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Kansas Corporation Commission
/s/ Patrice Petersen-Klein

by
State Corporation Commission
of Kansas

BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

IN THE MATTER OF THE PETITION OF)
BUDGET PREPAY, INC. FOR)
DESIGNATION AS A NON-RURAL WIRELESS)
ELIGIBLE TELECOMMUNICATIONS CARRIER)

Docket No. _____

PETITION OF BUDGET PREPAY, INC. FOR DESIGNATION AS
A WIRELESS ELIGIBLE TELECOMMUNICATIONS CARRIER

Budget Prepay, Inc. ("Budget" or "Company"), by its attorneys, hereby submits this Petition for Designation as an Eligible Telecommunications Carrier ("ETC") pursuant to 47 U.S.C. §214(e)(2) of the Communications Act of 1934, as amended by the Telecommunications Act of 1996 (the "Act"),¹ and 47 C.F.R. §54.101 - §54.207 of the Rules of the Federal Communications Commission ("FCC Rules"). Budget seeks designation as a wireless ETC for only low-income support from the federal Universal Service Fund ("FUSF") and Kansas Universal Service Fund ("KUSF"). As part of this Petition, Budget submits a sworn declaration to establish its eligibility for ETC status. In support of this Petition, the following is respectfully shown:

A. Background.

1. On August 9, 2011, Budget filed its Verified Petition for Designation as a Wireless Eligible Telecommunications Carrier, Docket No. 12-BGPT-091-ETC, requesting that the State Corporation Commission of the State of Kansas ("Commission") designate it as a wireless Eligible Telecommunications Carrier ("ETC") for only low-income support from the FUSF.

2. Since the time of the August 9, 2011 filing, the Federal Communications Commission ("FCC") has issued a number of orders amending and clarifying its rules governing

¹ 47 U.S.C. § 214(e)(2).

the Lifeline program. As a result, and upon consultation with Commission Staff, the Company withdrew its Petition on March 8, 2012.

3. The Company hereby resubmits its request for designation as a wireless ETC for only low-income support in the State of Kansas. Pursuant to this Petition, Budget requests ETC status solely for the purpose of providing the services supported by, and participating in the Low Income Programs of, the Federal Universal Service Fund and the Kansas Universal Service Fund. Budget does not request ETC status for the purpose of participating in any High Cost programs of the Universal Service Fund. Such action is entirely consistent with both the 1996 Act and the public interest of the State of Kansas.

B. Company Information.

4. The legal name, address, telephone number, and email address of Budget and its designated contact person is as follows:

Ms. Robin Enkey
Budget PrePay, Inc.
1325 Barksdale Blvd.
Bossier City, LA 71111
(888) 424-5588
robine@budgetprepay.com

5. The name, address, telephone number, and email addresses of the attorneys representing Budget in this proceeding are as follows:

Mark P. Johnson KS Bar #22289
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SNR Denton US LLP
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6. Budget is a Louisiana corporation² and is in good standing with the Secretary of State of Kansas. See attached **Exhibit A**.

7. As of the date of this Petition, Budget has been designated as a wireline ETC in the States of Louisiana, Arkansas, Alabama, Florida, Kentucky, Maryland, Michigan, Mississippi, Missouri, Nebraska, North Carolina, Oklahoma, South Carolina, and Tennessee, and as a wireless ETC in the States of Louisiana, Nevada, Maryland, Rhode Island, Kentucky, and Arkansas, and is currently offering, or will be offering, Lifeline in each of those states.

8. Budget does not have any pending actions or final unsatisfied judgment or decision against it from any state or federal agency or court which involves customer service or rates, which action, judgment or decision has occurred within three (3) years of the date of this Petition. No annual report or assessment fees are owed by Budget. The FCC or state regulatory agency has taken no disciplinary action in which the Company or any of its principals has been found to have violated any law, regulation or tariff provision, or settled a matter in which an assertion of such a violation was made.

C. Identification of Service Area.

9. Section 214(e)(2) of the Act provides that ETC designation shall be made for a "service area" designated by the state commission. Section 214(e)(5) of the Act provides that the "service area" shall be a "geographic area established by the State commission," and authorizes state public utility commissions to designate ETC status for federal universal service purposes. The FCC has recognized that common carriers offering wireless services are eligible to be designated as ETCs.³

² Budget was incorporated in the State of Louisiana on May 1, 1996 (Charter/Organization ID.34525907D).

³ Federal-State Joint Board on Universal Service, Report and Order, CC Docket No. 96-45, FCC 97-157, 12 FCC Rcd

10. Budget is a common carrier as that term is defined in the Act⁴ and, as such, is eligible for designation as an ETC. Attached hereto as **Exhibit B** is a list of exchanges in the service area, consisting of the exchanges served by AT&T in Kansas, for which Budget is seeking ETC authority for its wireless services. Budget is not seeking high-cost support. Further, as this Petition demonstrates, the Commission has previously approved low-income only ETC applications.

D. Services Offered by Budget.

11. In its provision of wireless services, Budget will rely on the blanket forbearance included in the FCC's Lifeline Reform Order⁵ with respect to meeting the FCC's Section 214(e)(1)(A) test that requires an ETC to provide services, at least in part, through a "combination of its own facilities and resale of another carrier's services." Budget submitted its Compliance Plan for approval by the FCC, attached hereto as **Exhibit C**, to comply with the blanket forbearance included in the Lifeline Reform Order.⁶ The Company's request is consistent with the FCC's determination to forbear from applying this requirement to Lifeline-only applications that comply with the conditions set forth in the Lifeline Reform Order.⁷

12. Section 214(e)(1) of the 1996 Act and Section 54.201(d) of the FCC Rules provide that carriers designated as ETCs shall, throughout their service area, (a) offer the services that are supported by federal universal service support mechanisms, and (b) advertise

8776, 8858-59 (1997) ("First Report and Order").

⁴ 47 U.S.C. § 153(h)(10).

⁵ 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 at ¶¶ 368-81, FCC 12-11 (rel. Feb. 6, 2012) ("Lifeline Reform Order").

⁶ Id. See also Budget PrePay, Inc. Compliance Plan, WC Docket No. 09-197 and WC Docket No. 11-42 (filed March 1, 2012). While Budget PrePay owns some facilities and appears to satisfy the revised supported services requirements applicable to ETCs in the Lifeline Reform Order, Budget PrePay has filed its Compliance Plan with the FCC out of an abundance of caution, to illustrate its support for many of the recent reform measures taken by the FCC that attempt to curb waste, fraud and abuse in the Low Income Fund, and in the hopes that its filing will expedite processing of its pending ETC designation Petitions.

⁷ Lifeline Reform Order at ¶ 368.

the availability of such services and the charges using media of general distribution.

13. Budget will offer voice telephony service as part of its wireless service offerings in Kansas in compliance with 47 C.F.R. §§ 54.101(a). The services supported by federal universal service support mechanisms recently were amended by the FCC. In the USF/ICC Transformation Order and FNRPM, the FCC eliminated its former list of nine supported services and amended section 54.101(a) of its rules to specify that “voice telephony service” is supported by the federal universal service mechanisms.⁸ The amended Section 54.101(a) and its list of supported services reads as follows:

§ 54.101 Supported services for rural, insular and high cost areas.

(a) Services designated for support. Voice telephony service shall be supported by federal universal service support mechanisms. The functionalities of eligible voice telephony services include voice grade access to the public switched network or its functional equivalent; minutes of use for local service provided at no additional charge to end users; access to the emergency services provided by local government or other public safety organizations, such as 911 and enhanced 911, to the extent the local government in an eligible carrier’s service area has implemented 911 or enhanced 911 systems; and toll limitation for qualifying low-income consumers (as described in subpart E of this part).

14. Budget complies with the revised version of Section 54.101 of the FCC’s Rules and provides the requisite supported services, as follows:

15. ***Voice Grade Access.*** Eligible voice telephony services must provide voice grade access to the public switched network or its functional equivalent. “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. The Company will provide its customers with “voice grade access” by enabling such customers to make and receive calls on the public switched telephone

⁸ Connect America Fund et al., WC Dkt. No. 10-90 et al., Report and Order and Further Notice of Proposed Rulemaking at ¶¶ 62, 76-82, FCC 11-161 (rel. Nov. 18, 2011) (“USF/ICC Transformation Order and FNRPM”).

network.

16. ***Minutes of Use for Local Service at No Additional Charge.*** Budget will provide its Lifeline customers with minutes of use for local service at no additional charge. Both of the Lifeline plans to be offered by Budget (as described more fully in Exhibit A to Budget's Compliance Plan) will provide local usage at no additional charge to customers.

17. ***Access to Emergency Services.*** Budget will provide access to emergency services in conformance with the FCC's requirements. All of the phones that Budget will distribute to subscribers will be capable of delivering automatic numbering information ("ANI") and automatic location information ("ALI"), and otherwise satisfy applicable enhanced-911 requirements.

18. Budget commits to remit 911 revenues to local authorities. The Company commits to pay in a timely manner all applicable federal, state and local regulatory fees, including but not limited to universal service and E-911 fees.⁹

19. ***Toll Limitation.*** There is no need for Budget to offer a toll limitation feature to qualifying low-income customers. Since Budget is a prepaid service provider, customers cannot be disconnected for failure to pay toll charges, nor are there additional charges for exceeding minutes. Additionally, because Budget's services are prepaid, there is no danger that low income customers will incur large charges for heavy toll (or other) calling and no risk that they will be disconnected for nonpayment. Further, the Company, like most wireless carriers, does not differentiate domestic long distance toll usage from local usage, and all usage is paid for in advance. Pursuant to the Lifeline Reform Order, subscribers to such services are not considered to have voluntarily elected to receive TLS.¹⁰ The FCC explained in its Lifeline Reform Order that, "[w]e maintain the requirement to offer TLS at no charge to the low-income consumer only

⁹ See TracFone Wireless, Inc. Petition to Rescind State 911/E911 Condition, FCC Docket No. 96-45 (May 3, 2010).

¹⁰ Lifeline Reform Order at ¶ 230.

for service plans for which the ETC charges a fee for toll calls, either domestic or international, that is in addition to the per month or per billing cycle price of the consumer's Lifeline service."¹¹

20. Budget commits to comply with the service provisioning requirements as amended by the FCC. To the extent that the Commission continues to require ETCs to provide those services supported by federal universal service support mechanisms previously enumerated in 47 C.F.R. § 54.101(a), Budget commits to continue to satisfy state voice service requirements.¹²

21. Pursuant to 47 C.F.R. § 54.201, Budget will advertise the availability of supported services throughout its designated service area using media of general distribution in a manner that is designed to reach those likely to qualify for such services. Budget will use a variety of media resources including point-of-sale material of various kinds, onsite merchandising, banners, customer direct mail, customer brochures, television, and print media. Budget will advertise the availability of Lifeline benefits throughout its service area by continued outreach efforts to members of the community likely to qualify for Lifeline benefits. Budget thus commits to publicize Lifeline pursuant to Section 54.405(b) of the FCC Rules. The FCC also adopted specific requirements for Lifeline marketing and outreach in its Lifeline Reform Order with which Budget will comply.¹³

22. In addition, Budget agrees to comply with all form and content requirements, if any, promulgated by the FCC or the Commission in the future and required of all designated ETCs. Budget recognizes that the Commission, in Docket No. 06-GIMT-446-GIT paragraph 12, requires all Competitive ETCs ("CETCs") to develop meaningful advertising

¹¹ Id.

¹² USF/ICC Transformation Order and FNRPM at ¶ 82.

¹³ Lifeline Reform Order at ¶¶ 275-80.

language, so that all consumers will understand what they can expect from a CETC, and provide it to KCC Staff for review. Budget agrees to incorporate the following Staff-adopted language in all of its advertisements:

As a designated telecommunications carrier eligible to receive universal service support, Budget PrePay, Inc. is proud to offer the Lifeline program in the state of Kansas. We will provide discounts on service activation (if applicable) and on basic monthly service for residential customers who qualify for certain medical, energy, or income-assisted programs. To determine if you qualify for Kansas Lifeline service, customers may call (888) 424-5588. For unresolved questions or complaints, you may contact the Kansas Corporation Commission, Office of Public Affairs and consumer Protection, at KCC - Consumer Protection, 1500 SW Arrowhead Road, Topeka, KS 66604, toll-free at (800) 662-0027, in Topeka at (785) 271-3140, or hearing or speech impaired at TDD Kansas Relay Center (800) 766-3777.

23. Sample advertisements and Lifeline Application form are attached hereto as

Exhibit D.

E. Additional Eligibility Criteria.

24. Budget will provide wireless/mobile service consistent with the definition of “mobile service” set forth in 47 U.S.C. Section 153(27).

25. The additional requirements for designation of ETCs also recently were amended by the FCC. Effective April 2, 2012, 47 C.F.R. § 54.202 imposes a number of changed requirements in order to be designated an eligible telecommunications carrier under Section 214(e)(6). Budget will comply with the requirements of 47 C.F.R. § 54.202, effective April 2, 2012.

26. Budget certifies that it will comply with the service requirements applicable to the support that it receives, pursuant to Section 54.202(a)(1) of the FCC Rules.¹⁴

¹⁴ 47 C.F.R. § 54.202(a)(1)(ii) also requires the submission of a five-year plan demonstrating how high-cost universal service support will be used to improve the ETC’s coverage, service quality and capacity. This requirement, however, is inapplicable to this application, since Budget is not seeking high-cost assistance. See In the Matter of Connect America Fund, Order at ¶ 8, DA 12-147 (rel. Feb. 3, 2012) (“USF/ICC Clarification Order”).

27. Budget further commits to remain functional in emergencies pursuant to Section 54.202(a)(2) of the FCC Rules. Because Budget's services will be provided at least in part through resale, they will be as reliable and provide all of the back-ups and contingency plans of Budget's underlying wireless service provider, which include back-up battery power at cell sites to ensure functionality in emergency situations. The back-up power estimates will be the same as the underlying carrier provides at its wireless sites. Additionally, Budget 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 facilities.

28. Under Section 54.202(a)(3) of the FCC Rules, an ETC applicant must demonstrate that it will satisfy applicable consumer protection and service quality standards.¹⁵ Budget will satisfy all such standards, as well as any other applicable state-specific consumer protection and service quality standards, and is committed to complying with the Cellular Telecommunications and Internet Association's ("CTIA") Consumer Code of Wireless Service, attached hereto as **Exhibit E**. Through the use of resold services and its own facilities, Budget will be able to provide the same quality and reliability as that currently provided by any other wireless provider. Although no carrier can guarantee that its customers will never experience service disruptions, Budget's contractual arrangements and its own facilities are designed to minimize any failures, provide alternate call routing, and expedite recovery in the event a failure occurs. In addition, Budget commits to reporting information on consumer complaints per 1,000 lines on an annual basis consistent with the FCC's USF Order.¹⁶ Budget in general commits to satisfying all such applicable state and federal requirements related to

See also Lifeline Reform Order at ¶ 386.

¹⁵ 47 C.F.R. §54.202(a)(3), 62 Fed. Reg. 15,978 at ¶ 28.

¹⁶ Federal-State Joint Board on Universal Service, First Report and Order, 12 FCC Rcd 8776 at ¶ 4 (1997) ("USF Order").

consumer protection and service quality standards. As Budget is not seeking high-cost support, it does not have to file the service quality improvement plans which the Commission has required other ETCs to file.¹⁷

29. Budget states that it is financially and technically capable of providing Lifeline service, pursuant to Section 54.202(a)(4) of the FCC Rules¹⁸ Budget, based in Bossier City, Louisiana, has been in business since 1996. Budget currently derives the majority of its revenue from selling low-cost prepaid telephone services on a nationwide basis to tens of thousands of customers and employs approximately 340 people. Budget will not need to rely exclusively on USF support to provide wireless Lifeline services.

30. Budget owns and operates its own switching facilities in Dallas, Texas and Shreveport, Louisiana. These switching facilities are used to provide access to directory assistance and operator services, both of which are provided by Budget employees. The switching facilities are also used to provide access to some interexchange services (for the routing of certain domestic and all non-domestic calls). In addition, Budget has invested millions of dollars in software development, including its own customized, user friendly point-of-sale software.

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

32. Pursuant to Section 54.202(a)(5) of the FCC Rules, Budget submits information in section F below that describes the terms and conditions of its voice telephony service plans offered to Lifeline subscribers, including details on the number of minutes provided as part of the

¹⁷ See In the Matter of the Application of VCI Company for Designation as an Eligible Telecommunications Carrier, Order of February 27, 2007 at Ordered ¶ C.

¹⁸ See Lifeline Reform Order at ¶ 387.

plan, additional charges, if any, for toll calls, and rates for each such plan. Information regarding the Company's Lifeline offerings is also set forth in the Company's Compliance Plan, attached hereto as Exhibit C.

33. Upon designation as a wireless ETC, Budget will comply with all applicable provisions of the FCC's and Commission's ETC rules, regulations, and requirements. Because Budget is not seeking high-cost support for its wireless service, certain requirements of the FCC regulations concerning ETC applications specific to high-cost support are inapplicable, and Budget hereby seeks waiver of those requirements. No public utility will be affected by this waiver. Good cause exists to waive the stated requirements as Budget's Petition is limited to seeking only low-income USF support.

F. Lifeline Offerings.

34. The details of Budget's two Lifeline offerings, "Active User Talk & Text" and "250 Minute Talk" are set forth in Exhibit A to the attached Compliance Plan, and reflect the new federal Lifeline subsidy support amounts that will be made available to eligible consumers and qualified ETCs.

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

36. As set forth in the Compliance Plan, attached hereto as Exhibit C, Budget has developed a detailed compliance policy that includes procedures for initial, as well as on-going, certification and verification of eligibility for participation in the Lifeline program.

G. Budget Has Internal Controls in Place to Protect Against Waste, Fraud, and Abuse.

37. Budget commits that it will certify and verify consumer eligibility in accordance with applicable FCC rules governing both certification and verification of Lifeline eligibility. Budget has developed a detailed compliance policy that includes Budget's procedures for initial certification of eligibility and the verification of continued eligibility for participation in Lifeline, as detailed in the attached Compliance Plan.

38. Consistent with Sections 54.409-410 of the FCC Rules, Budget will require customers to certify at the time of service activation and annually thereafter that they: (1) are the head of household; (2) participate in one of the state approved means tested programs; (3) will be receiving Lifeline-supported services only from Budget; (4) do not currently receive Lifeline support; and (5) will notify Budget if in the event that they no longer participate in the qualifying program. Budget will utilize any and all databases available to ensure accurate customer information and that the customer is not an existing Budget Lifeline customer.

39. The FCC's Lifeline Reform Order adopts new rules relating to verification and certification, including the implementation of the National Lifeline Accountability Database by the end of 2013 to allow carriers to affirmatively determine if an applicant already receives service via the low income program. Budget commits to comply with this and all other applicable requirements in administering its Lifeline service.

40. As required by the Lifeline Reform Order, Budget will implement a non-usage policy whereby it will de-enroll Lifeline customers that have not used the Company's Lifeline

service for 60 consecutive days.¹⁹ Budget will notify its subscribers at service initiation about the usage requirements and the de-enrollment and deactivation that will result following non-usage in any consecutive 60-day period of time.²⁰ If no usage appears on a Budget Lifeline customer's account during any consecutive 60-day period, Budget will de-enroll and deactivate Lifeline services for that customer. An account will be considered active if during any 60-day period the authorized subscriber does at least one of the following: makes a monthly payment; purchases minutes from the Company to add to his or her existing pre-paid Lifeline account; completes an outbound call; answers an incoming call from anyone other than the Company, its representative, or agent; or affirmatively responds to a direct contact from the Company confirming that he or she wants to continue Lifeline service.²¹

H. Designating Budget as a Wireless ETC Is Consistent With Commission Precedent.

41. Designating Budget as a wireless ETC for the specified service areas is consistent with the Commission's action in other ETC proceedings. In January 2000, the Commission granted CMRS carriers Sprint Spectrum L.P. d/b/a Sprint PCS ("Sprint") and GCC License Corporation d/b/a Western Wireless ("Western") ETC status in non-rural LEC wire centers for purposes of receiving federal universal service support.²² In October 2001, the Commission designated Western as an ETC for federal and state universal service support in rural areas of Kansas served by the company.²³ The Commission has designated numerous ETCs since that

¹⁹ Lifeline Reform Order at ¶¶ 257-63.

²⁰ Id. at ¶ 257.

²¹ Id. at ¶ 261.

²² See In the Matter of GCC License Corporation's Petition for Designation as an Eligible Telecommunications Carrier; Application of Sprint Spectrum (d/b/a Sprint PCS) For Designation as an Eligible Telecommunications Carrier for Purposes of Receiving Federal and State Universal Service Support, Docket Nos. 99-GCCZ-156-ETC, 99-SSLC-173-ETC, Order #6 (Jan. 18, 2000) ("Non-Rural ETC Order"), *recon. denied in part, granted in part* in Order #7 (Feb. 29, 2000), Order #9 (Apr. 17, 2000), and Order #10 (May 19, 2000).

²³ See In the Matter of GCC License Corporation's Petition for Designation as an Eligible Telecommunications Carrier, Docket No. 99-GCCZ-156-ETC, Order on Petition of Western Wireless for Designation as an Eligible Telecommunications Carrier (Oct. 12, 2001) ("Rural ETC Order"), *recon. denied* (Nov. 30, 2001).

time. For example, as recently as October 17, 2008, the Commission granted ETC status to a wireless carrier, Nex-Tech Wireless, for both federal USF and Kansas USF purposes.²⁴

I. Designating Budget as a Wireless ETC Is in the Public Interest.

42. Designation of Budget as an ETC on a wireless basis is in the public interest of the State of Kansas and its low-income telecommunications end-users. Under the 1996 Act, “[u]pon request and consistent with the public interest, convenience and necessity”²⁵ the Commission shall “designate more than one common carrier as an eligible telecommunications carrier for a service area designated” by the Commission.²⁶ In doing so, the Commission “shall find that the designation is in the public interest.”²⁷ The FCC Rules require that an ETC application demonstrate that designation would be consistent with the public interest, convenience and necessity, and that prior to designating an ETC pursuant to section 214(e)(6), the Commission “shall consider the benefits of increased consumer choice, and the unique advantages...of the applicant’s service offering.”²⁸

43. Pursuant to this requirement, Budget provides the following information which clearly demonstrates that the Company’s designation as an ETC on a wireless basis is consistent with the public interest, convenience, and necessity, providing consumers with better value through the offering of a unique service, and also meets the public interest factors that the FCC suggested for evaluation in the Virginia Cellular Order.

²⁴ See Order of October 17, 2008, Docket No. 08-NTWZ-1076-ETC.

²⁵ 47 C.F.R. § 54.201(c). See also 47 C.F.R. § 54.202(b).

²⁶ Id.

²⁷ Id. The FCC determined that designation of ETCs in non-rural areas also requires a public interest determination. See In the Matter of Federal-State Joint Board on Universal Service, Virginia Cellular, LLC Petition for Designation as an Eligible Telecommunications Carrier In the Commonwealth of Virginia, CC Docket No. 96-45, Memorandum Opinion and Order at ¶ 27 (rel. Jan. 22, 2004) (“Virginia Cellular Order”).

²⁸ 47 C.F.R. § 54.202(c).

1. Increased Competitive Choice.

44. The FCC has determined that while designation of competitive ETCs promotes and benefits consumers by increasing customer choice, designation must include “an affirmative determination that such designation is in the public interest regardless of whether the applicant seeks designation in an area served by a rural or non-rural carrier.”²⁹ Budget is seeking ETC designation on a wireless basis which will provide an additional valuable alternative to the existing telecommunications services currently available in these areas and will promote availability and facilitate the provision of advanced communications services to low-income residents of Kansas.

45. The FCC has long acknowledged the benefits to consumers of being able to choose from a variety of telecommunications providers and the resulting variety of telecommunications services they provide.³⁰ This is of particular interest in cases where wireless providers, such as Budget, seek to provide services as alternatives to those of the traditional ILEC. In the Highland Cellular³¹ case, the FCC recognized and affirmed that some households may not have access to the public switched network as provided by the incumbent local exchange carrier. The wireless service offered by Budget will provide these consumers with a convenient and affordable alternative to traditional telecommunications service that can be used while at home and away from home.

46. One of the principal goals of the 1996 Act was to “promote competition and reduce regulation in order to secure lower prices and high-quality services for American telecommunications consumers and encourage the rapid deployment of new telecommunications

²⁹ See Federal-State Joint Board on Universal Service, 20 FCC Rcd 6371, ¶ 42 (2005)

³⁰ See e.g., Specialized Common Carrier Services, 29 FCC 2d 870 (1971).

³¹ Federal-State Joint Bd. on Universal Serv., Highland Cellular, Inc., Memorandum Opinion and Order, 19 F.C.C.R. 6422 (2004).

technologies.”³² Competition for customers increases facilities and spurs development of advanced communications as carriers vie for a consumer’s business. Budget’s introduction of wireless service focused on low-income customers is motivated by a competitive desire to tap an under-served market. Budget submits that, if it is designated as an ETC and is able to compete for local exchange customers, it will spur a competitive response from affected ILECs as they seek to retain and attract customers. By offering customers new choices, the incumbent LECs will have an incentive to introduce new, innovative, or advanced service offerings.

47. Budget believes that providing discounted wireless service is consistent with the public interest, providing consumers with increased competitive choice through the offering of a unique service at rates that are just, reasonable, and affordable. The public interest benefits associated with Budget’s wireless service include larger local calling areas (as compared to traditional wireline carriers), the convenience and security afforded by mobile telephone service, the opportunity for customers to control cost by receiving a preset amount of monthly airtime at no charge, the ability to purchase additional usage at flexible and affordable amounts in the event that included usage has been exhausted, 9-1-1 service and, where available, E 9-1-1 service in accordance with current FCC requirements.

48. Added together, the Company expects these additional competitive advantages to create an atmosphere that will cause many qualified consumers, at their option, to select the Company’s low income wireless Lifeline service in lieu of the more traditional wireline or wireless services.

2. The Unique Advantages of Budget’s Service Offerings.

49. Budget’s offerings provide the opportunity for customers to select from various options including a high value wireless plan that provides a significant number of minutes for

³² See 1996 Act (preamble).

local and domestic long distance and texting. The ability of the customer to select plans with a significant number of unlimited local and domestic calling minutes or limited minute free plans reduces the risk of any customer becoming burdened with large and unexpected toll charges 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.

50. Budget's unique prepaid options are designed to provide consumers who, due to credit or deposit requirements, may not be able to obtain the safety and convenience of telephone service from traditional providers, and a Budget customer is never obligated for more than thirty (30) days. Unlike many wireless providers, one of Budget's service offering is a high value wireless service that includes a significant number of unlimited local and domestic long distance calling and text minutes caller ID, call waiting, and voicemail, all without the requisite credit check, deposit, and contract requirements of the more traditional wireline and wireless service providers. Because Budget'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 will provide consumers with a convenient and affordable alternative to traditional telecommunications service that can be used while at home and away from home. Because of these benefits, Budget expects that many qualified consumers will select the wireless Lifeline service in lieu of the more traditional wireline or wireless services.

51. Budget's Lifeline service, described in detail above and in the attached Compliance Plan, will enable thousands of residents to obtain wireless service which would otherwise be unavailable to them.

3. Ability to Provide Supported Services Within a Reasonable Timeframe.

52. Budget commits to provide universal service in a timely manner to all customers who make a reasonable request for service. Budget's underlying carrier is already operational in Kansas and thus the Company will be able to quickly provide service upon a favorable recommendation from the Commission.

4. Commitment Regarding Quality of Service.

53. Budget acknowledges that under applicable federal guidelines it must satisfy certain consumer protection and service quality standards.³³ As mentioned above, the Company is committed to following the provisions of the CTIA Consumer Code for Wireless Service.

5. Designation of Budget Will Impose a Negligible Impact on the USF.

54. Budget reiterates that it is applying for ETC designation solely for the purpose to provide Lifeline discounts to qualified low-income consumers and to seek reimbursement for the same and will not seek or accept High Cost support. Since Lifeline support is designed to reduce the monthly cost of telecommunication services for eligible consumers, is distributed on a per-customer basis, and is directly reflected in the price that the eligible customer pays, it is assured that all support received by the carrier is used to provide Lifeline services to consumers, thus promoting Lifeline and the availability of telephone service to low-income users, which is clearly in the public interest. In addition, designation of the Company as an ETC will not pose any adverse effect in the growth in the high cost portions of the USF, nor will it create or contribute to an erosion of high cost funding from any rural or non-rural telephone company.

55. The FCC reaffirmed this position when it stated that "the potential growth of the

³³ 47 C.F.R. §54.202(a)(3), 62 Fed. Reg. 15,978 at ¶ 28.

fund associated with high-cost support distributed to competitive ETCs” is not relevant to carriers seeking support associated with the low-income program.³⁴ Accordingly, total low-income support for 2007 accounted for only 11.8 percent of the total distribution of the USF, with high-cost accounting for over 61 percent of the total.³⁵

56. The FCC also recognized that the total effect of additional low-income-only ETC designations would have a minimal impact on the fund when it stated that “any increase in the size of the fund would be minimal and would be outweighed by the benefit of increasing eligible participation in the Lifeline and Link-Up programs, furthering the statutory goal of providing access to low-income consumers.”³⁶

57. In addition, all providers are required to contribute a portion of the interstate revenues received from their customers to the Universal Service Fund. In accordance with current federal regulations, Budget will make contributions based on that portion of its revenue that is determined to be interstate. As such, approving Budget as an ETC will actually create contributions to the USF that were previously non-existent.

WHEREFORE, pursuant to Section 214(e)(2) of the Act, Budget requests that the Commission enter an Order designating Budget as a wireless ETC for purposes of receiving federal universal service support for Lifeline service and designating each of Budget’s individual wire centers attached as Exhibit B as a service area for purpose of determining universal service obligations and support mechanisms, that the Commission enter its Order at the earliest possible date, that the Commission direct the Executive Secretary to send appropriate notice of

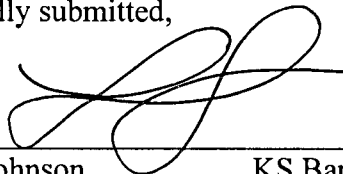
³⁴ Petition of TracFone Wireless, Inc. for Forbearance from 47 U.C.S § 214(e)(1)(A) and 47 C.F.R. § 54.201(i), CC Docket No. 96-45, Order, 20 FCC Rcd 15095 (2005) (“TracFone Forbearance Order”) at ¶ 17.

³⁵ 2008 Wireline Competition Bureau, FCC, Trends in Telephone Service, Chart 19.1.

³⁶ TracFone Forbearance Order, at ¶ 17.

this order to the FCC and the Universal Service Administrative Company, and that the Commission enter other relief it considers appropriate.

Respectfully submitted,



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lisa.gilbreath@snrdenton.com

ATTORNEYS FOR BUDGET PREPAY, INC.

VERIFICATION

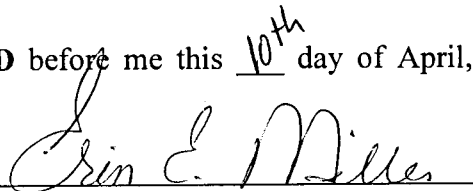
STATE OF MISSOURI)
) SS.
COUNTY OF JACKSON)

I, Lisa A. Gilbreath, being duly sworn upon oath, depose and say that I am an attorney for Budget Prepay, Inc.; that I am authorized to make this verification on its behalf; that I have read the foregoing Petition and state that its contents are true and correct to the best of my knowledge and belief.



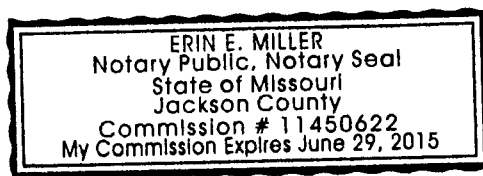
Lisa A. Gilbreath

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me this 10th day of April, 2012.



NOTARY PUBLIC

MY COMMISSION EXPIRES: _____



DECLARATION OF BUDGET PREPAY, INC.

STATE OF Louisiana
Parish Bossier)ss.
COUNTY OF Bossier

I, David Donahue, being duly sworn upon oath and of lawful age, depose and say that I am the CEO of Budget Prepay, Inc.; that I am authorized to make this verification on its behalf; that I have prepared this Declaration in support of the Petition of Budget Prepay, Inc. for Designation as a Wireless Eligible Telecommunications Carrier; and that the foregoing Petition is true and accurate to the best of my knowledge and belief.


Budget seeks designation as a wireless ETC for only low-income support from the federal Universal Service Fund and the Kansas Universal Service Fund. Budget provides the services which meet the requirements for federal ETC designation under Section 214(e).

Further affiant sayeth not.



Affiant

In witness whereof I have hereunto subscribed my name and affixed my official seal this 10 day of April, 2012.



Notary Public

My Commission Expires: at death

ROBIN M ENKEY
Notary Public #78084
Bossier Parish
State of Louisiana
Commission Is For Life

EXHIBIT A

CERTIFICATE OF GOOD STANDING

**STATE OF KANSAS
OFFICE OF
SECRETARY OF STATE
KRIS W. KOBACH**

I, KRIS W. KOBACH, Secretary of State of the state of Kansas, do hereby certify, that according to the records of this office.

Business Entity ID Number: 3345675

Entity Name: BUDGET PREPAY, INC.

Entity Type: FOREIGN FOR PROFIT

State of Organization: LA

Resident Agent: NATIONAL REGISTERED AGENTS, INC. OF KS

Registered Office: 2101 SW 21st Street, TOPEKA, KS 66604

was filed in this office on July 15, 2002, and is in good standing, having fully complied with all requirements of this office.

No information is available from this office regarding the financial condition, business activity or practices of this entity.



In testimony whereof I execute this certificate and affix the seal of the Secretary of State of the state of Kansas on this day of July 25, 2011

**KRIS W. KOBACH
SECRETARY OF STATE**

Certificate ID: 469103 - To verify the validity of this certificate please visit <https://www.accesskansas.org/bess/flow/validate> and enter the certificate ID number.

EXHIBIT B

EXCHANGES FOR WHICH ETC DESIGNATION IS SOUGHT

Abilene
Almena
Arkansas City
Basehor
Chanute
Cheney
Cherryvale
Clinton
Coffeyville
Colby/Gem
DeSoto
Dodge City
El Dorado
Ellsworth
Emporia
Erie
Eudora
Garden City
Garden Plain
Goodland
Great Bend
Halstead
Hays
Humboldt
Hutchinson
Independence
Iola
Kansas City Metropolitan Exchange

Kingman
Kinsley
Larned
Lawrence
Leavenworth/Lansing
Lindsborg
Lyons
Manhattan
McPherson
Medicine Lodge
Neodesha
Newton
Nickerson
Norton
Oakley
Parsons
Phillipsburg/Kirwin
Pittsburg
Plainville
Pratt
Salina
Smith Center
Tonganoxie
Topeka Metropolitan Exchange
Towanda
Wichita Metropolitan Exchange
Winfield

EXHIBIT C

COMPLIANCE PLAN

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

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

BUDGET PREPAY, INC. COMPLIANCE PLAN

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

Budget PrePay hereby files its Compliance Plan outlining the measures it will take to implement the conditions set forth in the *Lifeline Reform Order*. Budget PrePay respectfully

¹ In the letter accompanying the filing of this Compliance Plan, Budget PrePay notes that it is no longer seeking authority to be eligible for Link Up support, as was originally requested by the Company in its pending ETC applications. See Letter to Marlene H. Dortch from counsel to Budget PrePay, WC Docket No. 09-197 (dated March 1, 2012), at 2.

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

requests expeditious approval of its Compliance Plan so that the Company, upon designation as an ETC by the FCC and other state commissions, may quickly begin providing essential Lifeline services to eligible low-income customers.

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

Budget PrePay, based in Bossier City, Louisiana, has been in business since 1996.³ The Company provides both wireline and wireless services. The Company has been designated as an ETC for wireless services in the states of Arkansas, Kentucky, Louisiana, Maryland, Rhode Island and Nevada, and is currently offering, or will begin offering, Lifeline service in each of these states.⁴

Budget PrePay currently derives the majority of its revenue from selling low-cost prepaid telephone services on a nationwide basis to over 60,000 customers and employs approximately 340 people. Budget PrePay will not need to rely exclusively on USF support to provide wireless Lifeline services.

Budget PrePay owns and operates its own switching facilities in Dallas, Texas and Shreveport, Louisiana. These switching facilities are used to provide access to directory assistance and operator services, both of which are provided by Budget PrePay employees. The switching facilities are also used to provide access to some interexchange services (for the routing of certain domestic and all non-domestic) calls. In addition, Budget PrePay has invested millions of dollars in software development, including its own customized, user friendly point-of-sale software.

³ Budget PrePay was organized and incorporated in the State of Louisiana on May 1, 1996.

⁴ Budget PrePay also has been designated as an ETC for wireline services in Tennessee, Oklahoma, Alabama, Florida, Nebraska, Maryland, Louisiana, Mississippi, Arkansas, Kentucky, Michigan, Missouri, North Carolina, South Carolina, and Texas.

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

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

II. BACKGROUND

In the *Lifeline Reform Order*, the Commission stated that it would grant forbearance from the "own-facilities" requirement contained in Section 214(e)(1)(A) for carriers that are, or seek to become, Lifeline-only ETCs, subject to compliance with the following conditions:⁵

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

(2) the carrier must file, and the Bureau must approve, a compliance plan that: (a) outlines the measures the carrier will take to implement the obligations contained in this Order, including but not limited to the procedures the ETC follows in enrolling a subscriber in Lifeline and submitting for reimbursement for that subscriber from the Fund, materials related to initial and ongoing certifications and sample marketing materials, as well as further safeguards against waste, fraud and abuse the Bureau may deem necessary; and (b) provides a detailed description of how the carrier offers service, the geographic areas in which it offers service, and a description of the carrier's various Lifeline service plan offerings, including subscriber rates, number of minutes included and types of plans available.

⁵ *Lifeline Reform Order* at ¶¶ 368, 373 and 379. While Budget PrePay owns some facilities and appears to satisfy the revised supported services requirements applicable to ETCs, Budget PrePay is filing this Compliance Plan out of an abundance of caution, to illustrate its support for many of the recent reform measures taken by the Commission that attempt to curb waste, fraud and abuse in the Low Income Fund, and in the hopes that this filing will expedite processing of its pending ETC designation Petitions.

III. COMPLIANCE PLAN

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

A. Access to 911 and E911 Services

The *Lifeline Reform Order* requires ETCs to provide their Lifeline customers with access to 911 and E911 services, regardless of activation status and availability of minutes.⁶ Budget PrePay hereby affirms that all of its customers will have access to emergency calling services at the time that Lifeline service is initiated, and that such 911 and E911 access will be available from Budget PrePay handsets even if the account associated with the handset has no minutes remaining.

B. E911-Compliant Handsets

The Commission also conditioned its grant of forbearance on ETCs providing only E911-compliant handsets to its Lifeline customers.⁷ Budget PrePay will ensure that all handsets used in connection with the Company's Lifeline service offering are E911-compliant. In the event that an existing Budget PrePay customer does not have an E911-compliant handset, the Company will replace it with a 911/E911-compliant handset at no charge to the customer. Any new customer that qualifies for and enrolls in the Lifeline program will receive a 911/E911-compliant handset, free of charge.

⁶ *Id.* at ¶ 373.

⁷ *Id.*

C. Certification and Verification of Lifeline Eligibility

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

1. Policy

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

2. Certification Procedures

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

Budget PrePay's application form will clearly identify that it is a "Lifeline" application. Except in states in which applicants are enrolled through a designated state agency, Budget PrePay will have direct contact with all customers applying for Lifeline service, in person or by telephone, facsimile, mail or the internet.

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

For states with program-based eligibility criteria, the form will list each of the qualifying programs, and the applicant will be required to identify the specific program(s) in which they participate, and to provide the requisite proof that they currently participate in such program(s), regardless of whether such proof is required pursuant to state law. For states with income-based eligibility criteria, the applicant will be required to certify under penalty of perjury that their household income does not exceed the relevant threshold (*e.g.*, 135% of the Federal Poverty Guidelines for federal default states) and will be required to provide the requisite proof of

income-based eligibility. Budget PrePay will not retain copies of proof documentation, but rather will maintain accurate records detailing how the customer demonstrated his or her eligibility.⁸

Budget PrePay will check the eligibility of low-income consumers seeking to enroll in Lifeline either by accessing electronic eligibility databases, where available, or by reviewing documentation from the consumer demonstrating his/her eligibility for Lifeline service. Where the Company is able to access a state or federal database to make determinations about customer eligibility, the Company is not required to obtain proof documentation; in such case Budget PrePay or its representative will note in its records what specific data was relied upon to confirm the customer's initial eligibility for Lifeline.⁹ In instances where a state agency or third-party administrator is responsible for the initial determination of consumer eligibility, Budget PrePay will rely on the state identification or database.¹⁰

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

⁸ *Lifeline Reform Order* at ¶ 101.

⁹ *Id.* at ¶ 98.

¹⁰ *Id.*

prosecution by the United States government.¹¹ Although the exact wording of the disclosure statements described above may vary on a state-by-state basis, depending on state-specific requirements and/or consultations with relevant state agencies, Budget PrePay expects the substance of these disclosures to be consistent with the following statements:

_____ The information contained within this application is true and correct. I acknowledge that providing false or fraudulent documentation in order to demonstrate eligibility for the Lifeline program is punishable by fine or imprisonment.

_____ I understand that Lifeline is a federal government benefit program and that only qualified persons may participate in the Lifeline program.

_____ I understand that Lifeline is only available for one phone line per household, whether landline or wireless. To the best of my knowledge, no one in my household is receiving Lifeline service.

_____ I certify that I am at least 18 years of age and not currently receiving a Lifeline telephone service from any other landline or wireless telephone company.¹² I will only receive Lifeline from Budget PrePay and no other landline or wireless telephone company.

_____ I will not transfer my service to any other individual, including another eligible low-income consumer.

_____ I authorize Budget PrePay to access any records required to verify my eligibility for Lifeline service. I also authorize Budget PrePay to release any of my records required for the administration of the Lifeline program.

_____ I understand that I will be required to verify my continued eligibility for Budget PrePay's Lifeline service at least annually, and that I may be required to verify my continued eligibility at anytime, and that failure to do so will result in termination of Lifeline benefits. I will notify Budget PrePay immediately if I no longer qualify for Lifeline, or if I have a question as to whether I would still qualify.

_____ I will notify Budget PrePay within thirty (30) days if my home address changes.

¹¹ *Id.* at ¶ 121.

¹² Prior to initialing this statement, applicants will be provided with the names of leading wireline and wireless Lifeline providers in the area.

Finally, the application forms will require each applicant to provide the following information:¹³

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

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

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

The application form will clearly state that Lifeline participants must provide their new address to the Company within 30 days of moving.¹⁴ Budget PrePay will incorporate this information into its customer information database. Prior to initiating service for a customer, the Company will check the address of each Lifeline applicant against its database to determine whether or not it is associated with a customer that already receives Budget PrePay Lifeline service, and will then review the application to ascertain whether the applicant is attempting to receive Lifeline-supported service for more than one handset associated with its household.¹⁵ If the Company determines that an individual at the applicant's residential address is currently receiving Lifeline-supported service, the Company will take an additional step to ensure that the

¹³ *Lifeline Reform Order* at ¶¶ 85 and 184.

¹⁴ *Id.* at ¶¶ 85 and 117.

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

applicant and the current subscriber are part of different households.¹⁶ In order to make this determination, Budget PrePay will require applicants to complete and submit to the Company a written document which will be developed by USAC. Budget PrePay will deny the Lifeline application of any individual residing at the same address as a current Lifeline subscriber who is part of the same household, and will advise the applicant of the basis for the denial.

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

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

3. *Annual Verification Procedures*

As required by the Commission's *Lifeline Reform Order*, Budget PrePay will require every consumer enrolled in the Lifeline program to verify on an annual basis that he or she is the head of his or her household, receives Lifeline-supported service only from Budget PrePay and, to the best of his or her knowledge, no one else in the subscriber's household is receiving a Lifeline-supported service.¹⁹ Pursuant to the new rule adopted in the *Lifeline Reform Order*, Budget PrePay will re-certify the eligibility of all of its Lifeline subscribers as of June 1, 2012,

¹⁶ *Lifeline Reform Order* at ¶ 78.

¹⁷ 47 C.F.R. § 54.405 (e)(2).

¹⁸ *Id.* at ¶¶ 88 – 89.

¹⁹ *Id.* at ¶ 120.

by the end of 2012, and report the results to USAC by January 31, 2013.²⁰ The Company may undertake this re-certification on a rolling basis throughout the year.²¹ Where ongoing eligibility cannot be determined through access to a qualifying database either by the Company or the state, and there is no state administrator verifying the continued eligibility of Lifeline subscribers, the Company will re-certify the continued eligibility of its subscribers by contacting them—either in person, in writing (by mail), by phone, by text message, by email, or otherwise through the Internet—to confirm their continued eligibility.²² Such certifications may be obtained in person through a written document, an IVR system, a text message, or on-line with an electronic signature. The Company will accept electronic signatures that meet the requirements of the Electronic Signatures in Global and National Commerce Act, 15 USC 7001-7006, and any applicable state laws, in accordance with the *Lifeline Reform Order*.²³ In states where a state agency or a third party has implemented a database that carriers may query to re-certify the consumer's continued eligibility, the Company (or state agency or third-party, where applicable) will instead query the database and maintain a record of what specific data was used to re-certify eligibility and the date of re-certification.²⁴

The notice will explain the actions the customer must take to retain Lifeline benefits, when Lifeline benefits will be terminated if such actions are not taken, and how to contact Budget PrePay. Consistent with the *Lifeline Reform Order*, the Company will provide notice of impending Lifeline service termination to subscribers who do not respond to the annual re-certification within 30 days. Anyone who does not respond to the impending termination notice

²⁰ *Id.* at ¶ 130.

²¹ *Id.*

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

²³ *Id.* at ¶ 132.

²⁴ *Id.* at ¶ 131.

within 30 days to demonstrate that his or her Lifeline service should not be terminated will be de-enrolled from the Company's Lifeline program.²⁵

D. Additional Measures to Prevent Waste, Fraud, and Abuse

1. Non-usage Policy

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

2. Customer Education with Respect to Duplicates

To supplement its verification and certification procedures, and to better ensure that customers understand the Lifeline service restrictions with respect to duplicates, Budget PrePay will implement measures and procedures to prevent duplicate Lifeline benefits being awarded to the same household. These measures entail additional emphasis in written disclosures as well as

²⁵ *Id.* at ¶¶ 141-142.

²⁶ *Id.* at ¶¶ 257-263.

²⁷ *Id.* at ¶ 257.

²⁸ *Id.* at ¶ 261.

live due diligence, and will help ensure that only eligible consumers enroll in the program and that those consumers are fully informed of the rules and requirements of the program.

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

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

Budget PrePay will disclose the company names under which it does business and the details of its Lifeline service offerings.³¹

²⁹ *Id.* at ¶ 121.

³⁰ *Id.* at ¶ 275.

³¹ *Id.*

3. Cooperation with state and federal regulators

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

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

³² *Lifeline Reform Order* at ¶¶ 125 – 128.

³³ *Id.* at ¶ 390.

E. Lifeline Offering

Budget PrePay will offer its Lifeline service in the states where it is designated as an ETC throughout the coverage area of its underlying carriers, Sprint and Verizon Wireless. As summarized in Exhibit A attached hereto, the Company's Lifeline offering will provide customers with the option to choose between two (2) Lifeline plans³⁴ that best meets their needs.

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

IV. CONCLUSION

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

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

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

Respectfully submitted,

BUDGET PREPAY, INC.

Todd B. Lantor
Robert S. Koppel
Lukas, Nace, Gutierrez & Sachs, LLP
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Suite 1200
McLean, Virginia 22102
Phone: (703) 584-8678

Counsel for Budget PrePay, Inc.

March 1, 2012

cc (via e-mail): Best Copy and Printing, Inc.
Divya Shenoy, FCC
Charles Tyler, FCC

EXHIBIT A

Lifeline Offerings

Plan Description	Retail Price
Active User Talk & Text*	
Non Lifeline	\$34.25
Lifeline	\$25.00
250 Minute Talk	
Non Lifeline	\$9.25
Lifeline	Free

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

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

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

Plan Additions	Retail Price*
Additional Minutes for 250 Minute Talk	
50 minutes	5.00
100 minutes	\$10.00
150 minutes	\$15.00
Text Message Add-on for 250 Minute Talk*	
	\$10.00

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

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

Lifeline Credits

Federal Lifeline Credit

\$9.25

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

EXHIBIT D

SAMPLE LIFELINE APPLICATION FORM
AND ADVERTISEMENTS

Budget **MOBILE**
LIFELINE

Government Assisted Program

**FREE MOBILE
PHONE**

Plus

250 FREE MINUTES
Every Month

NO CONTRACTS • NO CREDIT CHECKS • NO PAYMENTS REQUIRED

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



FREE MOBILE PHONE + 250 FREE MINUTES Each Month

There are 2 easy ways to sign up for service:

- ① **Visit a Budget Mobile Lifeline Store**
- ② **Order online at www.BudgetMobile.com**



FEATURES include

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

ELIGIBILITY

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

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

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

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

LIFELINE CERTIFICATION FORM

Budget MOBILE
LIFELINE

www.budgetmobile.com

☐ Initial Lifeline Enrollment ☐ Re-Verification of Lifeline Enrollment

PERSONAL INFORMATION

PLEASE FILL OUT THE FOLLOWING INFORMATION:

First Name: Middle Name:
Last Name: Date of Birth: //
Social Security #: -- Tribal Identification #: Alt. Contact #: -
Email Address:

PLEASE READ AND ACKNOWLEDGE YOU AGREE BY INITIALING EACH STATEMENT BELOW.

- _____ The information contained within this application is true and correct. I acknowledge that providing false or fraudulent documentation in order to demonstrate eligibility for the Lifeline program is punishable by fine or imprisonment.
- _____ I understand that Lifeline is a federal government benefit program and that only qualified persons may participate in the Lifeline program.
- _____ I understand that Lifeline is only available for one phone line per household, whether landline or wireless. Other Lifeline providers include: Budget Home Phone, AT&T, Safelink, and Assurance Wireless. To the best of my knowledge no one in my household is receiving Lifeline service. A household is defined, for purpose of the Lifeline program, as any individuals who live together at the same address and share income and expenses.
- _____ I certify that I am at least 18 years of age and not currently receiving a Lifeline telephone service from any other landline or wireless telephone company. I will only receive Lifeline from Budget PrePay and no other landline or wireless telephone company.
- _____ I will not transfer my service to any other individual, including another eligible low-income consumer.
- _____ I authorize Budget PrePay to access any records required to verify my eligibility for Lifeline service. I also authorize Budget PrePay to release any of my records required for the administration of the Lifeline program.
- _____ I understand that I will be required to verify my continued eligibility for Budget PrePay's Lifeline service at least annually, and that I may be required to verify my continued eligibility at anytime, and that failure to do so will result in termination of Lifeline benefits. I will notify Budget PrePay immediately if I no longer qualify for Lifeline, or if I have a question as to whether I would still qualify.
- _____ I will notify Budget PrePay within thirty (30) days if my home address changes. If the address I have provided is a temporary address, I understand that I must verify my address every ninety (90) days.
- _____ I authorize Budget PrePay to contact me by interactive voice responses (IVR), or other means, to notify me of promotions, annual Lifeline re-verification, and the companies 60 Day Non-usage reminder.
- _____ I understand that completion of this application does not constitute immediate approval for Lifeline service.

ELIGIBILITY

QUALIFYING BENEFICIARY (Complete if a dependent residing in your household is receiving benefits from the programs listed below.)

First Name: _____ MI: _____ Last Name: _____

PLEASE CHECK ALL THAT APPLY AND PRESENT BUDGET EMPLOYEE WITH PROOF OF PROGRAM QUALIFICATION:

- | | | |
|---|--|--|
| <input type="checkbox"/> Food Stamps (SNAP) | <input type="checkbox"/> Federal Housing Assistance (Section 8) | <input type="checkbox"/> Low Income Home Energy Assistance Program |
| <input type="checkbox"/> Supplemental Security Income (SSI) | <input type="checkbox"/> National School Lunch (Free Program Only) | <input type="checkbox"/> Food Distribution Program on Indian Reservations (FDPIR) |
| <input type="checkbox"/> Medicaid | <input type="checkbox"/> Temporary Assistance for Needy Families | <input type="checkbox"/> Bureau of Indian Affairs General Assistance (BIA) |
| | | <input type="checkbox"/> Tribally-Administered Temporary Assistance for Needy Families (TTANF) |
- (Note: Proof of program qualification not required during annual re-verification of Lifeline eligibility.)

LIFELINE CERTIFICATION FORM

Budget MOBILE
LIFELINE

www.budgetmobile.com

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

How many people are in your Household? _____

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

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

Add \$5,346 for each additional person.

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

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

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

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

This address is:

☐ Permanent ☐ Temporary ☐ Multi-Household

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

☐ Yes ☐ No

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

Street Address: _____

Name of Apt. Complex/Multi Resident Facility: _____

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

City: _____ State: _____ Zip Code: _____

BILLING ADDRESS

☐ Same as Residential Address

Street Address: _____

Name of Apt. Complex/Multi Resident Facility: _____

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

City: _____ State: _____ Zip Code: _____

Penalty of Perjury

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

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

Signature _____ Date _____

FOR AUTHORIZED EMPLOYEE USE ONLY

Shelter/Multi Resident Authorization Code _____ - _____ - _____

Customer Mobile Phone # _____ - _____ - _____

Customer Account # _____

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

Specific Documentation Presented by Customer and Examined by Company Representative

Store Representative Signature _____ Date _____

EXHIBIT E

CTIA CONSUMER CODE FOR WIRELESS SERVICE

CTIA

Consumer Code *for* Wireless Service

To provide consumers with information to help them make informed choices when selecting wireless service, the CTIA and the wireless carriers that are signatories below have developed the following Consumer Code. The carriers that are signatories to this Code have voluntarily adopted the principles, disclosures, and practices here for wireless service provided to individual consumers, including voice, messaging, and data services sold either on a postpaid or prepaid basis.

THE WIRELESS CARRIERS THAT ARE SIGNATORIES TO THIS CODE WILL:

ONE

DISCLOSE RATES AND TERMS OF SERVICE TO CONSUMERS

For each service plan offered to new consumers, wireless carriers will disclose to consumers at point of sale and on their web sites, at least the following information, as applicable: (a) the coverage area for the service; (b) any activation or initiation fee; (c) the monthly access fee or base charge; (d) the amount and nature of any voice, messaging, or data allowances included in the plan (such as night and weekend minutes); (e) the charges for domestic usage in excess of any included allowances or outside of the coverage area; (f) for prepaid service plans, the period of time during which any balance is available for use; (g) whether there are prohibitions on data service usage and whether there are network management practices that will have a material impact on the customer's wireless data experience; (h) whether any additional taxes, fees or surcharges apply; (i) the amount or range of any such fees or surcharges that are collected and retained by the carrier; (j) the amount or nature of any late payment fee; (k) whether a fixed-term contract is required and its duration; (l) the amount and nature of any early termination fee that may apply; and (m) the trial

period during which a consumer may cancel service without any early termination fee, as long as the consumer complies with any applicable return policy.

TWO

MAKE AVAILABLE MAPS SHOWING WHERE SERVICE IS GENERALLY AVAILABLE

Wireless carriers will make available at point of sale and on their web sites maps depicting approximate domestic coverage applicable to each of their service plans currently offered to consumers. To enable consumers to make comparisons among carriers, these maps will be generated using generally accepted methodologies and standards to depict the carrier's outdoor coverage. All such maps will contain or link to an appropriate legend concerning limitations and/or variations in wireless coverage and map usage, including any geographic limitations on the availability of any services included in the plan. Wireless carriers will periodically update such maps as necessary to keep them reasonably current. If necessary to show the extent of service coverage available to customers from carriers' roaming partners, carriers will request and incorporate coverage maps from roaming partners that are generated using similar industry-accepted criteria, or if such information is not available, incorporate publicly available information regarding roaming partners' coverage areas.

THREE

PROVIDE CONTRACT TERMS TO CUSTOMERS AND CONFIRM CHANGES IN SERVICE

When a customer initiates new service or a change in existing service, the carrier will provide or confirm any new material terms and conditions of the ongoing service with the customer.

FOUR

ALLOW A TRIAL PERIOD FOR NEW SERVICE

When a customer initiates postpaid service with a wireless carrier, the customer will be informed of and given a period of not less than 14 days to try out the service. The carrier will not impose an early termination fee if the customer cancels service within this period, provided that the customer complies with applicable return and/or exchange policies. Other charges, including usage charges, may still apply.

FIVE

PROVIDE SPECIFIC DISCLOSURES IN ADVERTISING

In advertising of prices for wireless service plans or devices, wireless carriers will disclose material charges and conditions related to the advertised prices and services, including if applicable and to the extent the advertising medium reasonably allows: (a) whether activation or initiation fees apply; (b) monthly access fees or base charges; (c) the amount and nature of any voice, messaging, or data service allowances included in the plan; (d) the charges for any domestic usage in excess of any included allowances or outside of the coverage area; (e) for prepaid service plans, the period of time during which any balance is available for use; (f) whether there are network management practices that will have a material impact on the customer's wireless data experience; (g) whether any additional taxes, fees or surcharges apply; (h) the amount or range of any such fees or surcharges that are collected and retained by the carrier; (i) whether a fixed-term contract is required and its duration; (j) early termination fees; (k) the terms and conditions related to receiving a product or service for "free;" (l) for any service plan advertised as "nationwide," (or using similar terms), the carrier will have available substantiation for this claim; and (i) whether prices or benefits apply only for a limited time or promotional period and, if so, whether any different fees or charges will apply for the remainder of the contract term.

SIX

SEPARATELY IDENTIFY CARRIER CHARGES FROM TAXES ON BILLING STATEMENTS

On customers' bills, carriers will distinguish (a) monthly charges for service and features, and other charges collected and retained by the carrier, from (b) taxes, fees and other charges collected by the carrier and remitted to federal state or local governments. Carriers will not label cost recovery fees or charges as taxes.

SEVEN

PROVIDE CUSTOMERS THE RIGHT TO TERMINATE SERVICE FOR CHANGES TO CONTRACT TERMS

Carriers will not modify the material terms of their postpaid customers' contracts in a manner that is materially adverse to those customers without providing a reasonable

advance notice of a proposed modification and allowing those customers a time period of not less than 14 days to cancel their contracts with no early termination fee.

EIGHT

PROVIDE READY ACCESS TO CUSTOMER SERVICE

Customers will be provided a toll-free telephone number to access a carrier's customer service during normal business hours. Customer service contact information will be provided to customers online and on billing statements. Each wireless carrier will provide information about how customers can contact the carrier in writing, by toll-free telephone number, via the Internet or otherwise with any inquiries or complaints, and this information will be included, at a minimum, on all billing statements, in written responses to customer inquiries and on carriers' web sites. Each carrier will also make such contact information available, upon request, to any customer calling the carrier's customer service departments.

NINE

PROMPTLY RESPOND TO CONSUMER INQUIRIES AND COMPLAINTS RECEIVED FROM GOVERNMENT AGENCIES

Wireless carriers will respond in writing to state or federal administrative agencies within 30 days of receiving written consumer complaints from any such agency.

TEN

ABIDE BY POLICIES FOR PROTECTION OF CUSTOMER PRIVACY

Each wireless carrier will abide by a policy regarding the privacy of customer information in accordance with applicable federal and state laws, and will make available to the public its privacy policy concerning information collected online. Each wireless carrier will abide by the CTIA Best Practices and Guidelines for Location-Based Services.

ELEVEN

PROVIDE CONSUMERS WITH FREE NOTIFICATIONS FOR VOICE, DATA AND MESSAGING USAGE, AND INTERNATIONAL ROAMING

Each wireless provider will provide, at no charge: (a) a notification to consumers of currently-offered and future domestic wireless plans that include limited data allowances when consumers approach and exceed their allowance for data usage and will incur overage charges; (b) a notification to consumers of currently-offered and future domestic voice and messaging plans that include limited voice and messaging allowances when consumers approach and exceed their allowance for those services and will incur overage charges; and (c) a notification to consumers without an international roaming plan/package whose devices have registered abroad and who may incur charges for international usage. Wireless providers will generate the notifications described above to postpaid consumers based on information available at the time the notification is sent. Wireless consumers will not have to affirmatively sign up in order for these notifications to be sent. Each wireless provider shall provide its customers at least two of these alerts by October 17, 2012 and all of these alerts by April 17, 2013. Wireless providers will clearly and conspicuously disclose tools or services that enable consumers to track, monitor and/or set limits on voice, messaging and data usage.

April 10, 2012

BY FED EX

Ms. Patti Petersen-Klein
Executive Director
Kansas Corporation Commission
1500 S.W. Arrowhead Road
Topeka, KS 66604-4027

Received
on

APR 11 2012

by
State Corporation Commission
of Kansas

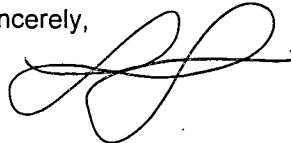
Re: In the Matter of the Petition of Budget Prepay, Inc. for Designation as a Non-Rural
Wireless Eligible Telecommunications Carrier.

Dear Ms. Patti Petersen-Klein:

Please find enclosed the original and nine (9) copies of Budget Prepay, Inc.'s Petition for Designation as a Non-Rural Wireless Eligible Telecommunications Carrier. Please return a filed-stamped copy of the pleading to me in the enclosed return envelope.

Please give me a call if you have any questions.

Sincerely,



Lisa A. Gilbreath
Associate

Enclosures