

**BEFORE THE WASHINGTON STATE  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of	)	DOCKET UT-111570
	)	
BUDGET PREPAY, INC.,	)	ORDER 01
	)	
	)	
	)	ORDER GRANTING THE PETITION
	)	FOR EXEMPTION FROM
	)	PROVISIONS OF WAC 480-123-
For an Exemption from WAC 480-123- 030(1)(d), (f) and (g); and Designation as an Eligible Telecommunications Carrier	)	030(1)(d), (f) and (g) AND
	)	DESIGNATION AS AN ELIGIBLE
	)	TELECOMMUNICATIONS
	)	CARRIER
.....	)	

**INTRODUCTION AND BACKGROUND**

- 1     On August 29, 2011, Budget PrePay, Inc. (Budget or Company) filed a petition with the Washington Utilities and Transportation Commission (UTC or Commission) requesting designation as an Eligible Telecommunications Carrier (ETC) pursuant to Section 214(e)(2) of the Communications Act of 1934, as amended (the Act), and Washington Administrative Code (WAC) 480-123-030. Budget seeks ETC designation in Washington for the purpose of receiving the federal Low Income Support (Lifeline and Link Up) support that subsidizes monthly charges and the initial connection charges for basic telephone service for qualified low-income households. Lifeline and Link Up supports are part of the federal Universal Service Fund (USF). Budget seeks ETC designation for exchanges listed in Appendix A. The Company will not withdraw funds from the state Lifeline program, Washington Telephone Assistance Program (WTAP).
- 2     Budget is based in Bossier City, Louisiana and was founded in 1996. It provides wireline and wireless prepaid telephone services. Currently it has to close to 400,000 wireless customers nationwide. For wireless services, it is primarily a resale-based provider utilizing Verizon and Sprint’s network. It is designated as an ETC in Arkansas, Kentucky, Louisiana, Maryland, Michigan, Nevada, Pennsylvania, Rhode Island, and Wisconsin.
- 3     Budget filed four amendments to its original petition. On September 19, 2012, the Company filed a supplement, including a commitment statement to deal with customers directly, a Certificate of Authority and a Certificate of Existence/Authorization issued by the Washington Secretary of State and a revised handset replacement policy. On March 8, 2012, the Company filed an amendment to clarify some issues. It informed the Commission it submitted a Compliance Plan to the Federal Communications Commission (FCC) to seek forbearance from the “own facilities” requirement under 47 U.S.C. § 214(e)(1)(A). It clarifies that it no longer seeks Link Up support from the federal Low Income Program. It also stated its compliance with the revised federal rules on the

Lifeline program implemented in the FCC's *Lifeline and Link Up Reform Order*.<sup>1</sup> On May 30, 2012, the Company informed the Commission that the FCC approved its Compliance Plan, hence granting the Company forbearance from the "own facilities" requirement under 214(e)(1)(A) of the Act. On June 25, 2012, Budget amended its petition to update its Lifeline rate plans and ETC status in other states. It also clarified its handset replacement policy and free 611 customer care service.

- 4 The Commission has jurisdiction over ETC petitions. Section 214 (e) of the Act authorizes state regulatory commissions to designate a qualified common carrier as an ETC for the purpose of receiving federal Universal Service Fund.<sup>2</sup> By rule, WAC 480-123-040, the Commission has the authority to approve petitions from carriers requesting ETC designation. The Commission's authority to grant or deny petitions for ETC designation includes the authority to impose conditions.<sup>3</sup>

### DISCUSSION

- 5 Commission Staff (Staff) finds that Budget qualifies for ETC designation with the proposed conditions in Appendix B. Pursuant to 47 U.S.C. § 214(e)(2), state commissions may designate more than one carrier as an ETC in an area if such designation is "consistent with the public interest, convenience, and necessity" and the carrier seeking designation as an ETC meets the two requirements of 47 U.S.C. § 214(e)(1):

- (A) offer the services that are supported by federal universal service support mechanisms under section 254(c), either using its own facilities or a combination of its own facilities and resale of another carrier's services (including the services offered by another eligible telecommunications carrier); and
- (B) advertise the availability of such services and the charges therefore using media of general distribution.

- 6 Budget is a common carrier. It is a wireless service reseller that relies on its underlying network provider's facilities to offer services supported by federal universal service mechanisms, as defined in 47 C.F.R. § 54.101(a). Based on the FCC's *Lifeline and Link Up Reform Order*, the FCC forbear from applying the Act's facilities-based requirement to all carriers that seek limited ETC designation to participate in the Lifeline program on the condition that the FCC's Wireline Competition Bureau approves such ETC applicant's Compliance Plan.<sup>4</sup> The Compliance Plan must demonstrate the ETC applicant's commitment to fight waste, fraud and abuse in the Lifeline program and

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<sup>1</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 and Link Up Reform Order*").

<sup>2</sup> 47 U.S.C. § 214(e)(2); 47 C.F.R. § 54.201(c).

<sup>3</sup> *In the Matter of the Petition of TracFone Wireless, Inc. for Exemption from WAC 480-123-030(1)(d),(f) and (g); and Designation as an Eligible Telecommunications Carrier for the Purpose of Receiving Lifeline Support from the Federal Universal Service Fund*, Order 03 (June 24, 2010), UT-093012, ¶ 78.

<sup>4</sup> *Lifeline and Link Up Reform Order*, ¶¶ 361 - 381.

describe its adherence to the revised federal Lifeline rules. Budget has met the forbearance condition. Its Compliance Plan was approved by the FCC on May 25, 2012.<sup>5</sup> The Company also commits that it will advertise the availability of Lifeline services.

- 7 The Company meets the requirements of the Washington rule on ETC designation, WAC 480-123-030, except subsections (1)(d), (f) and (g). WAC 480-123-030(1)(d) requires an ETC petitioner to provide a “substantive plan of the investments to be made with initial federal support during the first two years in which support is received and a substantive description of how those expenditures will benefit customers.” Budget requests an exemption from the requirement because the Company seeks only Lifeline support, not federal High Cost Support. It does not have the obligation to use federal USF for infrastructure investment. WAC 480-123-030(1)(f) requires a wireless ETC petitioner 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.” WAC 480-123-030(1)(g) requires a wireless ETC to have “at least four hours of back up battery power at each cell site, back up generators at each microwave hub, and at least five hours back up battery power and back up generators at each switch.” Budget requests an exemption from the subsections (1)(f) and (1)(g) because it does not have access to its underlying carriers’ coverage map, nor did it have control over its underlying carriers’ emergency power back up facilities. Staff supports the Company’s request for exemption from the three requirements under WAC 480-123-030. The exemption is consistent with the public interest, the purposes underlying regulation, and applicable statutes. Granting the exemption will also be consistent with the Commission’s designations of other Lifeline-only ETCs such as TracFone Wireless, Inc. (TracFone), Virgin Mobile USA, L. P. (Virgin Mobile), YourTel American, Inc. (YourTel) and Cricket Communications, Inc. (Cricket).
- 8 Budget’s Lifeline service plans are very similar to TracFone, Virgin Mobile and YourTel’s. It offers two Lifeline rate plans. The first one is called “Active User Talk & Text,” which includes a combined 4000 voice minutes and text messages. Each text message counts as one minute of voice service. The plan is priced at \$34.25 per month for non-Lifeline customers plus taxes and fees, \$25.00 per month for Lifeline customers plus taxes and fees, and free for tribal Lifeline customers. The second plan is “250 Minute Talk,” which includes 250 voice minutes. It is priced at \$9.25 per month for non-Lifeline customers (including taxes and fees) and free for Lifeline customers. Budget will provide customers with a refurbished wireless handset with a 30 day replacement policy. No activation fee will be charged. Additional voice minutes and text messages can be purchased separately.

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<sup>5</sup> *Wireline Competition Bureau Approved the Compliance Plans of American Broadband & Telecommunications, Budget PrePay, Consumer Cellular, Global Connection, Terracom and Total Call*, FCC Public Notice, WC Docket Nos. 09-197 and 11-42, DA 12-828 (rel. May 25, 2012).

- 9 Staff reviewed the Company's technical and financial capabilities to provide the supported Lifeline service and carefully considered relevant factors suggested in the FCC's recent Lifeline and Link Up Reform Order.<sup>6</sup> Based on the Company's operational history and its financial statements in recent years, Staff concludes that the Company is technically and financially capable of providing the supported Lifeline service in compliance with all the low-income program rules.
- 10 In the proceedings involving the ETC petitions of TracFone, Virgin Mobile, YourTel and Cricket, Staff recommended additional conditions to ensure that the companies would provide Lifeline services in a manner consistent with the public interest. Staff recommends that the Commission apply a similar set of conditions to Budget's ETC designation. Given the recent implementation of uniform Lifeline eligibility criteria by the FCC, Staff recommends the Commission require Budget to use the federal default eligibility criteria in 47 C.F.R. § 54.409(2).<sup>7</sup> As with all other similarly situated Lifeline-ETCs in Washington, Staff encourages Budget to work with the Department of Social and Health Services (DSHS) to gain access to their beneficiary verification query database to verify the eligibility of those customers whose qualification is based on their participation in Medicaid, Supplemental Nutrition Assistance Program, Supplemental Security Income and Temporary Assistance for Needy Families. For customers who qualify based on their participation in the three additional federal assistance programs that are not in the DSHS database, or for customers who qualify based on income-based criteria, the Company must review relevant proof documentations, as specified in 47 C.F.R. § 54.410. Budget is also required to provide its relevant customer records to the Commission and the DSHS at least on an annual basis for the purpose of identifying ineligible customers or customers who receive duplicate Lifeline benefits from the Company and a wireline Lifeline provider. This condition will be in place until the FCC's National Accountability Database and the National Lifeline Eligibility Database are fully functional.

### FINDINGS AND CONCLUSIONS

- 11 (1) The Commission has jurisdiction over eligible telecommunications carriers in Washington and the subject matter of this Order pursuant to 47 U.S. C. § 214(e)(2), 47 C.F.R. §§ 54.201(b)-(c) and WAC 480-123-040.
- 12 (2) Budget PrePay, Inc. (Budget) commits to offer all services that are to be supported by the federal universal service support mechanisms set forth in 47 U.S.C. § 254(c) and 47 C.F.R. § 54.101(a) and advertise the availability of the services.

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<sup>6</sup> *Lifeline and Link Up Reform Order*, ¶¶ 388.

<sup>7</sup> The rationale is detailed in Staff memo on Cricket Communications, Inc.'s ETC designation petition in Docket UT-111534.

- 13 (3) Subject to the conditions in this Order and except for the requested exemption, Budget meets the requirements for ETC designation under 47 U.S. C. § 214(e)(1), 47 C.F.R. § 54.201(d) and WAC 480-123-030.
- 14 (4) The Commission finds that granting Budget's petition for an exemption from the requirement of submitting an investment plan in WAC 480-123-030(1)(d), (f) and (g) is consistent with the public interest, the purposes underlying regulation, and applicable statutes.
- 15 (5) The Commission finds that granting Budget's petition for designation as an Eligible Telecommunications Carrier for the purpose of receiving federal Lifeline support, subject to the conditions in this Order, will advance the purposes of universal service found in 47 U.S.C. § 254. The designation will benefit low-income households in Washington. The designation is in the public interest and should be granted subject to the conditions set forth in Appendix B to this Order.
- 16 (6) The Commission should retain jurisdiction over the subject matter and the parties to effectuate the terms of this Order.
- 17 (7) The Commission should reserve the right to modify the ETC designation and the conditions at a future date.

**ORDER**

**THE COMMISSION ORDERS:**

- 18 (1) The Commission grants the petition of Budget PrePay, Inc. for an exemption from WAC 480-123-030(1)(d), (f) and (g) which require the filing of an substantive investment plan, wireless network maps and certification on back up power capabilities, respectively.
- 19 (2) The Commission grants the petition of Budget PrePay, Inc. for designation as an Eligible Telecommunications Carrier for the purpose of receiving Low Income Support (Lifeline) from the federal Universal Service Fund in service areas specified in Appendix A to this Order. The designation is subject to the conditions set forth in Appendix B to this Order.
- 20 (3) Budget PrePay, Inc. must comply with applicable federal laws and regulations on ETC obligations and requirements.
- 21 (4) Budget PrePay, Inc. must comply with Washington's rules on ETC obligations and requirements set forth in WAC 480-123, with the exception of WAC 480-123-030(1)(d).

- 22 (5) The Commission retains jurisdiction over the subject matter and the parties to this proceeding.
- 23 (6) The Commission has authority to modify, suspend, or revoke Buget PrePay, Inc.'s ETC designation granted in this Order at a future date.

DATED at Olympia, Washington, and effective August 6, 2012.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

JEFFREY D. GOLTZ, Chairman

PATRICK J. OSHIE, Commissioner

**Appendix A**

**Budget PrePay, Inc.  
Areas for Eligible Telecommunications Carrier Designation**

<b><u>INCUMBENT LOCAL EXCHANGE CARRIER</u></b>	<b><u>EXCHANGE</u></b>
CenturyTel of Cowiche, Inc.	Cowiche
CenturyTel of Cowiche, Inc.	Tieton
CenturyTel of Inter Island, Inc.	Blakely Island
CenturyTel of Inter Island, Inc.	Friday Harbor
CenturyTel of Washington, Inc.	Ames Lake
CenturyTel of Washington, Inc.	Arletta
CenturyTel of Washington, Inc.	Basin City
CenturyTel of Washington, Inc.	Beaver
CenturyTel of Washington, Inc.	Carnation
CenturyTel of Washington, Inc.	Cheney
CenturyTel of Washington, Inc.	Chewelah
CenturyTel of Washington, Inc.	Clallam Bay
CenturyTel of Washington, Inc.	Clearwater
CenturyTel of Washington, Inc.	Connell
CenturyTel of Washington, Inc.	Edwall-Tyler
CenturyTel of Washington, Inc.	Elma
CenturyTel of Washington, Inc.	Eltopia
CenturyTel of Washington, Inc.	Fall City
CenturyTel of Washington, Inc.	Forks
CenturyTel of Washington, Inc.	Fox Island
CenturyTel of Washington, Inc.	Gig Harbor
CenturyTel of Washington, Inc.	Hansville
CenturyTel of Washington, Inc.	Humptulips
CenturyTel of Washington, Inc.	Kahlotus
CenturyTel of Washington, Inc.	Kingston
CenturyTel of Washington, Inc.	Lake Quinault
CenturyTel of Washington, Inc.	Lakebay
CenturyTel of Washington, Inc.	Lind
CenturyTel of Washington, Inc.	Mathews Corner
CenturyTel of Washington, Inc.	McCleary
CenturyTel of Washington, Inc.	Medical Lake
CenturyTel of Washington, Inc.	Mesa
CenturyTel of Washington, Inc.	Montesano

<b><u>INCUMBENT LOCAL EXCHANGE CARRIER</u></b>	<b><u>EXCHANGE</u></b>
CenturyTel of Washington, Inc.	Neah Bay
CenturyTel of Washington, Inc.	North Bend
CenturyTel of Washington, Inc.	Ocosta
CenturyTel of Washington, Inc.	Orting
CenturyTel of Washington, Inc.	Pacific Beach
CenturyTel of Washington, Inc.	Reardan
CenturyTel of Washington, Inc.	Ritzville
CenturyTel of Washington, Inc.	Royal City
CenturyTel of Washington, Inc.	Snoqualmie Pass
CenturyTel of Washington, Inc.	South Prairie
CenturyTel of Washington, Inc.	Spangle
CenturyTel of Washington, Inc.	Sprague
CenturyTel of Washington, Inc.	Starbuck
CenturyTel of Washington, Inc.	Twisp
CenturyTel of Washington, Inc.	Vader
CenturyTel of Washington, Inc.	Vashon
CenturyTel of Washington, Inc.	Washtucna
Ellensburg Telephone Company	Ellensburg
Ellensburg Telephone Company	Kittitas
Ellensburg Telephone Company	Lauderdale
Ellensburg Telephone Company	Selah
Ellensburg Telephone Company	Thorp
Ellensburg Telephone Company	Vantage
Frontier Communications Northwest Inc.	Acme
Frontier Communications Northwest Inc.	Alger
Frontier Communications Northwest Inc.	Anacortes
Frontier Communications Northwest Inc.	Arlington
Frontier Communications Northwest Inc.	Benton City
Frontier Communications Northwest Inc.	Big Lake
Frontier Communications Northwest Inc.	Blaine
Frontier Communications Northwest Inc.	Bothell
Frontier Communications Northwest Inc.	Brewster
Frontier Communications Northwest Inc.	Burlington
Frontier Communications Northwest Inc.	Camas-Washougal
Frontier Communications Northwest Inc.	Cashmere
Frontier Communications Northwest Inc.	Conway
Frontier Communications Northwest Inc.	Coupeville



<b><u>INCUMBENT LOCAL EXCHANGE CARRIER</u></b>	<b><u>EXCHANGE</u></b>
Frontier Communications Northwest Inc.	Custer
Frontier Communications Northwest Inc.	Darrington
Frontier Communications Northwest Inc.	Edison
Frontier Communications Northwest Inc.	Everett
Frontier Communications Northwest Inc.	Everson
Frontier Communications Northwest Inc.	Fairfield
Frontier Communications Northwest Inc.	Farmington
Frontier Communications Northwest Inc.	Ferndale
Frontier Communications Northwest Inc.	Garfield
Frontier Communications Northwest Inc.	George
Frontier Communications Northwest Inc.	Halls Lake
Frontier Communications Northwest Inc.	Kennewick
Frontier Communications Northwest Inc.	Kirkland
Frontier Communications Northwest Inc.	La Conner
Frontier Communications Northwest Inc.	Latah
Frontier Communications Northwest Inc.	Laurel
Frontier Communications Northwest Inc.	Leavenworth
Frontier Communications Northwest Inc.	Lyman-Hamilton
Frontier Communications Northwest Inc.	Lynden
Frontier Communications Northwest Inc.	Marysville
Frontier Communications Northwest Inc.	Monroe
Frontier Communications Northwest Inc.	Moscow (Washington portion)
Frontier Communications Northwest Inc.	Mt Vernon
Frontier Communications Northwest Inc.	Naches
Frontier Communications Northwest Inc.	Newport
Frontier Communications Northwest Inc.	Oak Harbor
Frontier Communications Northwest Inc.	Oakesdale
Frontier Communications Northwest Inc.	Palouse
Frontier Communications Northwest Inc.	Priest River
Frontier Communications Northwest Inc.	Pullman
Frontier Communications Northwest Inc.	Quincy
Frontier Communications Northwest Inc.	Richland
Frontier Communications Northwest Inc.	Richmond Beach
Frontier Communications Northwest Inc.	Rockford
Frontier Communications Northwest Inc.	Rosalia
Frontier Communications Northwest Inc.	Sedro Woolley
Frontier Communications Northwest Inc.	Silver Lake

<b><u>INCUMBENT LOCAL EXCHANGE CARRIER</u></b>	<b><u>EXCHANGE</u></b>
Frontier Communications Northwest Inc.	Skykomish
Frontier Communications Northwest Inc.	Snohomish
Frontier Communications Northwest Inc.	Soap Lake
Frontier Communications Northwest Inc.	Stanwood
Frontier Communications Northwest Inc.	Sultan
Frontier Communications Northwest Inc.	Sumas
Frontier Communications Northwest Inc.	Tekoa
Frontier Communications Northwest Inc.	Wenatchee
Frontier Communications Northwest Inc.	Westport
Frontier Communications Northwest Inc.	Woodland
Hat Island Telephone Company	Hat Island
Hood Canal Telephone Co., Inc.	Union
Inland Telephone Company	Dewatto
Inland Telephone Company	Prescott
Inland Telephone Company	Uniontown
Kalama Telephone Company	Kalama
Lewis River Telephone Company, Inc.	La Center
Mashell Telecom, Inc.	Eatonville
Mashell Telecom, Inc.	Kapowsin
McDaniel Telephone Company, Inc.	Onalaska
Pend Oreille Telephone Company	Cusick
Qwest Corporation	Aberdeen-Hoquiam
Qwest Corporation	Auburn
Qwest Corporation	Bainbridge Island
Qwest Corporation	Battle Ground
Qwest Corporation	Belfair
Qwest Corporation	Bellevue
Qwest Corporation	Bellingham
Qwest Corporation	Bremerton
Qwest Corporation	Buckley
Qwest Corporation	Castle Rock
Qwest Corporation	Centralia
Qwest Corporation	Chehalis
Qwest Corporation	Clarkston
Qwest Corporation	Cle Elum
Qwest Corporation	Colfax
Qwest Corporation	Copalis

<b><u>INCUMBENT LOCAL EXCHANGE CARRIER</u></b>	<b><u>EXCHANGE</u></b>
Qwest Corporation	Coulee Dam
Qwest Corporation	Dayton
Qwest Corporation	Deer Park
Qwest Corporation	Des Moines
Qwest Corporation	Easton
Qwest Corporation	Elk
Qwest Corporation	Ephrata
Qwest Corporation	Graham
Qwest Corporation	Green Bluff
Qwest Corporation	Hoodsport
Qwest Corporation	Issaquah
Qwest Corporation	Kent
Qwest Corporation	Liberty Lake
Qwest Corporation	Longview Kelso
Qwest Corporation	Loon Lake
Qwest Corporation	Maple Valley
Qwest Corporation	Moses Lake
Qwest Corporation	Newman Lake
Qwest Corporation	Olympia
Qwest Corporation	Omak
Qwest Corporation	Othello
Qwest Corporation	Pasco
Qwest Corporation	Pateros
Qwest Corporation	Pomeroy
Qwest Corporation	Port Angeles - Gardiner
Qwest Corporation	Port Ludlow
Qwest Corporation	Port Orchard
Qwest Corporation	Port Townsend
Qwest Corporation	Puyallup
Qwest Corporation	Renton
Qwest Corporation	Ridgefield
Qwest Corporation	Rochester
Qwest Corporation	Roy
Qwest Corporation	Seattle
Qwest Corporation	Sequim
Qwest Corporation	Shelton
Qwest Corporation	Silverdale

<b><u>INCUMBENT LOCAL EXCHANGE CARRIER</u></b>	<b><u>EXCHANGE</u></b>
Qwest Corporation	Spokane
Qwest Corporation	Springdale
Qwest Corporation	Sumner
Qwest Corporation	Tacoma
Qwest Corporation	Vancouver
Qwest Corporation	Waitsburg
Qwest Corporation	Walla Walla - Touchet
Qwest Corporation	Warden
Qwest Corporation	Yakima
St John Co-Operative Telephone and Telegraph Company	St John
Tenino Telephone Company	Bucoda
Tenino Telephone Company	Tenino
The Toledo Telephone Co., Inc.	Toledo
United Telephone Company of The Northwest	Chimacum
United Telephone Company of The Northwest	Dallesport
United Telephone Company of The Northwest	Grandview
United Telephone Company of The Northwest	Granger
United Telephone Company of The Northwest	Harrah
United Telephone Company of The Northwest	Hood Canal
United Telephone Company of The Northwest	Mabton
United Telephone Company of The Northwest	Mattawa
United Telephone Company of The Northwest	Paterson
United Telephone Company of The Northwest	Port Angeles - Gardiner
United Telephone Company of The Northwest	Poulsbo
United Telephone Company of The Northwest	Prosser
United Telephone Company of The Northwest	Sunnyside
United Telephone Company of The Northwest	Toppenish
United Telephone Company of The Northwest	Wapato
United Telephone Company of The Northwest	White Salmon
United Telephone Company of The Northwest	Whitstran
United Telephone Company of The Northwest	Willard
Whidbey Telephone Company	South Whidbey
YCOM Networks, Inc.	Rainier
YCOM Networks, Inc.	Yelm

## Appendix B

### Washington State Conditions on Designation of Budget PrePay, Inc. as an Eligible Telecommunications Carrier

1. Budget PrePay, Inc.'s (Budget or Company) 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 may seek to renew its designation pursuant to WAC 480-123-030 through -040. Budget's designation for the interim period shall continue until the Commission's decision to the designation.
2. Within 30 days of approval of its ETC designation in Washington and prior to offering Lifeline services, Budget must make a compliance filing for approval by the Commission containing the following:
  - a. Budget's Lifeline rate plans, terms and conditions. The rates, terms and conditions shall include all provisions that apply to the Lifeline services offered by Budget in Washington state and detailed procedures explaining how customers can participate in a particular Lifeline plan.
  - b. Budget's proposed language to be used in all advertising of Lifeline services and on its websites. The language shall include information directing customers to the Washington State Office of the Attorney General for complaints regarding any Lifeline service issues.
  - c. Budget's Lifeline Customer Application Form.

Commission Staff shall review Budget's compliance filing and recommend to the Commission whether it should be approved or rejected within ten business days. Budget shall not offer Lifeline services until the Commission has approved its compliance filing.

3. Budget shall 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's rates, terms and conditions shall be provided in a package sent or given to Lifeline customers after enrollment in Budget's Lifeline program, as well as at Budget's official Lifeline websites.
5. Budget shall also provide Lifeline customers with the choice of all other rate plans available to its regular customers.

6. For the rate plan free of charge to customers, Budget must offer a minimum of 250 minutes per month. The Company may invoke Condition No. 2 only for the purpose of increasing the number of minutes in the Lifeline plan.
7. Budget shall deactivate a Lifeline account if the customer has no usage for 60 consecutive days. No fewer than eight business days before deactivation, Budget shall send the customer a written notice by mail about the potential deactivation and ways to avoid unwanted deactivation. The customer shall 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, Budget must deposit the minutes the customer is entitled to for the grace period.
8. On a quarterly basis beginning with the quarter ending on September 30, 2012, Budget shall provide the number of Lifeline customers that it enrolls each month. Budget shall 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 shall be filed with the Commission no later than 30 days after the end of each quarter.
9. Budget shall respond within 30 days to Commission Staff's information requests on Budget's Lifeline operations, including but not limited to Lifeline customers' usage patterns and Lifeline customer records.
10. Budget shall cooperate with the Commission and the Department of Social and Health Services (DSHS) to work out a procedure to verify Budget Lifeline customers' eligibility.
11. Budget must not deduct airtime minutes for calls to customer care made from the customer's handset by dialing 611. Budget shall explicitly state the policy of free 611 calls in its Lifeline service agreements. Budget 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. Budget shall have DSHS audit its Lifeline customers' eligibility (including program eligibility and duplication with other Lifeline providers) at least once a year. Beginning in 2013, by March 31 of each year, Budget shall file with the Commission the record of its Lifeline customers who qualify based on their participation in Medicaid, Supplemental Nutrition Assistance Program, Supplemental Security Income and Temporary Assistance for Needy Families in 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 of the results of the eligibility review, Budget 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. This condition shall be

in place until the national accountability database for duplicate Lifeline claims and the national database for Lifeline customer eligibility are fully functional.

13. Budget shall provide the Commission a copy of its annual Lifeline Verification survey results that it files with the Universal Service Administration Company (USAC) by August 31 of each year.
14. Budget shall 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 shall include complaints filed with Budget, 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's ETC designation if Budget fails to provide reasonable quality of service.
15. Budget shall cooperate with the Washington State Enhanced 911 Program (E911) and all Public Safety Answering Points on E911 issues and shall, 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 shall 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 shall 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's proprietary software and technical assistance should call delivery discrepancies be discovered.
18. Budget shall comply with rules on cessation of business as specified in WAC 480-120-083.
  - a. Prior to cessation of business, Budget shall 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 shall 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 to the Commission and the state 911 program must include the same information required by WAC 480-120-083 (3).
  - d. The notice to the customers must include the same information required by WAC 480-120-083 (4).
  - e. The notice to the national number administrator must include the same information required by WAC 480-120-083 (7).
  - f. Budget shall 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 shall 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 shall be provided to Commission Staff upon request.
20. Budget shall cooperate with Commission Staff on phone number conservation issues and shall comply with 47 C.F.R. § 52.
21. Budget shall comply with all applicable federal and Washington state statutes and regulations, including Enhanced 911 tax contributions.