order*). A list of the compliance plans approved through this Public Notice can be found in the Appendix to this Public Notice.

<sup>2</sup> 47 U.S.C. § 214(e)(1)(A).

<sup>3</sup> See *Connect America Fund*, WC Docket No. 10-90 *et al.*, Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 17663, 17692-93, paras. 77-78, 80 (2011) (*USF/ICC Transformation Order*); *pets. for review pending sub nom. In re: FCC 11-161*, No. 11-9900 (10th Cir. filed Dec. 8, 2011); *Connect America Fund*, WC Docket No. 10-90 *et al.*, Order on Reconsideration, 26 FCC Rcd 17633, 17634-35, para. 4 (2011) (*USF/ICC Transformation Order on Reconsideration*).

<sup>4</sup> See *Lifeline Reform Order*, FCC 12-11, at para. 366, App. A; *USF/ICC Transformation Order on Reconsideration* at para. 4. Some ETCs have included language in their compliance plans indicating that they have facilities or plan to acquire facilities in the future. See, e.g., Budget PrePay, Inc. Petition for Designation as an Eligible Telecommunications Carrier, WC Docket Nos. 09-197 and 11-42, Compliance Plan of Budget PrePay, Inc. at 3 n. 6 (filed May 1, 2012). To the extent ETCs seek to avail themselves of the conditional forbearance relief established in the *Lifeline Reform Order*, we presume they lack facilities to provide the supported service under section 54.101 and 54.401 of the Commission’s rules. See 47 C.F.R. §§ 54.101 and 54.401. Such ETCs must comply with the compliance plan approved herein in each state or territory where they are designated as an ETC, regardless of their claim of facilities for other purposes, such as eligibility for state universal service funding.

requirement, subject to certain public safety and compliance obligations, is appropriate for carriers seeking to provide Lifeline-only service.<sup>5</sup> Therefore, in the *Lifeline Reform Order*, the Commission conditionally granted forbearance from the Act's facilities requirement to all telecommunications carriers seeking Lifeline-only ETC designation, subject to the following conditions: (1) compliance with certain 911 and enhanced 911 (E911) public safety requirements; and (2) Bureau approval of a compliance plan providing specific information regarding the carrier and its service offerings and outlining the measures the carrier will take to implement the obligations contained in the *Order*.<sup>6</sup>

The Bureau has reviewed the compliance plans listed in the Appendix for conformance with the *Lifeline Reform Order*, and now approves those six compliance plans.<sup>7</sup>

Filings, including the Compliance Plans identified in the Appendix, and comments are available for public inspection and copying during regular business hours at the FCC Reference Information Center, Portals II, 445 12<sup>th</sup> Street, S.W., Room CY-A257, Washington, D.C. 20554. They may also be purchased from the Commission's duplicating contractor, Best Copy and Printing, Inc., Portals II, 445 12<sup>th</sup> Street, S.W., Room CY-B402, Washington, D.C. 20554, telephone: (202) 488-5300, fax: (202) 448-5563, or via email [www.bcpweb.com](http://www.bcpweb.com).

People with Disabilities: To request materials in accessible formats for people with disabilities (Braille, large print, electronic files, audio format), send an email to [fcc504@fcc.gov](mailto:fcc504@fcc.gov) or call the Consumer & Governmental Affairs Bureau at (202) 418-7400 or TTY (202) 418-0484.

For further information, please contact Divya Shenoy, Telecommunications Access Policy Division, Wireline Competition Bureau at (202) 418-7400 or TTY (202) 418-0484.

- FCC -

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<sup>5</sup> See *Lifeline Reform Order*, FCC 12-11 at paras. 368-381.

<sup>6</sup> See *id.* at paras. 373 and 389. Subsequently, the Bureau provided guidance for carriers submitting compliance plans pursuant to the *Lifeline Reform Order*. *Wireline Competition Bureau Provides Guidance for the Submission of Compliance Plans Pursuant to the Lifeline Reform Order*, WC Docket Nos. 09-197 and 11-42, Public Notice, 27 FCC Rcd 2186 (Wireline Comp. Bur. 2012).

<sup>7</sup> The Commission has not acted on any pending ETC petitions filed by these carriers, and this Public Notice only approves the compliance plans of the carriers listed above. While these compliance plans contain information on each carrier's Lifeline offering, we leave it to the designating authority to determine whether or not the carrier's Lifeline offerings are sufficient to serve consumers. See *Lifeline Reform Order*, FCC 12-11 at paras. 50 and 387.

**Appendix**

<b>Petitioner</b>	<b>Compliance Plans As Captioned by Petitioner</b>	<b>Date of Filing</b>	<b>Docket Numbers</b>
American Broadband & Telecommunications	American Broadband & Telecommunications Revised Compliance Plan	April 27, 2012	09-197; 11-42
Budget PrePay, Inc.	Compliance Plan of Budget PrePay, Inc.	May 1, 2012	09-197; 11-42
Consumer Cellular, Inc.	Consumer Cellular Amended Revised Compliance Plan	April 18, 2012	09-197; 11-42
Global Connection, Inc. of America	Global Connection Inc. of America Compliance Plan	April 30, 2012	09-197; 11-42
TerraCom, Inc.	TerraCom, Inc. Second Revised Blanket Forbearance Compliance Plan	May 1, 2012	09-197; 11-42
Total Call Mobile, Inc.	Total Call, Inc. Revised Compliance Plan	May 17, 2012	09-197; 11-42



Budget PrePay, Inc.  
d/b/a Budget Mobile

EXHIBIT 6  
BIOGRAPHIES OF PRESIDENT AND  
CHIEF FINANCIAL OFFICER

Budget PrePay, Inc.  
d/b/a Budget Mobile  
Application for ETC Designation  
Idaho Public Utilities Commission

Exhibit 6

## **R. Daniel Hyde III**

R. Daniel Hyde III is President of Budget Prepay, Inc., the largest prepaid home phone/telecommunications company in the United States. Hyde has provided 15 years of sales and management expertise to Budget Prepay, Inc. and has been instrumental in helping its growth into a \$100 million business,

Product research, training, team-building and top management skills have been key components to Hyde's success in developing an effective sales staff and a proven methodology to customer service.

Based in Bossier City, Louisiana, Budget Prepay, Inc. provides prepaid telecom products to hundreds of thousands of customers in 42 states with more than 9,000 agents nationwide. In addition to prepaid home phone, Hyde's team of sales representatives and regional managers has introduced multiple other prepaid products to agents and their customers, including prepaid cellular handsets and recharge minutes, international long distance cards, virtual bill paying stations, and prepaid wireless internet.

His energy, innovation, and strong interpersonal skills keep Hyde motivated and inspiring to every member of the Budget Prepay team.

Hyde is a native of El Paso, Texas and a 1991 graduate from the University of Texas at El Paso. Upon graduation and moving to Louisiana, Hyde helped his father "Smokey" develop and build two paging companies in the Shreveport/Bossier City area, accumulating more than 40,000 subscribers

## **David Donahue**

David Donahue joined Budget on June 2, 2010 as Chief Financial Officer. Donahue worked previously at VCFO with more than 23 years of experience in manufacturing, software, telecommunications and retail industries. Donahue was responsible for all company financial reporting and strategic planning as well as SEC reporting and analysis. Donahue developed and managed the operating budgets and financial models for multiple companies in his past. He has experience in year-end audits, tax reporting initiatives and coordinated all SOX compliance issues for multiple companies.

Donahue brings to Budget a wealth of knowledge and expertise in accounting, finance, operations, audit human resource management and software implementations for companies such as Holly Corporation, Capps Car Rentals, HealthVision, Puente-Brancato Companies, Viscern, Skywire Software and more. Prior to joining VCFO, Donahue served as the CFO for Axtive Corporation, a publicly-traded integrated technology solution provider for middle market companies. Prior to Axtive Corporation, as CFO of Philips Speech Processing North and South America, a division of Philips Electronics, a provider of speech technology for telecom applications; as Controller of The Pegasus Companies, a publicly traded firm with interests in retail and medical technology and as Controller/VP of Financial of Optical Corporation of America, a national chain of 145 optical retail stores.

Donahue received his CPA in 1990 and received his BS in Accounting from Louisiana Tech University.