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
	)	
Budget PrePay, Inc.	)	
	)	
Petition for Limited Designation as an Eligible Telecommunications Carrier in the District of Columbia	)	

PETITION OF BUDGET PREPAY, INC. FOR LIMITED DESIGNATION AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER IN THE DISTRICT OF COLUMBIA

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April 18, 2011

SUMMARY

Budget PrePay, Inc. ("Budget PrePay") respectfully submits this Petition for Limited Designation as an Eligible Telecommunications Carrier ("ETC") pursuant to Section 214(e)(6) of the Communications Act of 1934, as amended (the "Act"), and Section 54.201 *et seq.* of the FCC's rules. Budget PrePay seeks designation as an ETC throughout the District of Columbia solely for the limited purpose of offering Lifeline and Link Up services to end-user customers in the state. Budget PrePay does not seek funding from the Universal Service Fund's ("USF") high-cost program.

Sections 214(e) and 254 of the Act expressly authorize the FCC to designate Budget PrePay as an ETC. Section 214(e)(6) of the Act provides that the FCC may designate a common carrier as an ETC where, as here, that carrier's services are not subject to the jurisdiction of a state commission. Budget PrePay has provided an affirmative statement from the District of Columbia Public Service Commission that it lacks jurisdiction over wireless providers for purposes of ETC designations.

Budget PrePay meets each of the statutory and regulatory prerequisites for designation as an ETC. In addition, consumers qualifying for the Lifeline and Link Up discounts offered by Budget PrePay will receive the benefits of mobility, as well as the high-quality and high-value services offered by Budget PrePay at a substantially discounted price. As a result, designating Budget PrePay as an ETC will serve the public interest generally, and the needs of low-income customers in the District of Columbia in particular.

TABLE OF CONTENTS

I. BACKGROUND. 2

A. Budget PrePay. 2

B. Designation of Eligible Telecommunications Carriers. 2

C. Scope of Budget PrePay's ETC Designation Request. 3

D. Description of Budget PrePay's Lifeline Service Offering. 3

II. THE REGULATORY AGENCY IN DELAWARE HAS PROVIDED AN AFFIRMATIVE STATEMENT THAT IT DOES NOT REGULATE CMRS CARRIERS FOR ETC DESIGNATION PURPOSES. 4

A. Budget PrePay Is a Common Carrier. 5

B. Budget PrePay Will Provide the Supported Services Through a Combination of Facilities-Based Service and Resale. 5

C. Budget PrePay Offers the Services and Functionalities Supported by the Federal Low-Income Universal Service Program [47 C.F.R. § 54.201(d)] 6

D. Budget PrePay Will Advertise the Availability of and Charges for Its Universal Service Qualifying Offerings [47 C.F.R. § 54.201(d)(2)] 9

E. Budget PrePay Will Satisfy Its Additional Obligations as an ETC and Offers to Make Certain Voluntary Commitments. 9

IV. DESIGNATING BUDGET PREPAY AS A COMPETITIVE ETC WILL SERVE THE PUBLIC INTEREST. 12

V. ANTI-DRUG ABUSE CERTIFICATION 16

VI. CONCLUSION 16

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PETITION OF BUDGET PREPAY, INC. FOR LIMITED DESIGNATION AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER IN THE DISTRICT OF COLUMBIA

Budget PrePay, Inc. ("Budget PrePay" or "Company")[1] respectfully submits this Petition for Limited Designation as an Eligible Telecommunications Carrier ("ETC") pursuant to Section 214(e)(6) of the Communications Act of 1934, as amended (the "Act"),[2] and Section 54.201 *et seq.* of the FCC's rules.[3] Budget PrePay seeks designation as a competitive ETC throughout the District of Columbia only for the limited purpose of offering wireless prepaid services and providing applicable Lifeline and Link Up discounts to qualified District of Columbia residents. As demonstrated herein, and as certified in Exhibit A, Budget PrePay meets each of the statutory and regulatory prerequisites for ETC designation. Accordingly, Budget PrePay respectfully requests that the FCC grant this Petition expeditiously so that qualified District of Columbia

[1] Budget PrePay, based in Bossier City, Louisiana, and founded in 1996, also provides low-cost prepaid home telephone services, in addition to its prepaid wireless services, on a nationwide basis to over 60,000 customers through a system of more than 6,800 active agents.

[2] 47 U.S.C. § 214(e)(6).

[3] 47 C.F.R. § 54.201 *et seq.*

residents can benefit from the high-quality and high-value services that the Company plans to offer.

I. BACKGROUND.

A. Budget PrePay.

Consistent with the requirements of Section 54.201(d)(1) of the Commission's rules, Budget PrePay will rely on a combination of resold services, which the Company will obtain through agreements with one or more national wireless providers which hold commercial mobile wireless service licenses throughout the District of Columbia, and Budget PrePay's own facilities to provide its prepaid wireless services in the District of Columbia. In addition, Budget PrePay will rely on its switches located in Dallas, Texas, and Shreveport, Louisiana, to provide access to directory assistance, access to some interexchange services (for routing certain domestic and all non-domestic calls) and for the provision of toll limitation services, and provide operator services, as that term is defined in Section 54.101(a)(6) of the Commission's Rules.

B. Designation of Eligible Telecommunications Carriers.

Sections 214(e) and 254 of the Act expressly authorize the FCC to designate Budget PrePay as an ETC.[4] Section 214(e)(6) of the Act provides that the FCC may designate a common carrier as an ETC where, as here, that carrier's services are not subject to the jurisdiction of a state commission.[5] That provision further states that the FCC may, in the case of any area in the District of Columbia served by a rural telephone company, and shall, in the case of any other area in the District of Columbia, designate more than one common carrier as an

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[4] 47 U.S.C. §§ 214(e), 254.

[5] 47 U.S.C. § 214(e)(6). The District of Columbia Public Service Commission ("PSC") has confirmed that wireless communications carriers, such as Budget PrePay, are not subject to state jurisdiction for purposes of ETC designation. *See* Exhibit B hereto. *See also Federal-State Joint Board on Universal Service*, Twelfth Report and Order and Further Notice of Proposed Rulemaking, 15 FCC Rcd 12208, at ¶ 96 (2000).

ETC, provided the requesting carrier: (i) offers services that are supported by federal universal service support mechanisms; and (ii) advertises the availability of such services.[6] The FCC's rules impose additional requirements on a common carrier seeking designation as an ETC. As demonstrated below, Budget PrePay satisfies each of these requirements.

C. Scope of Budget PrePay's ETC Designation Request.

Budget PrePay seeks ETC designation only for the limited purpose of receiving available support from the federal USF Low Income program (*i.e.*, Lifeline and Link Up support). Budget PrePay will not seek funding from the USF high-cost program. As more fully described below, the instant request to participate in the Lifeline program promotes the goals of universal service and offers many benefits to low-income customers in the District of Columbia. Budget PrePay's Lifeline plans will provide affordable and convenient wireless services to qualifying customers, many of whom are otherwise unable to afford any telecommunications service.

D. Description of Budget PrePay's Lifeline Service Offering.

Budget PrePay's initial non-Lifeline wireless service retail plan in the District of Columbia is $45.50 every 30 days and includes: unlimited local and long distance calling, unlimited texting, caller ID, call waiting and voicemail. Budget PrePay plans to offer the same plan to its Lifeline customers, who will receive the added benefit of the Lifeline discount. Though subject to change – and Budget PrePay may ultimately decide to expand the number of Lifeline service plan options available to eligible Lifeline customers – Budget PrePay's proposed initial Lifeline offering in the District of Columbia is summarized in the table below:[7]

[6] 47 U.S.C. § 214(e)(6).

[7] Budget PrePay will offer Tier 1, 2 and 3 support within its ETC designation area. Budget PrePay will also the offer Tier 4 Lifeline support to qualifying customers of tribal lands.

Proposed District of Columbia Lifeline Offering	
Budget PrePay's Unlimited Talk & Text Service	$45.50
District of Columbia Lifeline Credit	($13.50)[8]
Total Cost of Lifeline Offering (absent any applicable taxes and fees)	$32.00

II. THE REGULATORY AGENCY IN DELAWARE HAS PROVIDED AN AFFIRMATIVE STATEMENT THAT IT DOES NOT REGULATE CMRS CARRIERS FOR ETC DESIGNATION PURPOSES.

Section 254(e) of the Act provides that "only an eligible telecommunications carrier designated under Section 214(e) shall be eligible to receive specific universal service support." The Act reserves the authority to designate entities as ETCs to state public utility commissions.[9] Pursuant to Section 214(e)(6), however, the FCC may designate as an ETC "a common carrier providing telephone exchange service and exchange access that is not subject to the jurisdiction of a state commission . . . ."[10] The FCC has established that a carrier must demonstrate that it "is not subject to the jurisdiction of a state commission" before the FCC will review any ETC designation application.[11] The FCC also has stated that any carrier seeking ETC designation

[8] Because Tier 1 support levels in the District of Columbia are below $6.50, Budget may provide Tier 3 support at a level above $3.50 at its own expense in order to ensure that all Lifeline customers in the District of Columbia receive a minimum $13.50 discount on their Lifeline service from Budget PrePay.

[9] 47 U.S.C. § 254(e).

[10] 47 U.S.C. § 214(e)(6).

[11] *Procedures for FCC Designation of Eligible Telecommunications Carriers Pursuant to Section 214(e)(6) of the Communications Act*, Public Notice, 12 FCC Rcd 29947, 29948 (1997).

from it must provide an "affirmative statement" from the state commission that it lacks jurisdiction to perform the ETC designation.[12]

The District of Columbia PSC has provided an affirmative statement that it lacks jurisdiction over wireless providers for purposes of ETC designations. The letter enclosed as Exhibit B meets the FCC's requirements for an affirmative statement from a state commission that requests for ETC designation are not within its jurisdiction and should be sought from the FCC. Accordingly, Budget PrePay requests that the FCC designate it as "a common carrier providing telephone exchange service and exchange access that is not subject to the jurisdiction of a State commission...."[13]

III. BUDGET PREPAY SATISFIES THE STATUTORY AND REGULATORY PREREQUISITES FOR DESIGNATION AS AN ETC.

Budget PrePay satisfies each of the statutory and regulatory prerequisites set forth in the Act and the FCC's rules:

A. Budget PrePay Is a Common Carrier.

Section 3(10) of the Act, 47 U.S.C. § 153(10), defines a common carrier as "any person engaged as a common carrier for hire, in interstate or foreign communications by wire or radio.…" Budget PrePay meets the definition of a person, offers interstate communications by radio, and is a common carrier for hire.

B. Budget PrePay Will Provide the Supported Services Through a Combination of Facilities-Based Service and Resale.

Budget PrePay operates as a reseller for most of the supported services, purchasing them on a wholesale basis from one or more national wireless carriers. However, Budget PrePay will

[12] *See Federal-State Joint Board on Universal Service; Promoting Deployment and Subscribership in Unserved and Underserved Areas, Including Tribal and Insular Areas*, Twelfth Report and Order and Further Notice of Proposed Rulemaking, 15 FCC Rcd 12208, 12264 (2000).

[13] 47 U.S.C. § 214(e)(6).

rely on its switches located in Dallas, Texas, and Shreveport, Louisiana, to provide access to directory assistance, access to some interexchange services (for routing certain domestic and all non-domestic calls) and for the provision of toll limitation services, and provide operator services, as that term is defined in Section 54.101(a)(6) of the Commission's Rules. Accordingly, Budget PrePay qualifies as a facilities-based carrier as defined by the federal statute and as defined by the Commission.[14]

C. Budget PrePay Offers the Services and Functionalities Supported by the Federal Low-Income Universal Service Program [47 C.F.R. § 54.201(d)]

Budget PrePay provides each of the services supported by federal universal service support mechanisms, as set forth in 47 C.F.R. § 54.101, and will offer these supported services throughout the areas in the District of Columbia in which it is designated as an ETC. As noted earlier, Budget PrePay will provide these supported services using a combination of its own facilities and resale arrangements with one or more national wireless carriers. A description of how the supported services are provided follows:

1. Voice Grade Access [47 C.F.R. § 54.101(a)(1)]. "Voice grade access" permits a telecommunications user to transmit voice communications, including signaling the network that the caller wishes to place a call, and to receive voice communications, including receiving a signal that there is an incoming call. Budget PrePay's customers in the District of Columbia will be able to make and receive calls on the public switched telephone network with a minimum bandwidth of 300 to 3000 Hertz.

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[14] 47 U.S.C. § 214(e)(1); *see also Federal-State Joint Board on Universal Service, Report and Order*, 12 FCC Rcd 8776, 8870-71 (1997) ("We conclude, therefore, that, if a carrier uses its own facilities to provide at least one of the designated services, and the carrier otherwise meets the definition of 'facilities' adopted above, then the facilities requirement of section 214(e) is satisfied. For example, we conclude that a carrier could satisfy the facilities requirement by using its own facilities to provide access to operator services, while providing the remaining services designated for support through resale."); *id.* at 8871 ("[S]ection 214(e) does not mandate the use of any particular level of a carrier's own facilities.").

2. Local Usage [47 C.F.R. § 54.101(a)(2)]. "'Local usage' means an amount of minutes of use of exchange service, prescribed by the FCC, provided free of charge to end users."[15] The FCC has interpreted its rule as requiring carriers to offer customers rate plans offering varying amounts of local usage.[16] Though Budget PrePay may ultimately decide to expand the number of Lifeline service plan options available to eligible Lifeline customers, Budget PrePay intends to initially offer qualifying customers an "unlimited talk & text" wireless plan that will provide unlimited local usage. This "unlimited talk & text" plan satisfies the FCC's "local usage" requirement.

3. Dual Tone Multi-Frequency Signaling or Its Functional Equivalent [47 C.F.R. § 54.101(a)(3)]. Dual tone multi-frequency ("DTMF") signaling is a method of signaling that facilitates the transmission of call set-up and call detail information. The FCC has recognized that, with respect to wireless carriers, it "is appropriate to support out-of-band signaling mechanisms as an alternative to DTMF signaling."[17] Budget PrePay satisfies this requirement by using out-of-band digital signaling and in-band multi-frequency signaling that is the functional equivalent to DTMF signaling.

4. Single-Party Service or its Functional Equivalent [47 C.F.R. § 54.101(a)(4)]. With respect to wireless carriers, "single-party service" affords a user a dedicated message path for the length of a user's particular transmission. Budget PrePay meets this requirement with respect to each of its service offerings by providing a dedicated message path for the length of its subscribers' calls.

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[15] 47 C.F.R. § 54.101(a)(2).

[16] *See Western Wireless Corp., Petition for Designation as an Eligible Telecommunications Carrier in the State of Wyoming*, CC Docket No. 96-45, Memorandum Opinion and Order, 16 FCC Rcd 48, 52 ¶ 10 (2000).

[17] *Federal-State Joint Board on Universal Service*, Report and Order, 12 FCC Rcd 8776, at ¶ 71 (1997).

5. Access to Emergency Services [47 C.F.R. § 54.101(a)(5)]. "Access to emergency service" includes access to services, such as 911 and enhanced 911 ("E-911"), provided by local governments or other public safety organizations. All of the phones that Budget PrePay distributes in the District of Columbia are capable of delivering automatic numbering information ("ANI") and automatic location information ("ALI"), and otherwise satisfy applicable state and federal E-911 requirements.

6. Access to Operator Services [47 C.F.R. § 54.101(a)(6)]. "Access to operator services" means access to automated or live operator assistance provided to a customer to arrange for the billing or completion, or both, of a telephone call. Budget PrePay meets this "supported services" requirement through its own live operators employed by the Company that are available to assist customers.

7. Access to Interexchange Service [47 C.F.R. § 54.101(a)(7)]. With respect to wireless carriers, "access to interexchange service" means access to the functional equivalent of the use of the wireline telecommunications loop, as well as that portion of the switch that is paid for by the end user, necessary to access an interexchange carrier's network. Budget PrePay meets this requirement by providing all of its subscribers with the ability to make and receive interexchange or toll calls with domestic toll calling on an unlimited basis. Budget PrePay will rely on its own switches located in Dallas, Texas, and Shreveport, Louisiana, to provide access to some interexchange services (for routing certain domestic and all non-domestic calls).

8. Directory Assistance [47 C.F.R. § 54.101(a)(8)]. "Access to directory assistance" means access to a service that includes, but is not limited to, making available to customers, upon request, information contained in directory listings. Budget PrePay meets this requirement by providing access to directory assistance to customers. Budget PrePay subscribers

will be able to dial #4007 to reach directory assistance from their mobile phones. Budget PrePay's own switches and facilities will be used to provide access to directory assistance.

9. Toll Limitation [47 C.F.R. § 54.101(a)(9)]. "Toll limitation" includes the offering of either "toll control" or "toll blocking" to qualifying low-income customers, as a means of limiting or blocking the completion of outgoing toll calls. Budget PrePay will offer toll limitation service using its own facilities to qualifying low-income customers, as requested.

D. Budget PrePay Will Advertise the Availability of and Charges for Its Universal Service Qualifying Offerings [47 C.F.R. § 54.201(d)(2)]

Budget PrePay will advertise the availability of the supported services detailed above, and the corresponding rates and charges, in a manner designed to inform the general public within the District of Columbia. This advertising will occur through a combination of media channels, such as television and radio, newspaper, magazine and other print advertisements, outdoor advertising, direct marketing, and the Internet.

E. Budget PrePay Will Satisfy Its Additional Obligations as an ETC and Offers to Make Certain Voluntary Commitments.

In addition to those requirements set forth in Section 54.201 of the FCC's rules, Budget PrePay will satisfy other ETC requirements adopted by the FCC as applicable. In particular:

1. Satisfaction of Applicable Consumer Protection and Service Quality Standards [47 C.F.R. § 54.202(a)(3)]. Budget PrePay will comply with all applicable state and federal consumer protection and service quality standards. Further, Budget PrePay will abide by CTIA's Consumer Code for Wireless Service ("CTIA Code"). Budget PrePay is committed to compliance with the CTIA Code in those areas where it is seeking designation as an ETC. In particular, Budget PrePay will use its best efforts to resolve any complaints received by the FCC

and designates the following contact person to work with FCC staff to resolve any complaints or other compliance matters:

R. Danny Hyde III
Budget PrePay, Inc.
1325 Barksdale Blvd.
Bossier City, Louisiana 71111
dhyde@budgetprepay.com

2. Local Usage Plan [47 C.F.R. § 54.202(a)(4)]. As noted earlier, Budget PrePay's non-Lifeline wireless service retail plan is $45.50 every 30 days and includes: unlimited local and long distance calling, unlimited texting, caller ID, call waiting and voicemail. With the Lifeline discount, Budget PrePay will offer the same package to eligible Lifeline customers at a discounted rate – after the Lifeline credit is applied – of $32.00. As a result, Budget PrePay's local usage plan is comparable to those offered by incumbent local exchange carriers in the service areas for which Budget PrePay seeks ETC designation.

3. Equal Access [47 C.F.R. § 54.202(a)(5)]. Budget PrePay acknowledges that the FCC may require it to provide equal access to long distance carriers in the event that no other ETC is providing equal access within the service area involved.

4. Lifeline Certification and Verification [47 C.F.R. § 54.410]. Budget PrePay will certify and verify consumer eligibility to participate in the Lifeline and Link Up programs in accordance with FCC rules.

5. Additional Voluntary Commitments. In addition, Budget PrePay offers to make the following voluntary commitments consistent with recent commitments made to the FCC by Virgin Mobile USA to combat the potential for waste, fraud and abuse with respect to its provision of Lifeline services in the District of Columbia.[18] Specifically, until the Commission

[18] *See Ex Parte* Letter from Antoinette C. Bush and John M. Beahn, Counsel to Virgin Mobile USA, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 09-197 (dated Dec. 14, 2010).

implements regulations of general applicability regarding treatment of inactive prepaid Lifeline accounts and households receiving multiple Lifeline discounts that may contravene Lifeline rules as currently in effect, Budget PrePay commits to implementing the following procedures in the District of Columbia within 30 days of the effective date of any order approving the Company's pending ETC designation request:

- When Budget PrePay offers service through a prepaid platform, it will implement a 60-day inactivity policy in all states where it provides prepaid Lifeline services, unless directed otherwise by a state public utility commission ("PUC").[19] Under this policy, if no usage appears on a Budget PrePay prepaid Lifeline customer's account during any continuous 60-day period, Budget PrePay will promptly notify the customer that the customer is no longer eligible for Budget PrePay Lifeline service subject to a 30-day grace period. During the 30-day grace period, the customer's account will remain active, but Budget PrePay will engage in outreach efforts to determine whether the customer desires to remain on Budget PrePay's Lifeline service. If the prepaid customer's account does not show any customer-specific activity during the grace period (such as making or receiving a voice call, receiving or sending a text message, downloading data or adding money to the account), Budget PrePay will deactivate Lifeline services for that customer. In addition, the Company will not seek to recover a federal Universal Service Fund subsidy for the free minutes provided to the customer during the grace period or thereafter report that customer on its USAC Form 497.

- Budget PrePay will follow any established FCC or state PUC procedures to comply with the "one-per-household rule" for Lifeline support. In addition, Budget PrePay will make available state-specific customer data, including name and address, to the Universal Service Administrative Company ("USAC") and to each state PUC where it operates for the purpose of permitting USAC or the PUC to determine whether an existing Budget PrePay Lifeline customer receives Lifeline service from another carrier. Budget PrePay will promptly investigate any notification that it receives from USAC or the state PUC 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 the Commission's regulations, or if otherwise

[19] Budget PrePay expects that certain state PUCs or similar agencies may seek to incorporate state-specific variations to the policy. Other PUCs may oppose implementation of any inactivity policy in their justifications. Consequently, Budget PrePay may modify the parameters of the inactivity policy described herein after consultation with the District of Columbia PSC. Budget PrePay will notify the Commission should the District of Columbia PSC oppose implementation of an inactivity policy in any form in its state.

directed by USAC or the state PUC, Budget PrePay will immediately notify the customer and no longer report that customer to USAC on FCC Form 497.

- Budget PrePay will: (1) provide its Lifeline customers with 911 and E911 access regardless of activation status (if it provides the customer with prepaid service) availability of prepaid minutes; and (2) provide E911-compliant handsets to all of its Lifeline customers; and (3) replace, at no charge to a customer, any non-compliant handset of an existing customer that obtains Lifeline-supported services with an E911-compliant handset.

- Budget PrePay will: (1) require each customer to self-certify at time of service activation and annually thereafter that he or she is the head of household and receives Lifeline-supported service only from Budget PrePay; (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 (4) certify that it is in full compliance with any applicable 91l/E911 obligations, including obligations relating to the provision, and support, of 911 and E911 service for each state in which Budget PrePay is designated as an ETC.
- Budget PrePay 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 and prohibit more than one supported Budget PrePay service at each residential address. Additionally, Budget PrePay will maintain the customer's self-certification and provide the documentation to the Commission upon request.
- Budget PrePay will distribute its Lifeline service directly to its Lifeline customers. Customers may purchase handsets at retail stores, but Budget PrePay will deal directly with the customer to certify and verify the customer's Lifeline eligibility. When establishing initial and continued eligibility, Budget PrePay will have direct contact with the Lifeline customer.

IV. DESIGNATING BUDGET PREPAY AS A COMPETITIVE ETC WILL SERVE THE PUBLIC INTEREST.

One of the principal goals of the Act, as amended by the Telecommunications Act of 1996, is "to secure lower prices and higher quality services for American telecommunications consumers and encourage the rapid deployment of new telecommunications technologies" to all citizens, regardless of geographic location or income.[20] Designating Budget PrePay as an ETC

[20] Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56.

will serve the public interest generally, and the needs of low-income customers in the District of Columbia in particular.

The public interest benefits associated with the Company's wireless service include larger local calling areas (as compared to traditional wireline carriers' calling areas), the convenience and personal security afforded by mobile telephone service, the opportunity for customers to receive a high-value wireless plan that provides unlimited local and domestic long distance, and emergency services (911 and, where available, E911 services) in accordance with FCC requirements. The inclusion of unlimited domestic toll calling as a part of Budget PrePay's wireless offering will allow consumers to avoid the risk of becoming burdened with large and unexpected charges for the toll calling and unexpected overage charges. Additionally, wireless service greatly benefits consumers who routinely drive long distances to attend work or school or to accomplish everyday tasks such as shopping or attending community and social events.

Budget PrePay will offer a unique pre-paid option that is designed to provide consumers who, due to credit or deposit requirements, may not be able to obtain the safety and convenience of telephone service from traditional providers, and Budget PrePay customers are never obligated to pay for a period of service that exceeds 30 days. Unlike many wireless providers, Budget's service offering is a high-value wireless service that includes unlimited local and domestic long distance calling, unlimited text messaging, caller ID, call waiting and voicemail, all without any of the credit check, deposit and contract requirements imposed by the more traditional wireline and wireless service providers.

In addition, through the Link Up program, Budget PrePay will be able to provide consumers with a reduction in the cost of the fees associated with the connection of service. Assistance under the Link Up program is in the form of a "reduction in the carrier's customary

charge for commencing telecommunications service for a single telecommunications connection" and "shall be half of the customary charge or $30.00, whichever is less."[21] Consistent with FCC requirements, Budget PrePay will use Link Up support to reduce the Company's "customary charge for commencing service" for eligible residents. In addition, qualifying subscribers will have the option of deferring the reduced activation charge over a twelve-month period with no interest charges, allowing subscribers to obtain service without being required to pay any upfront fees to activate service with Budget PrePay. Budget PrePay's "customary charge for commencing service" excludes the cost of the wireless handset.

Because Budget PrePay's service is provided with no credit check, deposit requirement, minimum service periods, 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. The wireless service offered by Budget PrePay 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 PrePay expects that many qualified consumers will select the wireless Lifeline and Link Up service in lieu of the more traditional wireline or wireless services. Budget PrePay will fulfill a critical role in the marketplace by ensuring that many Americans who cannot qualify for, or afford, the services provided by other wireless providers can still enjoy the benefits of wireless telecommunications.

Budget PrePay has specifically tailored its wireless service plan to provide the numerous benefits of mobile wireless telecommunications to underserved customers who have been left behind by other providers, and without the typical strings attached (such as credit checks, long-

[21] *See* 47 C.F.R. § 54.411(a)(1).

term commitments, and early termination fees) that otherwise prevent many economically disadvantaged customers from obtaining wireless services.

By this Petition, Budget PrePay seeks to make it easier for low-income Americans to access basic voice and data services. The primary purpose of universal service is to ensure that consumers—especially low-income consumers— receive affordable and comparable telecommunications services. A 2008 study has found such services to be a vital economic resource for low-income consumers that lead to improved wage levels and personal safety.[22] Given this context, designating Budget PrePay as an ETC would benefit consumers eligible for Lifeline services. The Company's participation in the Lifeline program also undoubtedly would increase opportunities for it to serve District of Columbia customers with appealing and affordable service offerings.

Designation of Budget PrePay as an ETC would also promote competition. Budget PrePay will bring the same entrepreneurial spirit that has reinvigorated the wireless industry to the Lifeline market in the District of Columbia, helping to redefine the wireless experience for many low-income consumers in the state. Other carriers, therefore, will have the incentive to improve their existing service offerings and tailor service plans to contain service terms and features appealing to lower-income customers. Budget PrePay has emphasized customer service as a pillar of its marketplace success since service launch. To that end, as noted earlier, Budget PrePay commits to comply with the CTIA Code if designated as an ETC in the District of Columbia.

[22] *See* Nicholas P, Sullivan, "Cell Phone Provide Significant Economic Gains for Low-Income American Households: A Review of Literature and Data from Two New Surveys," April 2008, accessed at http://www.newmillenniumresearch.org/archive/Sullivan_Report_032608.pdf.

Designation of Budget PrePay as an ETC in the District of Columbia would enable the Company to offer more appealing and affordable service offerings to low-income customers to ensure that they are able to afford wireless services on a consistent and uninterrupted basis. Without question, wireless services have become essential for lower-income citizens, providing them with value for their money, access to emergency services on wireless devices, and a reliable means of contact for prospective employers, social service agencies or dependents. Providing Budget PrePay with the authority necessary to offer discounted Lifeline services to those most in danger of losing wireless service altogether undoubtedly promotes the public interest.

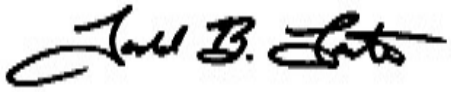
V. ANTI-DRUG ABUSE CERTIFICATION

No party to this Petition is subject to denial of federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1998, 21 U.S.C. § 862.

VI. CONCLUSION

Based on the foregoing, Budget PrePay has demonstrated its eligibility for designation as an ETC. Accordingly, Budget PrePay respectfully requests that the FCC grant this Petition expeditiously.

Respectfully submitted,



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Counsel for Budget PrePay, Inc.

April 18, 2011

EXHIBIT A

CERTIFICATION

CERTIFICATION

I, R. Danny Hyde, III, do hereby declare under penalty of perjury as follows:

1. I am the Chief Executive 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 Petition for Limited Designation as an Eligible Telecommunications Carrier in the District of Columbia and confirm the information contained therein to be true and correct to the best of my knowledge.

3. To the best of my knowledge, the Company referred to in the foregoing Petition, including all officers, directors, or persons holding five percent or more of the outstanding stock or shares (voting or non-voting) are not subject to denial of federal benefits, including FCC benefits, pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 862.

4. I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

R. Danny Hyde, III
Chief Executive Officer
Budget PrePay, Inc.

Subscribed and sworn before me
This 7th day of April, 2011.

Notary Public

PATRICK D. NIX
NOTARY PUBLIC, #35044
CADDO PARISH LOUISIANA
My Commission is for Life

EXHIBIT B

Letter Affirming District of Columbia's PSC's Lack of Jurisdiction Over Competitive ETC Designation Applications

Public Service Commission of the District of Columbia
1333 H Street, N.W., 2nd Floor, West Tower
Washington, D.C. 20005
(202) 626-5100
www.dcpsc.org

December 27, 2007

Via First Class & Certified Mail

Ms. Debra McGuire Mercer
Counsel for TracFone Wireless, Inc.
Greenberg Traurig
2101 L Street, NW, Suite 1000
Washington, DC 20037

Dear Ms. Mercer:

Thank you for your December 6, 2007 letter stating TracFone Wireless's intent to be designated as an eligible telecommunications carrier in the District of Columbia. As you are aware, the Public Service Commission of the District of Columbia ("Commission") does not have jurisdiction over wireless carriers operating in the District of Columbia, pursuant to section 34-2006(b) of the District of Columbia Code. Thus, the Commission has no authority to designate TracFone Wireless as an eligible telecommunications carrier in the District of Columbia.

Attached please find a copy of the relevant section of the District of Columbia Code for your information. Should you need anything further, please contact me at 202-626-5140 or rbeverly@psc.dc.gov.

Sincerely,

Richard A. Beverly
General Counsel

Enclosure

Welcome to the online source for the District of Columbia Official Code

DC ST § 34-2006
Formerly cited as DC ST 1981 § 43-1456

DC ST § 34-2006

Formerly cited as DC ST 1981 § 43-1456

District of Columbia Official Code 2001 Edition Currentness
Division V. Local Business Affairs

Title 34. Public Utilities. (Refs & Annos)

Subtitle V. Telecommunications.

Chapter 20. Telecommunications Competition. (Refs & Annos)

➡§ 34-2006. Exemptions.

(a) This chapter shall not apply to cable television services performed pursuant to an existing cable television franchise agreement with the District of Columbia which is in effect on September 9, 1996. To the extent that a cable television company seeks to provide local exchange services within the District of Columbia, such company shall be regulated under the provisions of this chapter for their local exchange services.

(b) Pursuant to the federal Telecommunications Act of 1996, this chapter shall not apply to licensed or unlicensed wireless services authorized by the Federal Communications Commission operating in the District of Columbia.

CREDIT(S)

(Sept. 9, 1996, D.C. Law 11-154, § 7, 43 DCR 3736.)

HISTORICAL AND STATUTORY NOTES

Prior Codifications

1981 Ed., § 43-1456.

Legislative History of Laws

For legislative history of D.C. Law 11-154, see Historical and Statutory Notes following § 34-2001.

References in Text

The federal Telecommunications Act of 1996, referred to in (b), is Pub. L. 104-104, which is codified throughout Title 47 of the United States Code.

DC CODE § 34-2006