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October 14, 2011

## VIA HAND DELIVERY

Luly Massaro  
Commission Clerk  
Rhode Island Public Utilities Commission  
89 Jefferson Blvd.  
Warwick, RI 02888

RECEIVED  
2011 OCT 14 PM 3:10  
PUBLIC UTILITIES COMMISSION

Re: Petition of Budget PrePay, Inc. for Limited Designation as an Eligible  
Telecommunications Carrier for Lifeline and Link Up Support

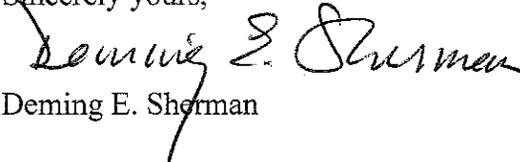
Dear Ms. Massaro:

Enclosed for filing are an original and nine (9) copies of the Petition of Budget PrePay, Inc. ("Budget PrePay") for Designation as an Eligible Telecommunications Carrier for Lifeline and Link Up Support, including the company's Certification. A copy is being provided to the Administrator of the Division. Please return to me a date stamped copy of this transmittal letter in the enclosed stamped self-addressed envelope.

Please do not hesitate to contact me if the Commission has any questions concerning this filing.

Thank you for your assistance.

Sincerely yours,

  
Deming E. Sherman

Enclosures

cc: Thomas F. Ahern, Administrator, Division of Public Utilities and Carriers.

PRV 1161410.1

**Before the  
RHODE ISLAND PUBLIC UTILITIES COMMISSION**

In the Matter of )  
)  
Budget PrePay, Inc. ) Docket No. \_\_\_\_\_  
)  
Petition for Limited Designation as an )  
Eligible Telecommunications Carrier in )  
Rhode Island for Lifeline and Link Up )  
Support )

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

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*Counsel for Budget PrePay, Inc.*

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## SUMMARY

Budget PrePay, Inc. (“Budget PrePay”) respectfully submits this Petition for Limited Designation as an Eligible Telecommunications Carrier (“ETC”) pursuant to Section 214(e)(6) of the Communications Act of 1934, as amended (the “Act”), Federal Communications Commission (“FCC”) Rules, 47 C.F.R. Part 54.101 *et seq.* (the “FCC Rules”), and the Rhode Island Public Utilities Commission’s (“RIPUC”) rules and regulations.<sup>1</sup> Budget PrePay seeks designation as an ETC throughout the State of Rhode Island for the limited purpose of offering Lifeline and Link Up services to end-user customers in Rhode Island. Budget PrePay does not seek funding from the Universal Service Fund’s (“USF”) high-cost program.

As discussed herein, Budget PrePay meets all of the necessary statutory and regulatory requirements for ETC designation under Section 214(e) of the Act. In addition, consumers qualifying for the Lifeline and Link Up discounts offered by Budget PrePay will receive the benefits of mobility, as well as the high-quality and high-value services offered by Budget PrePay at a substantially discounted price. As a result, designating Budget PrePay as an ETC will serve the public interest generally and the needs of low-income customers in Rhode Island in particular.

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<sup>1</sup> *Rules and Regulations Governing the Certification and Verification Procedures for Telecommunications Carriers Eligible to Receive Payments from the Federal Universal Service Fund and Certification and Verification Processes for Compliance with Providing Lifeline and Linkup Service*, adopted by the RIPUC, effective February 4, 2010 (“Commission ETC Regulations”).

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**Before the  
RHODE ISLAND PUBLIC UTILITIES COMMISSION**

In the Matter of	)	
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Budget PrePay, Inc.	)	Docket No. _____
	)	
Petition for Limited Designation as an	)	
Eligible Telecommunications Carrier	)	
for Lifeline and Link Up Support	)	

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

Budget PrePay, Inc. (“Budget PrePay” or “Company”) respectfully submits this Petition for Limited Designation as an Eligible Telecommunications Carrier (“ETC”) pursuant to Section 214(e)(6) of the Communications Act of 1934, as amended (the “Act”),<sup>2</sup> Federal Communications Commission (“FCC”) Rules, 47 C.F.R. Part 54.101 *et seq.* (the “FCC Rules”),<sup>3</sup> and the Rhode Island Public Utilities Commission’s (“RIPUC”) rules and regulations (“Commission ETC Regulations”). Budget PrePay seeks designation as a competitive ETC throughout the State of Rhode Island only for the limited purpose of offering wireless prepaid services and providing applicable Lifeline and Link Up discounts to qualified Rhode Island residents. As demonstrated herein, Budget PrePay meets each of the statutory and regulatory prerequisites for ETC designation. Accordingly, Budget PrePay respectfully requests that the RIPUC grant this Petition expeditiously so that qualified Rhode Island residents can benefit from the high-quality and high-value services that the Company plans to offer.

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<sup>2</sup> 47 U.S.C. § 214(e)(6).

<sup>3</sup> 47 C.F.R. § 54.201 *et seq.*

## **I. BACKGROUND**

### **A. Company Overview**

Budget PrePay is a Louisiana corporation with its principal place of business at 1325 Barksdale Blvd., Bossier City, Louisiana. Budget PrePay provides both low-cost prepaid wireless services and prepaid home telephone services on a nationwide basis to over 60,000 customers through a system of more than 6,800 active agents. As of the date of this application, Budget PrePay has been designated as an ETC for wireless services in the states of Arkansas, Louisiana, Maryland and Nevada and is currently offering or will very shortly offer Lifeline and Link Up services in each of these states.

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

### **B. The RIPUC has Jurisdiction to Designate Budget PrePay as an ETC.**

The RIPUC has the requisite authority to grant the limited ETC designation requested herein. Pursuant to the provisions of Section 214(e)(2) of the Act, state commissions have primary responsibility for the designation of eligible telecommunications carriers.<sup>4</sup> Specifically,

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<sup>4</sup> 47 U.S.C. §214(e)(2).

Section 214(e)(2) provides that a State commission “shall...upon request designate a common carrier that meets the requirements of paragraph 1 [of Section 214(e)] as an eligible telecommunications carrier for a service designated by the State commission.” Pursuant to this authority, the RIPUC has adopted its Commission ETC Regulations and granted ETC status to various wireless carriers.

As demonstrated herein, Budget PrePay meets the requirements for ETC designation by the FCC pursuant to Section 214(e)(2) of the Act. In addition, Budget PrePay complies with the standards established by the FCC for determining whether applicants for ETC status serve the public interest. Accordingly, Budget PrePay requests that the RIPUC expeditiously process the instant ETC Petition so that it can promptly commence providing qualifying low-income Rhode Island customers with affordable USF-supported wireless services during these challenging economic times.

### **C. Scope of Budget PrePay’s ETC Designation Request.**

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

The Company requests ETC designation for the entire state of Rhode Island – an exclusively non-rural service area – which is served in its entirety by Verizon Rhode Island. Budget PrePay believes that the public interest factors described herein justify its designation as

an ETC in Rhode Island. Moreover, Budget PrePay only seeks ETC designation for purpose of participating in the federal and state Lifeline and Link Up programs.

**D. Description of Budget PrePay’s Lifeline Service Offering.**

Budget PrePay offers unlimited Lifeline wireless service for \$45.50 every 30 days, and the plan includes: unlimited nationwide calling, unlimited texting, caller ID, call waiting, voicemail and no contract commitment. The unlimited Lifeline wireless service plan is summarized in the table below:<sup>5</sup>

<b>Proposed Rhode Island Lifeline Offering</b>	
Budget PrePay’s Unlimited Talk & Text Service	\$45.50
Minimum Lifeline Credit	(\$13.50) <sup>6</sup>
Total Maximum Cost of Lifeline Offering (absent any applicable taxes and fees)	\$32.00

In addition, Budget PrePay plans to offer a second Lifeline plan that will include a free Lifeline handset and 250 nationwide calling minutes per month, caller ID, call waiting and voicemail with no contract commitment and at no cost to the customer once the Lifeline discount is applied. Although Budget PrePay may ultimately decide to expand the number of Lifeline service plan options available to eligible Lifeline customers, the Company believes that the two proposed service plans for Lifeline customers will be received well by Rhode Island residents and generate significant interest.

<sup>5</sup> Budget PrePay will offer Tier 1, 2 and 3 support within its ETC designation area and will provide the full \$5.25 Tier 3 support based on the Company’s own Tier 3 contribution of \$3.50.

<sup>6</sup> Because Tier 1 support levels in Rhode Island are below \$6.50, Budget intends to provide Tier 3 support at a level above \$3.50 at its own expense in order to ensure that all Lifeline customers in Rhode Island receive a minimum \$13.50 discount on their Lifeline service from Budget PrePay.

## **II. BUDGET PREPAY SATISFIES THE STATUTORY AND REGULATORY PREREQUISITES FOR DESIGNATION AS AN ETC.**

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

### **A. Budget PrePay Is a Common Carrier [47 U.S.C. § 214(e)(1)] and an Authorized Carrier under the Laws of Rhode Island [Part III.a of Commission ETC Regulations].**

Section 3(10) of the Act, 47 U.S.C. § 153(10), defines a common carrier as “any person engaged as a common carrier for hire, in interstate or foreign communications by wire or radio....” Budget PrePay meets the definition of a person, offers interstate communications by radio, and is a common carrier for hire. Budget PrePay is a “registered telecommunications provider” in the State of Rhode Island.<sup>7</sup>

### **B. Budget PrePay Will Provide the Supported Services Through a Combination of Facilities-Based Service and Resale [47 U.S.C. § 214(e)(1)(A)].**

Budget PrePay operates as a reseller for most of the supported services, purchasing them on a wholesale basis from one or more national wireless carriers. However, Budget PrePay will rely on its switches located in Dallas, Texas, and Shreveport, Louisiana, to provide access to directory assistance, access to some interexchange services (for routing certain domestic and all non-domestic calls) and for the provision of toll limitation services, and to provide operator services, as that term is defined in Section 54.101(a)(6) of the FCC Rules. Accordingly, Budget PrePay qualifies as a facilities-based carrier as defined by the federal statute and as defined by the FCC.<sup>8</sup>

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<sup>7</sup> Budget PrePay, Inc. d/b/a Budget Phone, Docket 3663, authorization date March 24, 2005.

<sup>8</sup> 47 U.S.C. § 214(e)(1); *see also Federal-State Joint Board on Universal Service, Report and Order*, 12 FCC Rcd 8776, 8870-71 (1997) (“We conclude, therefore, that, if a carrier uses its own facilities to provide at least one of the designated services, and the carrier otherwise meets the definition of ‘facilities’ adopted above, then the facilities requirement of section 214(e) is satisfied. For example, we conclude that a carrier could satisfy the facilities requirement by using its own facilities to provide

**C. Budget PrePay Offers the Services and Functionalities Required by the FCC and the RIPUC [47 C.F.R. § 54.201(d); Part II of Commission ETC Regulations].**

Budget PrePay offers each of the services required by the FCC, as set forth in 47 C.F.R. § 54.101, and by the RIPUC, as set forth in the Part II of the Commission ETC Regulations, and will offer these supported services throughout the State of Rhode Island upon designation as an ETC. As noted earlier, Budget PrePay will provide these supported services using a combination of its own facilities and resale arrangements with one or more national wireless carriers. A description of how the supported services are provided follows:

1. *Voice Grade Access [47 C.F.R. § 54.101(a)(1); Part II.A.2 of Commission ETC Regulations].* “Voice grade access” permits a telecommunications user to transmit voice communications, including signaling the network that the caller wishes to place a call, and to receive voice communications, including receiving a signal that there is an incoming call. Budget PrePay’s customers in Rhode Island will be able to make and receive calls on the public switched telephone network with a minimum bandwidth of 300 to 3000 Hertz.

2. *Local Usage [47 C.F.R. § 54.101(a)(2)].* “Local usage” means an amount of minutes of use of exchange service, prescribed by the FCC, provided free of charge to end users.”<sup>9</sup> The FCC has interpreted its rule as requiring carriers to offer customers rate plans offering varying amounts of local usage.<sup>10</sup> Although Budget PrePay may ultimately decide to expand the number of Lifeline service plan options available to eligible Lifeline customers,

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access to operator services, while providing the remaining services designated for support through resale.”); *id.* at 8871 (“[S]ection 214(e) does not mandate the use of any particular level of a carrier's own facilities.”).

<sup>9</sup> 47 C.F.R. § 54.101(a)(2).

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

Budget PrePay intends to initially offer qualifying customers an “unlimited talk & text” and a “free 250” minute plan. The “unlimited talk & text” plan will provide unlimited local usage. Budget PrePay’s alternative Lifeline plan provides eligible Lifeline customers with 250 minutes free of charge to end users. Both plans clearly satisfy the FCC’s “local usage” requirement.

3. *Dual Tone Multi-Frequency Signaling or Its Functional Equivalent [47 C.F.R. § 54.101(a)(3); Part II.A.3 of Commission ETC Regulations].* Dual tone multi-frequency (“DTMF”) signaling is a method of signaling that facilitates the transmission of call set-up and call detail information. The FCC has recognized that, with respect to wireless carriers, it “is appropriate to support out-of-band signaling mechanisms as an alternative to DTMF signaling.”<sup>11</sup> Budget PrePay satisfies this requirement by using out-of-band digital signaling and in-band multi-frequency signaling that is the functional equivalent to DTMF signaling.

4. *Single-Party Service or its Functional Equivalent [47 C.F.R. § 54.101(a)(4); Part II.A.1 of Commission ETC Regulations].* With respect to wireless carriers, “single-party service” affords a user a dedicated message path for the length of a user’s particular transmission. Budget PrePay meets this requirement with respect to each of its service offerings by providing a dedicated message path for the duration of its subscribers’ calls.

5. *Access to Emergency Services [47 C.F.R. § 54.101(a)(5); Part II.A.4 of Commission ETC Regulations].* “Access to emergency services” includes access to services, such as 911 and enhanced 911 (“E-911”), provided by local governments or other public safety organizations. All of the phones that Budget PrePay distributes in Rhode Island are capable of delivering automatic numbering information (“ANI”) and automatic location information (“ALI”), and otherwise satisfy applicable state and federal E-911 requirements.

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<sup>11</sup> *Federal-State Joint Board on Universal Service*, Report and Order, 12 FCC Rcd 8776, at ¶ 71 (1997).

6. *Access to Operator Services [47 C.F.R. § 54.101(a)(6); Part II.A.5 of Commission ETC Regulations].* “Access to operator services” means access to automated or live operator assistance provided to a customer to arrange for the billing or completion, or both, of a telephone call. Budget PrePay meets this “supported services” requirement through its own live operators employed by the Company that are available to assist customers.

7. *Access to Interexchange Service [47 C.F.R. § 54.101(a)(7); Part II.A.6 of Commission ETC Regulations].* With respect to wireless carriers, “access to interexchange service” means access to the functional equivalent of the use of the wireline telecommunications loop, as well as that portion of the switch that is paid for by the end user, necessary to access an interexchange carrier’s network. Budget PrePay meets this requirement by providing all of its subscribers with the ability to make and receive domestic interexchange or toll calls. Budget PrePay will rely on its own switches located in Dallas, Texas, and Shreveport, Louisiana, to provide access to some interexchange services (for routing certain domestic and all non-domestic calls).

8. *Directory Assistance [47 C.F.R. § 54.101(a)(8); Part II.A.7 of Commission ETC Regulations].* “Access to directory assistance” means access to a service that includes, but is not limited to, making available to customers, upon request, information contained in directory listings. Budget PrePay meets this requirement by providing access to directory assistance to customers. Budget PrePay subscribers will be able to dial #4007 to reach directory assistance from their mobile phones. Budget PrePay’s own switches and facilities will be used to provide access to directory assistance.

9. *Toll Limitation [47 C.F.R. § 54.101(a)(9); Part II.A.8 of Commission ETC Regulations].* “Toll limitation” includes the offering of either “toll control” or “toll blocking” to qualifying low-income customers, as a means of limiting or blocking the

completion of outgoing toll calls. As the FCC found in its grant of ETC designation to Virgin Mobile, “the prepaid nature of [a prepaid wireless carrier’s] service offering works as an effective toll control.”<sup>12</sup> Moreover, upon request Budget PrePay will offer traditional toll limitation service for international calls using its own facilities to qualifying low-income customers at no additional charge.

**D. Budget PrePay Will Advertise the Availability of and Charges for Its Universal Service Qualifying Offerings [47 C.F.R. § 54.201(d)(2); Part III.B of Commission ETC Regulations].**

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

**E. Budget PrePay Will Satisfy the Additional FCC Requirements for ETC Designation.**

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

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

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<sup>12</sup> *In re Virgin Mobile USA, L.P. Petition for Forbearance from 47 U.S.C. § 214(e)(1)(A); etc.*, Order, 24 FCC Rcd 3381, 3394 at ¶ 34 (rel. March 5, 2009)

or the RIPUC and designates the following contact person to resolve any complaints or other compliance matters:

Robin Enkey  
Budget PrePay, Inc.  
1325 Barksdale Blvd.  
Bossier City, Louisiana 71111  
E-mail: robine@budgetprepay.com

2. **Local Usage Plan [47 C.F.R. § 54.202(a)(4)].** As noted earlier, Budget PrePay's non-Lifeline wireless service retail plan is \$45.50 every 30 days and includes: unlimited local and long distance calling, unlimited texting, caller ID, call waiting and voicemail. With the Lifeline discount, Budget PrePay will offer the same package to eligible Lifeline customers at a discounted rate – after the Lifeline credit is applied – of \$32.00. In addition, Budget PrePay's alternative Lifeline plan provides eligible Lifeline customers with 250 minutes free of charge to end users. As a result, Budget PrePay's local usage plans are comparable to those offered by incumbent local exchange carriers in the service areas for which Budget PrePay seeks ETC designation.

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

4. **Lifeline Certification and Verification [47 C.F.R. § 54.410].** Budget PrePay will certify and verify consumer eligibility to participate in the Lifeline and Link Up programs in accordance with the FCC Rules. In addition, Budget PrePay will comply with the new Lifeline and Link Up rules adopted in the FCC's Lifeline and Link Up Reform and Modernization Report and Order.<sup>13</sup>

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<sup>13</sup> *Lifeline and Link Up Reform and Modernization*, Report and Order, 26 FCC Rcd 9022 (2011).

**F. Budget PrePay Will Satisfy the Additional RIPUC Requirements for ETC Designation [Parts IV-VII of Commission ETC Regulations].**

Budget PrePay will satisfy the additional RIPUC requirements for ETC designation.

**1. Eligibility for Lifeline Discounts.** Budget PrePay will adhere to the requirements regarding eligibility for enrollment in and retention of Lifeline discounts set forth in Part IV of the Commission ETC Regulations.

**2. Initial Eligibility.** Budget PrePay will comply with the enrollment and certification of initial eligibility requirements set forth in Part V of the Commission ETC Regulations.

**3. Continued Eligibility.** Budget PrePay will comply with the requirements regarding verification of continued eligibility set forth in Part VI of the Commission's ETC Regulations, including conducting an annual verification of continued eligibility of its customers in accordance with the verification process set forth herein.

**4. Record Keeping.** Budget PrePay will maintain records in accordance with the record keeping requirements set forth in Part VII of the Commission's ETC Regulations.

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

One of the principal goals of the Act, as amended by the Telecommunications Act of 1996, is "to secure lower prices and higher quality services for American telecommunications consumers and encourage the rapid deployment of new telecommunications technologies" to all citizens, regardless of geographic location or income.<sup>14</sup> Designating Budget PrePay as an ETC

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<sup>14</sup> Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56.

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

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

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

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

telecommunications service for a single telecommunications connection” and “shall be half of the customary charge or \$30.00, whichever is less.”<sup>15</sup> Consistent with the FCC Rules, Budget PrePay will use Link Up support to reduce its “customary charge for commencing service” for eligible consumers. In addition, qualifying subscribers will have the option of deferring the reduced activation charge over a twelve-month period with no interest charges, allowing subscribers to obtain service without being required to pay any upfront fees to activate service with Budget PrePay. Budget PrePay’s “customary charge for commencing service” excludes the cost of the wireless handset.

Because Budget PrePay’s service is provided with no credit check, deposit requirement, minimum service periods, or early termination fees, the service will be an attractive and affordable alternative to qualified low-income consumers without regard to age, residency or creditworthiness. The wireless service offered by Budget PrePay will provide consumers with a convenient and affordable alternative to traditional telecommunications service that can be used while at home and away from home.

Because of these benefits, Budget PrePay expects that many qualified consumers will select its wireless Lifeline and Link Up service in lieu of the more traditional wireline or wireless services. Budget PrePay will fulfill a critical role in the marketplace by ensuring that residents of Rhode Island who cannot qualify for, or afford, the services provided by other wireless providers can still enjoy the benefits of wireless telecommunications.

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

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<sup>15</sup> See 47 C.F.R. § 54.411(a)(1).

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

By this Petition, Budget PrePay seeks to make it easier for low-income Rhode Island residents to access basic voice and data services. The primary purpose of universal service is to ensure that consumers—especially low-income consumers—receive affordable and comparable telecommunications services. A 2008 study has found such services to be a vital economic resource for low-income consumers that leads to improved wage levels and personal safety.<sup>16</sup> Given this context, designating Budget PrePay as an ETC would benefit consumers eligible for Lifeline services. The Company’s participation in the Lifeline program also undoubtedly would increase opportunities for it to serve Rhode Island customers with appealing and affordable service offerings.

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

Designation of Budget PrePay as an ETC in Rhode Island would enable the Company to offer more appealing and affordable service offerings to low-income customers to ensure that they are able to afford wireless services on a consistent and uninterrupted basis. Without

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<sup>16</sup> See Nicholas P. Sullivan, “Cell Phones Provide Significant Economic Gains for Low-Income American Households: A Review of Literature and Data from Two New Surveys,” April 2008, accessed at [http://www.newmillenniumresearch.org/archive/Sullivan\\_Report\\_032608.pdf](http://www.newmillenniumresearch.org/archive/Sullivan_Report_032608.pdf).

question, wireless services have become essential for lower-income citizens, providing them with value for their money, access to emergency services on wireless devices, and a reliable means of contact for prospective employers, social service agencies or dependents. Providing Budget PrePay with the authority necessary to offer discounted Lifeline services to those most in need of wireless service undoubtedly promotes the public interest.

#### IV. CONCLUSION

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

Respectfully submitted,



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FX: 703-584-8694  
TLantor@fcclaw.com

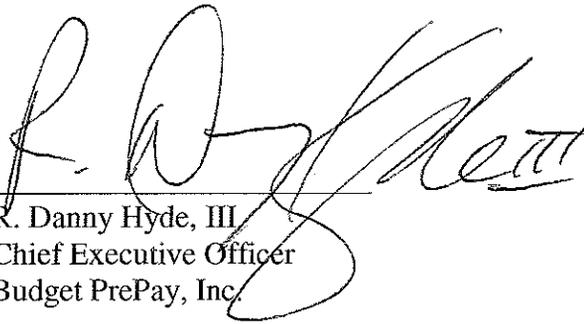
*Counsel for Budget PrePay, Inc.*

October 14, 2011

## CERTIFICATION

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

1. I am the Chief Executive Officer of Budget PrePay, Inc., a Louisiana Corporation, with its principal place of business at 1325 Barksdale Blvd., Bossier City, Louisiana 71111
2. I have read Budget PrePay's Petition for Limited Designation as an Eligible Telecommunications Carrier in the State of Rhode Island and confirm the information contained therein to be true and correct to the best of my knowledge.
3. I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

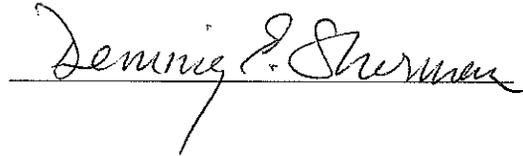


R. Danny Hyde, III  
Chief Executive Officer  
Budget PrePay, Inc.

Subscribed and sworn before me  
This 11th day of October, 2011.

**CERTIFICATE OF SERVICE**

I hereby certify that on the 14<sup>th</sup> day of October, 2011, I caused a copy of the within Petition to be delivered to Thomas F. Ahern, Administrator of the Division of Public Utilities and Carriers, 89 Jefferson Boulevard, Warwick, RI 02888.

  
Dennis J. Sherman