



State of Rhode Island and Providence Plantations

DEPARTMENT OF ATTORNEY GENERAL

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*Peter F. Kilmartin, Attorney General*

December 16, 2011

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

**IN RE: PETITION OF BUDGET PREPAY, INC.  
FOR DESIGNATION AS AN ELIGIBLE  
TELECOMMUNICATIONS CARRIER IN THE STATE  
OF RHODE ISLAND FOR LOW INCOME SUPPORT ONLY**

DOCKET NO. 4294

Dear Ms. Massaro,

Enclosed for filing with the Commission is an original and nine (9) copies of the Division's Comments regarding the Petition of Budget Prepay, Inc. requesting ETC status in the above matter.

Thank you for your attention to this matter.

Very truly yours,

Jon G. Hagopian  
Special Assistant Attorney General

cc: Service List (e-mail only)

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS  
PUBLIC UTILITIES COMMISSION**

**IN RE: PETITION OF BUDGET PREPAY, INC. :**  
**FOR LIMITED DESIGNATION AS AN ELIGIBLE :**  
**TELECOMMUNICATIONS CARRIER FOR LIFELINE : DOCKET NO. 4294**  
**AND LINK UP SUPPORT :**

**DIVISION OF PUBLIC UTILITIES AND CARRIERS**  
**COMMENTS REGARDING THE PETITION OF**  
**BUDGET PREPAY, INC.**

The Division of Public Utilities and Carriers (“Division”) hereby submits the following comments related to Budget Prepay Inc.’s (“Budget”) Petition for Designation as an Eligible Telecommunications Carrier (“ETC”) filed on October 14, 2011 with the Rhode Island Public Utilities Commission (the “Commission”). The Division’s comments are based upon a review of the docket filing and the Petition of Budget as well as other recent petitions for ETC designation.

Budget has filed the within petition seeking ETC status pursuant to Section 214(e)(6) of the Communications Act of 1934, as amended (the “Act”),<sup>1</sup> Section 54.201 *et seq.* of the rules of the Federal Communications Commission (the “FCC”),<sup>2</sup> and the Commission’s ETC Rules. Budget seeks designation as an ETC for the purpose of offering wireless prepaid services and providing Lifeline and Link Up discounts to qualified customers in Rhode Island.<sup>3</sup> Budget seeks ETC designation only for the limited purpose of receiving available support from the federal and state USF Low Income programs and will not seek funding from the USF high-cost program.<sup>4</sup>

The petition of Budget appears to be similar to other recent filings for ETC designation whereby Budget will rely on a combination of resold services that they have obtained through

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<sup>1</sup> 47 U.S.C. § 214(e)(6).

<sup>2</sup> 47 C.F.R. §§ 54.201 *et seq.*

<sup>3</sup> Budget Petition at p. 1, ¶1.

<sup>4</sup> Budget Petition at p. 3, ¶2.

agreements with one or more wireless providers that hold commercial mobile wireless service licenses in Rhode Island as well as Budget's own facilities. Additionally, Budget will rely on switches located in Texas and Louisiana to provide access to directory assistance, some interexchange services, for the provision of toll limitation services, and to provide operator services.<sup>5</sup>

Budget represents it is a Louisiana corporation authorized to do business in Rhode Island and throughout the requested Designated Service Area. Budget has been designated as an ETC for wireless services in Arkansas, Louisiana, Maryland and Nevada and is currently offering or will be offering Lifeline and Link Up services very shortly in each of these states.<sup>6</sup>

Budget will provide two pricing plans for nationwide calling customers qualifying for Low Income status. The first offers unlimited Lifeline wireless service for \$45.50 every 30 days and includes unlimited nationwide calling, unlimited texting, caller ID, call waiting, voicemail and no contract commitment. The \$45.50 plan includes a free handset.<sup>7</sup> After the minimum lifeline credit of \$13.50 is applied the total maximum cost of lifeline service absent any applicable taxes and fees would be \$32.00 per month. The second Lifeline plan includes a free Lifeline handset, 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.<sup>8</sup>

In order to be granted ETC status in the State of Rhode Island an entity seeking such is required to demonstrate certain elements to the satisfaction of the Commission as provided for in Section III of the Commission's ETC Rules as follows:

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<sup>5</sup> Budget Petition at pg. 2, ¶1.

<sup>6</sup> Budget Petition at pg. 2, ¶2.

<sup>7</sup> Budget Response to Commission First Set Data Requests 1-1.

<sup>8</sup> Budget Petition at pg. 4, ¶2.

- a. That the company is an authorized telecommunications carrier under the laws of the State of Rhode Island;
- b. That the company provides all federally-required and state-required services throughout its service area, and so advertises them in media of general circulation;
- c. That the company offers Lifeline and Linkup services that fully comply with the Federal and State requirements.
- d. That, if the company cannot provide certain required services (notably E911 and toll limitation), it has adopted a plan to provide them by a date certain. This plan will be reviewed as part of the review of the petition, and must be acceptable to this Commission.

Similarly Section IIA of the Commission's ETC Rules provides that to be eligible for designation as an ETC, the common carrier must offer the following:

1. Single-party service
2. Voice grade access to the public switched network
3. Dual-Tone Multi-Frequency Signaling or its functional equivalent
4. Access to emergency services (e.g., 911 and E911)
5. Access to operator services
6. Access to interexchange service
7. Access to directory assistance
8. Toll limitation for qualifying low-income consumers
9. Lifeline and Linkup service

Budget asserts in its petition that it will provide the requisite nine service functions in compliance with 47 C.F.R. § 54.101(a) of the Federal Communications Commission (“FCC”) Rules and Commission ETC Rules §§ IIA and III.<sup>9</sup>

The Division observes that Budget’s potential entry into the market appears to mark a swiftly developing and competitive market that is beneficial to ratepayers.<sup>10</sup> The Division has opined through its prior ETC comments to the Commission that a competitive market will drive “better service quality, pricing and other attributes of head to head competition”<sup>11</sup> thereby benefiting ratepayers. Budget appears to do wireless business in four states. The Division also notes that Budget has registered with the Commission to do business.<sup>12</sup> Based upon the Division’s review of the instant Petition and accompanying attachments, the Division believes Budget has otherwise satisfied its burden of compliance with FCC Rules and the Commission’s ETC Rules. For the foregoing reasons the Division has no objection to the Commission granting Budget ETC status conditioned upon the representations in its Petition.

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<sup>9</sup> See, Budget Petition pgs. 5 to 11.

<sup>10</sup> See, Division Comments Tracfone ETC Petition at p.8.

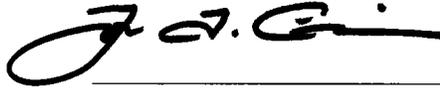
<sup>11</sup> Id.

<sup>12</sup> See, Docket 3663, Application for authority to transact as Class VI Telecommunications Provider.

Respectfully submitted,

Thomas Ahern, Administrator  
State of Rhode Island  
Division of Public Utilities and  
Carriers

By his attorney,



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**CERTIFICATION OF SERVICE**

I hereby certify that on the 16<sup>th</sup> day of December, 2011 that I transmitted an electronic copy of the within Comments to the attached service list and to Luly Massaro, Commission Clerk via electronic mail and regular mail.

