

**BEFORE THE
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

In the Matter of the Petition of

BUDGET PREPAY, INC.
For Limited Designation as an Eligible
Telecommunications Carrier and for
Waiver of Certain Requirements in
WAC 480-123-030

Docket No. _____

**PETITION OF BUDGET PREPAY, INC. FOR LIMITED DESIGNATION AS AN
ELIGIBLE TELECOMMUNICATIONS CARRIER IN WASHINGTON**

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SUMMARY

Budget PrePay, Inc. (“Budget PrePay”) respectfully submits this Petition for Limited Designation as an Eligible Telecommunications Carrier (“ETC”) pursuant to Section 214(e)(2) of the Communications Act of 1934, as amended (the “Act”), Section 54.201 *et seq.* of the FCC’s rules, and WAC Chapter 480-123. Budget PrePay seeks designation as an ETC throughout the State of Washington 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 or Washington Telephone Assistance Program (“WTAP”) funding. Budget PrePay also seeks waiver of the requirements set forth in WAC 480-123-030 (d), (f), and (g).

Sections 214(e)(2) and 254 of the Act expressly authorize the Commission to designate Budget PrePay as an ETC. Budget PrePay meets each of the statutory and regulatory prerequisites for designation as an ETC, except as set forth in the waiver request. 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 Washington in particular. Accordingly, Budget PrePay respectfully requests that the Commission grant this Petition expeditiously so that qualified Washington residents can benefit from the high-quality and high-value services that the Company plans to offer.

I. BACKGROUND.

A. Budget PrePay.

Budget PrePay, Inc. (“Budget PrePay” or “Company”) is based in Bossier City, Louisiana and was founded in 1996. The Company 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. As demonstrated herein, and as certified in Exhibit A, Budget PrePay meets each of the statutory and regulatory prerequisites for ETC designation.

Consistent with the requirements of Section 54.201(d)(1) of the FCC’s rules, Budget PrePay will rely on a combination of resold wireless services, which the Company has obtained through agreements with one or more national wireless providers which hold commercial mobile wireless service licenses throughout the State of Washington, and Budget PrePay’s own facilities to provide its prepaid wireless services in the State of Washington. 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 to provide operator services, as that term is defined in Section 54.101(a)(6) of the FCC’s Rules.

B. Designation of Eligible Telecommunications Carriers.

Sections 214(e)(2) and 254 of the Act expressly authorize this Commission to designate Budget PrePay as an ETC.¹ Section 214(e) further provides that the Commission may, in the case of any area in Washington served by a rural telephone company, and shall, in the case of any other area in Washington, designate more than one common carrier as an ETC, provided the requesting carrier: (i) offers services that are supported by federal universal service support

¹ 47 U.S.C. §§ 214(e)(2), 254.

mechanisms; and (ii) advertises the availability of such services. The FCC's and this Commission'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 Washington. 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 unlimited Lifeline wireless service plan is \$45.50 every 30 days and includes: unlimited nationwide calling, unlimited texting, caller ID, call waiting, voicemail and no contract commitment. The unlimited Lifeline wireless service plan is summarized in the table below:²

² Budget PrePay will offer Tier 1, 2 and 3 support within its ETC designation area and will provide the full \$5.25 Tier 3 support based on the Company's own Tier 3 contribution of \$3.50. Budget PrePay will also offer Tier 4 Lifeline support to qualifying customers of tribal lands.

Proposed Washington Lifeline Offering	
Budget PrePay’s Unlimited Talk & Text Service	\$45.50
Washington Lifeline Credit	(\$13.50)
Total Cost of Lifeline Offering in Washington (absent any applicable taxes and fees)	\$32.00

In addition, Budget PrePay plans to offer a second Lifeline plan that will include a free Lifeline handset and 250 nationwide calling minutes per month, caller ID, call waiting and voicemail with no contract commitment and at no cost to the customer once the Lifeline discount is applied.

Residents of Tribal Lands will have the option to participate in either Lifeline plan. Tribal Lands residents that choose the unlimited Lifeline plan will receive an additional \$25.00 Lifeline credit, thereby reducing the cost of the unlimited Lifeline plan for Tribal Lands residents to \$7.00. Residents of Tribal Lands who choose the second Lifeline plan will receive a free Lifeline handset and 700 nationwide calling minutes per month, as well as caller ID, call waiting and voicemail with no contract commitment for only \$1.00 per month once the enhanced Lifeline discount available to Tribal Lands residents is applied.

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 believes that these proposed service plans to Lifeline customers in Washington will be received well by Washington residents and generate significant interest

II. 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 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 FCC's Rules. Accordingly, Budget PrePay qualifies as a facilities-based carrier as defined by the federal statute and as defined by the FCC.³ This Commission recently reached this same conclusion in *In the matter of the Petition of YourTel America, Inc.*, Order No. 1, Docket UT-1423 (April 21, 2011)(“*YourTel Order*”)(“Because directory assistance and operator services are two components of the basic

³ 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.”).

telephone service supported by the federal USF, Staff considers the Company meets the minimal facility requirements prescribed by the Federal Communications Commission (FCC).”)

C. Budget PrePay Offers the Services and Functionalities Supported by the Federal Low-Income Universal Service Program [47 C.F.R. §§ 54.101(a) and 54.201(d)(1)]

Budget PrePay provides each of the services supported by federal universal service support mechanisms, as set forth in 47 C.F.R. § 54.101(a), and will offer these supported services throughout the areas in the State of Washington 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 Washington will be able to make and receive calls on the public switched telephone network with a minimum bandwidth of 300 to 3000 Hertz.

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.”⁴ The FCC has interpreted its rule as requiring carriers to offer customers rate plans offering varying amounts of local usage.⁵ Though Budget PrePay may ultimately decide to expand the number of Lifeline service plan options available to eligible Lifeline customers,

⁴ 47 C.F.R. § 54.101(a)(2).

⁵ 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).

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.”⁶ 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.

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 Washington 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

⁶ *Federal-State Joint Board on Universal Service*, Report and Order, 12 FCC Rcd 8776, at 71 (1997).

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 Washington and to inform residents of federally recognized Indian reservations in Washington of the availability of Tribal Lifeline service. 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. Additionally, residents of federally recognized Indian reservations will be made aware of the opportunities afforded through wireless Lifeline and Link-Up programs through Tribal outreach ad campaigns. Such as, informational posters in chapter houses, advertisements in Tribal newsletters, and radio stations whose programming is targeted at communities where qualified residents would likely be in attendance.

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 Sections 54.101 and 54.201 of the FCC's rules, Budget PrePay will satisfy other ETC requirements adopted by the FCC and this Commission, 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. Budget PrePay will also use its best efforts to resolve any complaints received by the Commission and designates the following contact person to work with Commission staff to resolve any complaints or other compliance matters:

Robin Enkey
Budget PrePay, Inc.
1325 Barksdale Blvd.
Bossier City, Louisiana 71111
robine@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 Commission 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 to combat the potential for waste, fraud and abuse with respect to its provision of Lifeline services in Washington. Specifically, Budget PrePay commits to implementing the following procedures in Washington within 30 days of the effective date of an order approving the Company’s pending ETC designation request:

- Budget PrePay will follow any established FCC or WUTC procedures to comply with the “one-per-household rule” for Lifeline support. Budget PrePay will promptly investigate any notification that it receives from the Universal Service Administrative Company (“USAC”), the WUTC, or the Washington DSHS 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 FCC's regulations, or if otherwise directed by USAC or the WUTC, Budget PrePay will immediately notify the customer and no longer report that customer to USAC on its FCC Form 497.

- Budget PrePay will: (1) provide its Lifeline customers with 911 and E911 access regardless of activation status (in providing customers with prepaid service) or the availability of prepaid minutes on the customer's account; (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.

III. BUDGET PREPAY WILL MAKE THE SAME COMMITMENTS THIS COMMISSION HAS REQUIRED OF OTHER LIMITED PRE-PAID WIRELESS ETCs.

A. Budget PrePay Will Satisfy Additional Obligations Regarding Customer Eligibility As This Commission Has Previously Required.

As the Commission directed in paragraph 16 of the *YourTel Order*, Budget PrePay will abide by the following procedure of customer eligibility verification, as prescribed by the federal rules and Washington's conditions on its ETC designation:

1. The Company will use the list of WTAP-eligible public assistance programs in WAC 388-273-0020 (1) (not the list in 47 C.F.R. § 54.409(b)), as well as the federal income-based eligibility criteria. The use of the list of state public assistance programs is to ensure that the Washington Department of Social and Health Services (DSHS) can verify the Company's customer records.

2. The Company will use customers' self-certification forms to process program-based Lifeline applications, as prescribed by 47 C.F.R. § 54.409(d); the Company should follow 47 C.F.R. §54.410(a) and (b) to process income-based Lifeline applications.

3. The Company will follow 47 C.F.R. §54.410(c)(2) to select a statistically valid random sample of the Company's Lifeline consumers to verify their continued eligibility and collect proof documents. The Company will report the survey result to the Universal Service Administration Company (USAC). The Company will file a copy of the survey result to the Commission by August 31 of each year.

4. Annually, Budget Prepay will notify each Lifeline customer prior to the service anniversary date, requiring them to confirm the continued eligibility by self-certification. Any customers who do not confirm their eligibility within 30 days of receipt of the verification notice will be removed from the Lifeline program.

5. To process Lifeline applications based on participation in qualifying public assistance programs, the Company will cooperate with the Commission and the DSHS to work out a procedure to verify the applicant's eligibility. The Company will obtain access to the DSHS' online database to verify whether an applicant is receiving one of the qualifying public assistance benefits.

6. To process Lifeline applications based on income criteria, the Company will follow the income certification and verification requirements in 47 C.F.R. § 54.410 and other applicable instructions from the FCC and USAC. The Company will require such customers to present documentations of their household income prior to enrollment.

7. By March 31 of each year, the Company will file with the Commission its complete Lifeline customer records of the prior calendar year. The customer records are subject to review of the Commission and DSHS. The records will have all the necessary information and be in an electronic format required by DSHS. After being notified of the results of the review, the Company will take appropriate measures to either correct the customer records or stop providing services to ineligible customers and report the resolutions to the agencies within 60 days of the notice.

B. Budget PrePay Will Meet The Additional Conditions This Commission Has Previously Imposed In Granting ETC Petitions For Lifeline And Link Up Support.

As required by Appendix B to the *YourTel Order*, Budget PrePay will comply with the following additional Commission conditions:

1. Budget PrePay's designation as an Eligible Telecommunications Carrier (ETC) shall be for an interim period of one year from the effective date of the Commission's Order approving such designation, subject to Commission review. Before the end of one year after the effective date of the Order, Budget PrePay may seek to renew its designation pursuant to WAC 480-123-030 through -040. Budget PrePay's designation for the interim period will continue until the Commission's decision on the renewed designation of Budget PrePay.

2. Within 30 days of approval of its ETC designation in Washington and prior to offering Lifeline services, Budget PrePay must make a compliance filing for approval by the Commission containing the following:

a. Budget PrePay's Lifeline rate plans, terms and conditions. The rates, terms and conditions will include all provisions that apply to the Lifeline services offered by Budget PrePay in Washington and detailed procedures explaining how customers can participate in a particular Lifeline plan.

b. Budget PrePay's proposed language to be used in all advertising of Lifeline services and on its websites. The language will include information directing customers to the Washington State Office of the Attorney General for complaints regarding any Lifeline service issues.

c. Budget PrePay's Lifeline Customer Application Form. Commission Staff will review Budget PrePay's compliance filing and recommend to the Commission whether it should be

approved or rejected within ten business days. Budget PrePay will not offer Lifeline services until the Commission has approved its compliance filing.

3. Budget PrePay will file with the Commission any future changes to its rates, terms, or conditions at least one day prior to the effective date of the change.

4. The information on Budget PrePay's rates, terms and conditions will be provided in a package sent to Lifeline customers after enrollment in Budget PrePay's Lifeline program, as well as at Budget PrePay's official Lifeline websites.

5. Budget PrePay will also provide Lifeline customers with the choice of all other rate plans available to its regular customers.

6. Budget PrePay will also offer Lifeline customers a minimum of 250 minutes on all its rate plans.

7. Budget PrePay will deactivate a Lifeline account if the customer has no usage for 60 consecutive days. No fewer than eight business days before deactivation, Budget PrePay will send the customer a written notice by mail about the potential deactivation and ways to avoid unwanted deactivation. The customer will have a 30-day grace period from the deactivation date to reactivate the Lifeline account by making a call. When a customer reactivates the account, the customer will be able to use the allotment of free minutes deposited into the customer's account by Budget PrePay.

8. On a quarterly basis beginning with the quarter ending on December 31, 2011, Budget PrePay will provide the number of Lifeline customers that it enrolls each month. Budget PrePay will also report the number of deactivated Lifeline customers each month by service plan and the reasons for deactivation (e.g., no usage for 60 consecutive days, annual verification unsuccessful, or voluntary exit). Quarterly reports will be filed with the Commission no later than 30 days after the end of each quarter.

9. Budget PrePay will respond within 30 days to Commission Staff's information requests on Budget PrePay's Lifeline operations, including but not limited to Lifeline customers' usage patterns and Lifeline customer records.

10. Budget PrePay will cooperate with the Commission and the Department of Social and Health Services (DSHS) to work out a procedure to verify Budget PrePay Lifeline customers' eligibility.

11. Budget PrePay will not deduct airtime minutes for calls to customer care made from the customer's handset by dialing 611. Budget PrePay will explicitly state the policy of free 611 calls in its Lifeline service agreements. Budget PrePay may require the customer to call the toll-free customer care number from another phone, if necessary, to resolve technical issues related to the handset or its programming.

12. By March 31 of each year, Budget PrePay will file with the Commission its complete Lifeline customer records of the prior calendar year. The customer records are subject to review of the Commission and DSHS. The records must have all the necessary information and be in an electronic format required by DSHS. After the Commission and DSHS notify Budget PrePay of the results of the review, Budget PrePay must take appropriate measures to either correct the customer

records or stop providing services to ineligible customers and report the resolutions to the agencies within 60 days of the notice.

13. Budget PrePay will provide the Commission a copy of its annual Lifeline Verification survey results that it files with USAC by August 31 of each year.

14. Budget PrePay will file with the Commission, by March 31 of each year, a report on the number of complaints, categorized by the different nature of complaints that it received from Washington Lifeline customers during the prior calendar year (e.g., billing disputes and service quality complaints). This report will include complaints filed with Budget PrePay, the Commission's Consumer Protection and Communications Section, the Washington State Office of the Attorney General, and the Federal Communications Commission (FCC). The Commission reserves the rights to revoke Budget PrePay's ETC designation if Budget PrePay fails to provide reasonable quality of service.

15. Budget PrePay will cooperate with the Washington State Enhanced 911 Program (E911) and all Public Safety Answering Points on E911 issues and will, upon request, designate a representative to serve as a member or alternate member of the Washington State E911 Advisory Committee or its Communications Sub-committee.

16. Budget PrePay will participate in the Washington State E911 Program's "What's Your Location" public information campaign if the E911 Program requests the participation of wireless carriers.

17. Budget PrePay will collaborate with the Washington State E911 Program to test the compatibility of its handsets with the new Emergency Service Information Network in Washington, including supplying handsets representative of Budget PrePay's proprietary software and technical assistance should call delivery discrepancies be discovered.

18. Budget PrePay will comply with rules on cessation of business as specified in WAC 480-120-083.

a. Prior to cessation of business, Budget PrePay will make arrangements with its underlying carriers to provide minutes already sold to customers under the same terms and conditions it has with the customers, or provide refunds to the existing customers.

b. Budget PrePay will provide written notice to the following persons at least 30 days in advance of cessation of service:

- i. The Commission;
- ii. The state 911 program;
- iii. Each of its customers;
- iv. The national number administrator.

c. The notice provided to the Commission and the state 911 program must include the same information required by WAC 480-120-083 (3).

d. The notice provided to the customers must include the same information required by WAC 480-120-083 (4).

e. The notice provided to the national number administrator must include the same information required by WAC 480-120-083 (7).

f. Budget PrePay will file with the Commission at least 30 days in advance of its cessation of business and request the relinquishment of its ETC designation in Washington.

19. Budget PrePay will collect and maintain necessary records and documentation to ensure its compliance with the applicable FCC and Commission requirements, including existing requirements and any future modifications. The records and documentation will be provided to Commission Staff upon request.

20. Budget PrePay will cooperate with Commission Staff on phone number conservation issues and will comply with 47 C.F.R. Part 52.

21. Budget PrePay will comply with all applicable federal and Washington statutes and regulations, including Enhanced 911 tax contributions.

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.⁷ Designating Budget PrePay as an ETC will serve the public interest generally, and the needs of low-income customers in Washington needing unlimited local and long distance calling, 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 in one of Budget PrePay’s wireless offerings will allow consumers to avoid the risk of becoming burdened with large and

⁷ Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56.

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, one of Budget's service offerings 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."⁸ 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.

⁸ See 47 C.F.R. § 54.411(a)(1).

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 plans 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-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.⁹ Given this context, designating Budget PrePay as an ETC would benefit consumers eligible for

⁹ 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.

Lifeline services. The Company's participation in the Lifeline program also undoubtedly would increase opportunities for it to serve Washington 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 Washington, 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 Washington.

Designation of Budget PrePay as an ETC in Washington 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. BUDGET PREPAY REQUESTS WAIVER OF THREE COMMISSION REQUIREMENTS THAT ARE INAPPLICABLE TO ITS LIMITED REQUEST.

Budget PrePay requests that the Commission exempt it from requirements set forth in WAC 480-123-030(d), which provides that an ETC petitioner must include a plan of investment to be made with the federal support and a description of how the expenditures will benefit

customers. This requirement was adopted for carriers seeking high-cost support to fund investments to their networks. Budget PrePay seeks only a limited designation as an ETC for Lifeline and Link-Up support. Because the Company will pass all Lifeline and Link-Up credits through to eligible customers, Budget PrePay has no basis for filing an investment plan, and should be granted a waiver of this requirement, as the Commission did in the recent *YourTel Order*.

Budget PrePay also seeks a waiver of the requirement in WAC 480-123-030(f) to provide a map in .shp format of proposed service areas (exchanges) with existing and planned locations of cell sites and shading to indicate where the carrier provides and plans to provide commercial mobile radio service signals. While Budget PrePay will be serving with some facilities of its own, its wireless coverage will be provided solely by reselling the wireless services of other carriers. Budget PrePay does not own or control cell sites nor the spectrum needed to develop cell sites in Washington. Budget PrePay does not have the permission of its underlying carriers to provide coverage maps to the Commission. Given that Budget PrePay does not have access to the maps, the Company requests a waiver of the requirement to provide coverage maps.

The Commission recently waived this requirement in the *YourTel Order* on the same grounds.

As described above, Budget PrePay does not own or operate any cell site or microwave hubs, since it will provide service in Washington by reselling services of other wireless network carriers. Those network operators have implemented state-of-the-art network reliability standards and Budget PrePay and its customers will benefit from their high standards. Budget PrePay will have the ability to provide for the rerouting of traffic around damaged facilities and management of traffic spikes resulting from emergency situations through its wireless service provider and its own. The requirement in WAC 480-123-030(g) that Budget PrePay demonstrate that it has back-up battery power or generators for anything other than its own facilities is not

applicable. Accordingly, Budget PrePay seeks a waiver of the requirements of subsection (g), as the Commission granted in the recent *YourTel Order*.

VI. CONCLUSION

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

Respectfully submitted this 29th day of August, 2011.

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EXHIBITS

- Exhibit A - Certification
- Exhibit B - Articles of Incorporation
- Exhibit C - Certificate of Authority to Conduct Business in Washington
- Exhibit D - Information Regarding Handsets
- Exhibit E - Wire Centers
- Exhibit F - Sample Advertising
- Exhibit G - Customer Terms and Conditions