

The Public Utilities Commission of Ohio
TELECOMMUNICATIONS SUPPLEMENTAL APPLICATION FORM for
**COMPETITIVE ELIGIBLE TELECOMMUNICATION CARRIER
(CETC) DESIGNATION LOW-INCOME UNIVERSAL SERVICE**

Per the Commission's 01/19/2011 "Implementation Order" in Case No. 10-1010-TP-ORD
(Effective: 01/20/2011)

In the Matter of the Application of Budget Prepay, Inc.)
Petition for Designation as a Low-Income)
Competitive Eligible Telecommunications)
Carrier

TRF Docket No. 90- 9218

Case No. 14 5315 -TP-UNC

Note: Unless you have a reserved a Case No. leave the "Case No" fields BLANK

Name of Applicant Budget Prepay, Inc.
DBA(s) of Applicant Budget Phone
Address of Applicant 1325 Barksdale Blvd., Suite 200, Bossier City, Louisiana 71111
Company Web Address www.budgetphone.com/
Contact Person(s) Richard Parsons
Contact Person(s) Email Address rparsons@kravitzllc.com
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Facilities-based Wireline applicant must obtain a Certificate of Public Convenience and Necessity in Ohio prior to applying for CETC Designation

Facilities-based Wireless applicant must register as a Wireless Service Provider in Ohio prior to applying for CETC Designation

Part I - Requirements

Check [✓]

■ Lifeline Requirements pursuant to 4901:1-6-19 OAC

Check [✓]

■ FCC-Required Services 47 C.F.R. § 54.101

The carrier provides that it is capable of providing the following services supported by the federal universal service fund:

- Voice grade access to the public switched network
- Local usage
- Touch-tone service or its functional equivalent
- Single-party service or its functional equivalent
- Access to emergency services, including 911 and enhanced 911
- Access to operator services
- Access to interexchange services
- Access to directory assistance
- Toll limitation for qualifying low-income customers

Facilities 47 C.F.R. § 54.201

Offer the services that are supported by federal universal service support mechanisms under subpart B of this part and section 254(c) of the Act,

The carrier will provide these services through (check [✓] the one that applies):

- _____ Its own facilities;
- _____ Its own facilities (which includes the purchase of unbundled network elements);
- _____ Its own facilities and resale of another carriers services; or
- _____ Its own facilities (which include the purchase of unbundled network elements), and resale.
- _____ Non-Facilities based carrier must provide a copy of the FCC Facilities Forbearance Order and Compliance Plan

Advertising 47 C.F.R. § 54.201

(check [✓] all that apply)

- _____ The carrier will advertise the availability of supportable services and their rates annually in a print media(s) of general circulation throughout its service territory(s) utilizing the language recommended by the Commission. (Carriers are at liberty to propose their own advertising language, but are put on notice that it may lengthen the ETC approval process. Any proposed alternative language must be attached to this application. (Exhibit G)
- _____ Indicate generally the type of media to be employed: Direct marketing, point of sale material onsite merchandising, banners, customer brochures, television, and print media.
- _____ Intend to utilize the Commission's recommended advertising language

Public Interest Standard 47 C.F.R. § 54.202

Public Interest Standard determination of an application is evaluated on a case-by-case basis considering increased customer choice, advantages and disadvantages. Explain in application benefits including unique advantages (Exhibit C)

Part II - Exhibits

Note that the following exhibits are required for all filings using this form.

Exhibit	Description:
A	Proposed service offer including description of services, Lifeline eligibility requirements, rates and charges for Linkup/Lifeline service offerings
B	Complete breakdown of Lifeline customer discount components
C	Public Interest: Explain customer benefits or unique advantages of service offering
D	Detailed enrollment process for eligible Lifeline customer including verification process and timelines
E	All information that a new Lifeline subscriber receives after enrollment including terms and conditions
F	Copy of the Lifeline customer program enrollment form
G	Copy of proposed advertising language and materials to advertise Lifeline
H	Detailed process used to ensure only one Lifeline benefit/phone per household

Part III – Attestation

Registrant hereby attests to its compliance with pertinent entries and orders issued by the Commission.

AFFIDAVIT

Compliance with Commission Rules

I am an officer/agent of the applicant corporation, Budget Prepay, Inc., and am authorized to make this statement on its behalf.
(Name)

I attest that this petition complies with all applicable rules for the state of Ohio. I understand that this petition filing does not imply Commission approval and that the Commission's rules, as modified and clarified from time to time, supersede any contradictory provisions in our petition. We will fully comply with the rules of the state of Ohio and understand that noncompliance can result in various penalties, including the suspension of our certificate to operate within the state of Ohio.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on (Date) 9/28/2011 at (Location) Bossier City, Louisiana

*(Signature and Title) /s/ David Donahue (Date) 9/28/2011

- *This affidavit is required for filing. It may be signed by counsel or an officer of the applicant, or an authorized agent of the applicant.*

VERIFICATION

I, David Donahue

verify that I have utilized the Supplemental Application for Petition for Designation as a Competitive Eligible Telecommunications Carrier for Low-Income Universal Service provided by the Commission and that all of the information submitted here, and all additional information submitted in connection with this case, is true and correct to the best of my knowledge.

*(Signature and Title) /s/ David Donahue (CFO) (Date) 9/28/2011

**Verification is required for every filing. It may be signed by counsel or an officer of the applicant, or an authorized agent of the applicant.*

Send your completed Supplemental Application Form, including all required attachments as well as the required number of copies, to:

**Public Utilities Commission of Ohio
Attention: Docketing Division
180 East Broad Street, Columbus, OH 43215-3793**

Or

Make such filing electronically as directed in Case No 06-900-AU-WVR

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION)	
OF BUDGET PREPAY, INC. FOR)	
DESIGNATION AS A LOW-INCOME)	
ELIGIBLE TELECOMMUNICATIONS)	
CARRIER)	Docket No. 11-5315-TP-UNC
)	
)	
_____)	

APPLICATION OF BUDGET PREPAY, INC.
FOR DESIGNATION AS A LOW-INCOME
ELIGIBLE TELECOMMUNICATIONS CARRIER
AND REQUIRED EXHIBITS

I. INTRODUCTION

Budget Prepay, Inc. (“Budget” or the “Company”), by undersigned counsel, and pursuant to § 214(e)(2) of the Communications Act of 1934, as amended (the “Act”),¹ and § 54.101 through § 54.207 of the Rules of the Federal Communications Commission (“FCC”), hereby respectfully requests Public Utilities Commission of Ohio (“Commission”) designation as a low-income Eligible Telecommunications Carrier (“ETC”) for the purpose of receiving support from the federal Universal Service Fund (“USF”) to provide Lifeline and Link Up subsidized wireless service to qualifying Ohio residents throughout Ohio (only in non-rural ILEC service territory) subject to the existence and corresponding coverage of Budget’s underlying wireless carriers, Verizon Wireless and Sprint Nextel.² As demonstrated in this Application, Budget meets all the statutory and regulatory requirements for designation as an ETC in the State of Ohio to provide USF subsidized wireless service to low-income residents. Budget respectfully requests that the

¹ 47 U.S.C. § 214(e)(2).

² See, e.g., *In the Matter of the Application of Nexus Communications dba Reachout Wireless for Designation as an Eligible Telecommunications Carrier in the State of Ohio*, Case No. 10-432-TP-UNC, Finding and Order, at 8 (June 22, 2011) (designating Nexus Communications as a wireless ETC authorized to provide Lifeline supported wireless services throughout Ohio, subject to the existence and coverage of its underlying carriers’ facilities).

Commission grant this Application expeditiously so that Budget may begin providing wireless Lifeline and Link Up service to qualified low-income households at the earliest practicable time.

II. BACKGROUND

Budget is a Louisiana corporation³ and is authorized to conduct business in the State of Ohio.⁴ Budget is a Competitive Local Exchange Carrier (“CLEC”) providing local exchange and long distance services in wire centers served by Ohio’s non-rural ILECs.⁵ Currently pending before the Commission is Budget’s application for authority to provide commercial mobile radio service (“CRMS” or “wireless” service) in the State of Ohio.⁶ Budget now seeks authority to also provide Lifeline and Link Up supported wireless service to low-income customers in Ohio. Budget has already been designated an ETC to provide Lifeline and Link Up supported wireless service in Arkansas, Louisiana, Maryland, and Nevada.

III. LEGAL REQUIREMENTS TO BE DESIGNATED AN ETC

Section 254(e) of the Communications Act of 1934 (the “Act”), 47 U.S.C. §254(e), provides that “only an eligible telecommunications carrier designated under section 214(e) of this title shall be eligible to receive specific Federal universal service support.” Section 214(e)(1) and (2) of the Act require state commissions to designate as an ETC, throughout the service for which ETC status is sought, any common carrier that (i) offers services that are supported by federal universal service support mechanisms, either using its own facilities or a combination of its own facilities and resale of another carrier’s facilities, and (ii) advertises the availability of such services and the charges using media of general distribution. By offering all

³ Budget Phone was incorporated in the State of Louisiana on May 1, 1996 (Charter/Organization ID. 34525907D). The principal office of the Company is located at 1325 Barksdale Blvd., Bossier City, LA 71111.

⁴ Ohio Secretary of State Foreign Registration #1299984.

⁵ Certificate of Public Convenience No. 90-9218.

⁶ *In the Matter of the Application of Budget Prepay, Inc. to Register as a Wireless Service Provider pursuant to O.A.C. § 4901:1-6-24*, Case No. 11-5013-TP-RCC (September 9, 2011).

of the services supported by the USF and advertising the availability of such services, Budget meets all of the requirements of Section 214 of the Act, warranting its designation as an ETC in Ohio.

A. Eligibility and Identification of the Service Area

Budget is a common carrier as that term is defined in the Act.⁷ The FCC has recognized that telecommunications providers offering wireless services are eligible to be designated as ETCs.⁸ 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.” Consistent with this Commission’s Finding and Order in *In the Matter of the Application of Nexus Communications dba Reachout Wireless for Designation as an Eligible Telecommunications Carrier in the State of Ohio*, Case No. 10-432-TP-UNC (“Nexus Order”), Budget seeks authority to provide USF supported wireless service to qualifying Ohio residents throughout Ohio (though Budget is not planning to offer service in rural ILEC areas), subject to the existence and corresponding coverage of Budget’s selected underlying wireless carrier for Ohio, either Verizon Wireless or Sprint Nextel.⁹

B. Supported Services

Section 214(e)(1)(A) of the Act requires that an ETC offer the services that are supported by federal universal service support mechanisms (“Supported Services”) either using its own facilities or a combination of its own facilities and resale of another carrier’s services. Budget will provide each of these required services, identified in 47 C.F.R. § 54.101 throughout its

⁷ 47 U.S.C. §153 (h)(10).

⁸ Federal-State Joint Board on Universal Service, First Report and Order, 12 FCC Rcd 8776, 8858–59 (1997) (“First Report and Order”).

⁹ *Id.* at 8.

designated service area utilizing a combination of its own facilities and resale of wireless services, as indicated below:

1. Voice-grade access to the public switched telephone network – Budget will provide its customers with the ability to make and receive calls on the public switched telephone network.
2. Local Usage – “‘Local usage’ means an amount of minutes of use of exchange service, prescribed by the FCC, provided free of charge to end users.”¹⁰ An ETC is required to “[d]emonstrate that it offers a local usage plan comparable to the one offered by the incumbent LEC in the service areas for which it seeks designation.”¹¹ The FCC has explained that the local usage plans of an ETC applicant should be reviewed on a case-by-case basis¹² in order to ensure that each ETC is providing a local usage component as a part of its universal service offering that meets the FCC requirements. With respect to wireless service, to date, the FCC has not quantified the amount of local usage required to be included by an ETC in its universal service offering.¹³ The FCC, however, has determined that when a carrier offers a choice of rate plans containing varying amounts of local usage, it meets the local usage requirement.¹⁴ Budget will offer a choice of rate plans containing varying amounts of free local usage and will allow customers to purchase additional minutes of usage, if needed, thereby fulfilling the requirements of 47 C.F.R. § 54.101(a)(2).
3. Dual-tone, multi-frequency (“DTMF”) signaling, or its functional equivalent – Budget satisfies this requirement by providing signaling that is functionally equivalent to DTMF.
4. Single-party service or its functional equivalent – Budget will meet this requirement by providing a dedicated message path for the length of its subscribers’ calls.
5. Access to emergency services – “Access to emergency service” includes access to services, such as 911 and enhanced 911 (“E-911”), provided by local governments or other public safety organizations. All of the phones that Budget distributes are capable of delivering automatic numbering information (“ANI”) and automatic location information (“ALI”), and otherwise satisfy applicable state and federal E-911 requirements.
6. Access to operator services – “Access to operator services” means access to automated or live operator assistance provided to a customer to arrange for billing or

¹⁰ 47 C.F.R. §54.101(a)(2).

¹¹ See 47 C.F.R. §54.202(a)(ii)(4).

¹² See Federal-State Joint Board on Universal Service, CC Docket No. 96-45, Report and Order, 20 FCC Rcd 6371, ¶ 33 (2005) (“ETC Order”).

¹³ See ETC Order at 6385, ¶32.

¹⁴ See e.g. *Sprint Corp.*, DA 04-3617 at ¶ 11 (rel. Nov 18, 2004); *ALLTEL Communications, Inc.*, 19 FCC Rcd 20496, 20500-01 (2004); *Nextel Partners*, *supra*, 19 FCC Rcd at 16536.

completion, or both, of a telephone call. Budget meets this requirement through its own live operators employed by Budget that are available to assist customers.

7. Access to interexchange service – 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 meets this requirement by providing all of its subscribers with the ability to make and receive interexchange or toll calls. Budget 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. Access to directory assistance – “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 meets this requirement by providing access to directory assistance to customers. Budget subscribers will be able to dial 411 or #4007 to reach directory assistance from their mobile phones. Budget’s own switches and facilities will be used to provide access to directory assistance.
9. Toll limitation for qualifying low-income consumers – “Toll limitation” includes the offering of either “toll control” or “toll blocking” to qualifying low-income customers, as a means of limiting or blocking the completion of outgoing toll calls. Budget will offer toll limitation service using its own facilities to qualifying low-income customers, as requested.

C. Advertising Supported Services

Section 214(e)(1)(B) of the Act requires that an ETC advertise the availability of Supported Services and the related charges using media of general distribution. ETCs are also required to publicize the availability of Lifeline and Link Up services in a manner reasonably designed to reach those likely to qualify for such services.¹⁵ Budget will advertise the availability of the Supported Services throughout its designated non-rural ILEC service areas 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

¹⁵ 47 C.F.R. §54.405(b) and §54.411(d).

of various kinds, onsite merchandising, banners, customer direct mail, customer brochures, television, and print media.¹⁶

D. Provision of Supported Services Through the Use of Own Facilities and Resale of Another Carrier's Services

Section 214(e)(1)(A) of the Act states that ETCs shall offer services, at least in part, over their own facilities.¹⁷ In implementing this legislation, the FCC required, under 47 C.F.R. § 54.201(d), that “[a] common carrier designated as an eligible telecommunications carrier . . . shall be eligible to receive universal service support...and shall, throughout the service area for which the designation is received, . . . [o]ffer the services supported by federal universal service support mechanisms . . . either using its own facilities or a combination of its own facilities and resale of another carrier's services.”¹⁸ As explained by the FCC:

We adopt the Joint Board's analysis and conclusion that a carrier need not offer universal service wholly over its own facilities in order to be designated as eligible because the statute allows an eligible carrier to offer the supported services through a combination of its own facilities and resale.¹⁹

When a carrier is relying on a “combination” of resold services and those provided using its own facilities, like Budget, a state commission is directed to grant ETC designation “irrespective of the technology”²⁰ used by the applicant and cannot require the facilities to be in the “relevant service area” as long as the facilities are used “to provide services designated for support . . . within the service area.”²¹ Further, there is no state or federal definition or requirement as to the number of or the amount of the Supported Services than an ETC must offer via its “own facilities.” The FCC stated in the First Report and Order that:

¹⁶ See Attachment 3 for examples of Budget's intended advertising materials.

¹⁷ The FCC has defined the term “facilities” to include “*any physical components* of the telecommunications network that are used in the transmission or routing of the services that are designated for support.” 47 C.F.R. § 54.201(e) (emphasis added).

¹⁸ See 47 C.F.R. § 54.201(d)(1).

¹⁹ See First Report and Order, ¶ 169.

²⁰ See 47 C.F.R. § 54.201(h).

²¹ See 47 C.F.R. § 54.201(g).

Although the Joint Board did not reach this issue, we find that the statute does not dictate that a carrier use a specific level of its “own facilities” in providing the services designated for universal service support given that the statute provides only that a carrier may use a “combination of its own facilities and resale” and does not qualify the term “own facilities” with respect to the amount of facilities a carrier must use. For the same reasons, we find that the statute does not require a carrier to use its own facilities to provide each of the designated services but, instead, permits a carrier to use its own facilities to provide at least one of the supported services.²²

As long as an ETC offers any portion of the Supported Services through the use of its “own facilities,” whether or not such facilities are located in the designated service area, it satisfies the “own facilities” requirement and qualify for both Lifeline and Link Up support.²³

Consistent with the requirements of 47 U.S.C. § 214(e)(1)(A) as interpreted by the FCC, Budget will rely on a combination of resold services, which the Company will obtain through agreements with its underlying wireless provider (Verizon Wireless or Sprint Nextel), and Budget-owned facilities, which consist of switches and facilities located in Dallas, Texas and Shreveport, Louisiana, to provide service. Budget’s own facilities and switches will be used to provide some of the supported services, including access to directory assistance, access to some interexchange service (for routing certain domestic and all non-domestic calls), the provision of toll limitation services, and access to operator services as that term is defined in 47 C.F.R. § 54.101(a)(6). Through these means, Budget is able to offer all of the services and

²² See First Report and Order, ¶ 169.

²³ It should be noted that the FCC, in the First Report and Order, expressed concerns that a strict interpretation of the term “facilities” would violate the FCC’s express policy of competitive neutrality stating:

We also decline to adopt a more restrictive definition of the term “facilities,” as some commenters suggest. For example, we reject the suggestion that we define “facilities” as both loop and switching facilities based on our concern that such a restrictive definition would erect substantial entry barriers for potential competitors seeking to enter local markets and, therefore, would unduly restrict the class of carriers that may be designated as eligible telecommunications carriers. Rather, we conclude that the definition of “facilities” that we adopt will serve the goals of universal service and competitive neutrality to the extent that it does not dictate the specific facilities that a carrier must provide or, by implication, the entry strategy a carrier must use and, therefore, will not unduly restrict the class of carriers that may be designated as eligible.

First Report and Order, ¶ 153.

functionalities supported by the federal USF throughout its designated service area.²⁴ In addition, because Budget is a facilities-based carrier that will use its facilities to provide some of the Supported Services, no FCC Forbearance Order is included with this Application.

IV. COMMISSION REQUIRED EXHIBITS

A. EXHIBIT A

1. Proposed Service Offerings

Budget will initially offer two wireless prepaid USF supported plans throughout its designated service area: the Unlimited Talk and Text Plan and the Free 250 Plan.

Unlimited Talk and Text Plan: This prepaid service provides unlimited local and domestic long distance calling, unlimited texting, caller ID, call waiting and voicemail, as well as a free handset.

Rates & Optional Services

Unlimited Talk and Text Plan	\$45.50
<u>Lifeline Credit</u>	<u>(\$13.50)</u>
Final Lifeline Price	\$32.00 (per month)

- A 200MB Data Plan with unlimited picture messaging may be added to this plan for \$15.00 per month.
- Customers can also add international long distance at \$5.00 intervals.
- Customers may purchase the 200MB Data Plan and international long distance at any Budget Mobile location, any participating third party agent, or by calling customer service.

²⁴ See 47 C.F.R. §54.101(a).

Free 250 Plan: This prepaid service provides 250 minutes of free local and domestic long distance calling per month, caller ID, call waiting and basic voicemail, as well as a free handset. Customers can add additional airtime in denominations and at the rates indicated below.

Rates & Optional Services

250 Minute Plan	\$25.00
<u>Lifeline Credit</u>	<u>(\$25.00)</u>
Final Lifeline Price	FREE

- Additional Minutes
\$5.00 – 50 minutes
\$10.00 – 100 minutes
\$15.00 – 150 minutes
- Unlimited texting may be added for \$10.00 per month.
- A 200MB Data Plan with unlimited picture messaging may be added for \$15.00 per month.
- The Free 250 Minute Plan is automatically replenished each month without customer assistance or interaction.
- Customers may purchase the additional services and minute plans at any Budget Mobile location, any participating third party agent, or by calling customer service.

Under both plans:

- Customers may purchase upgraded handsets, which provide additional features such as digital camera capability, starting at \$9.95 to \$34.95.
- Customers are never charged “roaming charges.”
- Minutes will be deducted for calls to customer support, 411 services, and voicemail, as well as for calls to other Budget wireless customers.

- Service payments may be made at participating Budget agent retail outlets frequented by low income customers through the designated service area or by calling customer service.
- Budget will: (1) provide its Lifeline customers with 911 and E911 access regardless of activation status or availability of prepaid minutes; (2) provide E911-compliant handsets to all of its Lifeline customers; and (3) replace, at no charge to a customer, any non-compliant handset of an existing customer that obtains Lifeline-supported services with an E911-compliant handset.
- **Activation Fee/Link Up:** 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.”²⁵ The Code of Federal Regulations defines Link Up as an “assistance program for qualifying low-income consumers, which an eligible telecommunications carrier shall offer as a part of its obligation set forth in §§ 54.101(a)(9) and 54.101(b).”²⁶ In other words, unless specifically exempted by the FCC, a combination carrier, such as Budget, is *required* to provide Lifeline *and* Link Up.

Budget’s customary charge for initiating telecommunications service assessed to its non-Lifeline/non-Link Up customers is \$60.00. Those customers are required to pay \$30.00 at the time service is initiated and the remainder can be paid over twelve months at \$2.50 per month. The same \$60.00 Service Activation Fee is assessed to Lifeline/Link Up customers. Link Up offsets \$30.00 of the fee and Budget defers the

²⁵ See 47 C.F.R. §54.411(a)(1).

²⁶ See 47 C.F.R. §54.411(a).

remainder over a 12 month period at \$2.50 a month. Budget provides “retention credits” of \$2.50 per month to Lifeline and non-Lifeline customers that are used to cover the remaining cost of the Service Activation Fee over the initial year of service and can be used towards the purchase of additional services not included in the customer’s plan, after the Service Activation Fee has been paid in full. However, the credits cannot be banked and must be used in the month following the month in which they are earned. The Service Activation Fee for Lifeline Customers is used to offset costs incurred by Budget in initiating wireless service, such as activation fees from the underlying provider, cost of Lifeline recordkeeping and certification, syncing customers to proprietary and Call Center software and Budget facilities, and all of the other customary costs associated with initiating low-income wireless service.

2.Lifeline eligibility requirements:

Budget will offer its Lifeline/Link Up service offerings to residential customers who demonstrate their household income is at or below 150% of federal poverty level guidelines through the forms of proof Ohio Admin. Code § 4901:1-6-19(H)(2) deems acceptable. Budget will also offer its Lifeline/Link Up service offerings to residential customers who are currently participating in one or more of the following assistance programs:

- a. Home energy assistance program (LIHEAP, HEAP, and E-HEAP);
- b. Supplemental nutritional assistance program (SNAP/food stamps);
- c. Supplemental security income—blind and disabled (SSDI);
- d. Supplemental security income (SSI);
- e. General assistance, including disability assistance (DA);

- f. Medical assistance (Medicaid), including any state program that might supplant Medicaid;
- g. Federal public housing assistance, or section eight;
- h. Temporary Assistance for Needy Families (TANF/Ohio works); or
- i. National school lunch program's free lunch program (NSL).

V. EXHIBIT B: BREAKDOWN OF LIFELINE CUSTOMER DISCOUNT COMPONENTS

Unlimited Talk and Text Plan:

USF funded discounts:

- Tier 1: \$5.38–\$6.50²⁷
- Tier 2: \$1.75
- Tier 3: \$1.75

Company funded discounts:

Budget will provide the \$3.50 required company contribution to obtain full USF Tier 3 support.²⁸ In addition, because subscriber line charges in some areas of Ohio are below \$6.50, Budget will provide additional support at a level above the \$3.50 required company contribution to obtain Tier 3 support as necessary to ensure that all Lifeline customers in Ohio receive a minimum \$13.50 discount on their Lifeline service from Budget for this plan. Thus, given the current subscriber line charges, Budget will contribute between \$3.50–\$4.62 to the Lifeline discount for this plan.

²⁷ Estimated Subscriber Line Charge of relevant ILECs.

²⁸ See 47 C.F.R. § 54.407(a)(3).

Free 250 Plan:

- **USF funded discounts:**

- Tier 1: \$5.38–6.50²⁹
- Tier 2: \$1.75
- Tier 3: \$1.75

- **Company funded discounts:**

Budget will provide the \$3.50 required company contribution to obtain full USF Tier 3 support.³⁰ Budget will provide additional support at a level above the \$3.50 required company contribution to obtain Tier 3 level support to ensure that Lifeline customers have to opportunity to obtain 250 free minutes. Given the current non-Lifeline rate of \$25.00 for this package, Budget will therefore contribute between \$11.50–\$12.62, depending on the relevant subscriber line charge.

III. EXHIBIT C: DESIGNATION OF BUDGET AS A WIRELESS ETC WILL PROMOTE THE PUBLIC INTEREST

A. Benefits to Customers

Although “Congress did not establish specific criteria to be applied under the public interest test,”³¹ the FCC did establish that “the public interest benefits of a particular ETC designation” should be analyzed in a manner consistent with the Act’s purposes, including the “goals of preserving and advancing universal service, ensuring the availability of quality telecommunications at just, reasonable, and affordable rates, and promoting the deployment of advanced telecommunications and information services to all regions of the nation, including

²⁹ Estimated Subscriber Line Charge of relevant ILECs.

³⁰ See 47 C.F.R. § 54.407(a)(3).

³¹ See ETC Order, ¶ 40.

rural and high-cost areas.”³² Additionally the FCC established that “it will consider a variety of factors in the overall ETC determination, including the benefits of increased consumer choice, and the unique advantages and disadvantages of the competitor’s service offering.”³³

Budget’s designation as a wireless ETC is consistent with the public interest, convenience and necessity, as it will provide consumers with increased competitive choice through the offering of a unique service at rates that are just, reasonable and affordable. The specific public interest benefits associated with the Company’s wireless service include larger local calling areas (as compared to traditional wireline carriers), and the convenience, security and mobility afforded by mobile telephone service. Further, Budget’s offerings provide the opportunity for customers to select from two options: a high value wireless plan that provides unlimited local and domestic long distance and texting and a free plan that includes free 250 calling minutes. The ability of the customer to select between these prepaid offerings that include unlimited local and domestic calling or limited minute plans removes the risk of any customer becoming burdened with large and unexpected toll charges and unexpected overage charges. Additionally, wireless service greatly benefits consumers whose lifestyles involve commuting or travel.

Budget’s unique pre-paid 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 30 days. Unlike many wireless providers, as indicated above, one of Budget’s service offerings is a high value wireless service that includes unlimited local and domestic long distance calling, unlimited text messaging, caller ID, call waiting and voicemail, all without the requisite credit

³² *Id.*

³³ See ETC Order, ¶ 41.

check, deposit, and contract requirements of the more traditional wireline and wireless service providers. Through the Link Up program, Budget will be able to provide consumers with free connection of service. 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.

Wireless ETC designation in Ohio will enable Budget to offer appealing and affordable service offerings to low-income Ohio customers to ensure that they are able to afford wireless services on a consistent and uninterrupted basis. Prepaid wireless services have become essential for lower-income customers, 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, and dependants. Providing Budget with the authority necessary to offer discounted Lifeline services to those most in danger of losing wireless service altogether promotes the public interest.

B. Impact on the Universal Service Fund

Budget is not seeking access to universal service funds designated for high cost support. As such, the designation of Budget as an ETC will have a minimal impact on the universal service fund, further promoting the public interest. The FCC has continually supported this position and recently stated, in the approval of TracFone's Forbearance Order, that "the potential growth of the fund associated with high-cost support distributed to competitive ETCs" is not relevant to carriers seeking support associated with the low-income program.³⁴ In 2005, low-income support accounted for only 12.4 percent of the total distribution of the universal service

³⁴ *Petition of TracFone Wireless, Inc. for Forbearance from 47 U.S.C. § 214(e)(1)(a) and 47 C.F.R. § 54.201(i)*, CC Docket No. 96-45, FCC 05-165, Order, ¶ 17 (Sept. 8, 2005) ("TracFone Forbearance Order").

fund, with high-cost accounting for over 58 percent.³⁵ In evaluating the impact of additional ETC designations on the overall size of the fund, the FCC 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 The FCC acknowledged the benefits of designating a carrier as an ETC, when the carrier is seeking only to participate in the Universal Service Fund’s low-income program and included the following statement in its May 1, 2008, Order establishing an interim cap on high-cost support:

Moreover, there are advantages in obtaining and maintaining an ETC designation regardless of whether a competitive ETC receives high-cost support. In particular, the ability of competitive ETCs to receive low-income universal service support shows value in obtaining and maintaining ETC designation separate and apart from high-cost support.³⁷

Further, by offering Lifeline and Link Up service, a competitive ETC may attract new subscribers that may not otherwise have taken telephone service. This would increase a competitive ETC’s base of subscribers and, consequently, lower its average cost of serving all of its subscribers. Moreover, competitive ETCs may be eligible for separate universal service support at the state level.³⁸

It is also vital that the difference between low-income funding for the Lifeline and Link Up programs and high cost funding be accurately pointed out. In the case of Lifeline and Link Up support, an ETC receives USF support only for the customers they obtain. In the scenario where a competitive ETC obtains a Lifeline customer from another ETC, only the “capturing” ETC receives support reimbursement. In contrast, when ETCs enter a market and capture customers from an existing ETC, both the losing ETC and the capturing ETC receive high cost

³⁵ 2007 Wireline Competition Bureau, FCC, *Trends in Telephone Service*, Table 19.1 and Chart 19.1.

³⁶ *TracFone Forbearance Order*, ¶ 17.

³⁷ *High-Cost Universal Service Support, et al., Order*, WC Docket No. 05-337, CC Docket No. 96-45, FCC 08-122, ¶ 30 (May 1, 2008).

³⁸ *Id.*

support, both of which are based on the original cost incurred by the incumbent LEC, which results in an increase to the size of the universal service fund.

C. Other Public Interest Benefits

Although Budget, as a CMRS provider, is not subject to the Commission's Service Requirements for basic local exchange service,³⁹ it will voluntarily comply with the Cellular Telecommunications and Internet Association's ("CTIA") Consumer Code for Wireless Service. Budget's voluntary compliance with the CTIA's Consumer Code for Wireless Service further demonstrates that its designation as an ETC will promote the public interest.

VI. EXHIBIT D: ENROLMENT/ELIGIBILITY VERIFICATION PROCESS

A customer may begin the Lifeline enrollment process by either filing out a Lifeline/Link Up self-certification form received through a direct mailing or at a Budget retail agent location. The customer signs the form to certify that he or she is eligible for Lifeline/Link Up support due to enrollment in one or more of the qualifying government assistance programs listed in Ohio Admin. Code § 4901:1-6-19(H)(1). (See self-certification/enrollment forms, Attachment 2.) Customers may also complete an electronic self-certification form through www.Budgetmobile.com. In addition, customers may complete self-certification telephonically from a Budget retail agent location or by calling Budget's toll free number. Customers who wish to demonstrate their eligibility through income qualification must complete their application at a Budget Mobile retail location so that the proof of income required by Ohio Admin. Code § 4901:1-6-19(H)(2) may be verified.

Budget will deal directly with the customer to certify and verify the customer's Lifeline initial eligibility regardless of the enrollment method the customer chooses. When establishing continued eligibility, Budget will also have direct contact with the Lifeline customer. In

³⁹ Ohio Admin. Code § 4901:1-6-12.

addition, customers are advised that the information they provide must be true and that they are providing the information under penalty for perjury for supplying false or fraudulent information.

Upon receipt of the properly completed self-certification form or telephonic self-certification, customers will be sent their selected handset, which the customer will receive within ten business days after Budget receives their order. Customers may also obtain handsets in person by visiting a retail store. The customer's Lifeline/Link Up benefits will begin to accrue after he or she activates the handset.

Finally, should Budget receive notice that a customer no longer receives government assistance benefits and that customer is still enrolled in Budget's Lifeline/Link Up program, Budget shall contact the customer. Budget shall ask the customer for additional documentation showing that they qualify for Lifeline/Link Up program reimbursement. In the event that the customer is no longer receiving government assistance benefits, Budget will move the customer's account to a non-discounted wireless plan.

VII. EXHIBIT E: INFORMATION AN A NEW LIFELINE SUBSCRIBER RECEIVES AFTER ENROLLMENT

New Lifeline subscribers receive a copy of the completed self-certification form, and are directed to Budget's website to review the terms and service of service. A copy of Budget's terms and conditions of service are attached hereto as Attachment 1.

VIII. EXHIBIT F: COPY OF LIFELINE CUSTOMER PROGRAM ENROLLMENT FORM

Please see Attachment 2.

IX. EXHIBIT G: COPY OF PROPOSED LIFELINE ADVERTISING LANGUAGE

Please see Attachment 3.

X. EXHIBIT H: PROCESS USED TO ENSURE ONLY ONE LIFELINE BENEFIT/PHONE PER HOUSEHOLD

Budget will follow any established FCC or PUCO prosecutes to comply with the “one-per-household rule” for Lifeline support. In addition, Budget requires the subscriber to provide documentation to establish eligibility by self-certification. Budget's Lifeline certification form clearly informs subscribers that they are subject to the penalties for perjury.⁴⁰ Budget will also maintain the customer’s self-certification and provide the same to the Commission upon request. Additionally, Budget checks the subscriber against its database of Budget customers to make sure that the subscriber has only one Lifeline account. Budget will also will track its Lifeline customers’ primary residential addresses and prohibit more than one Lifeline supported Budget service at each residential address.

Furthermore, Budget will make available state-specific customer data, including name and address, to the Universal Service Administrative Company (“USAC”) and to the PUCO for the purpose of permitting USAC or the PUCO to determine whether an existing Budget Lifeline customer receives Lifeline service from another carrier. Budget will promptly investigate any notification that it receives from USAC or the PUCO that one of its customers already receives Lifeline service from another carrier. Should the Company’s investigation conclude that the customer receives Lifeline services from another carrier in violation of the Commission’s regulations, or if otherwise directed by USAC or the PUCO, Budget will immediately notify the customer and no longer report that customer on USAC Form 497.

Budget further requires each subscriber to self-certify annually that he or she is the head of household, receives Lifeline-supported service only from Budget and receives benefits under one of the qualifying programs or under state income qualification requirements. Eligibility

⁴⁰ See Attachment 2.

verification is typically scheduled annually from the date of initial certification. Subscribers are notified three months prior to the verification date of the required materials and of the due date for providing them. In cases where the subscriber does not provide required materials prior to the verification date, the subscriber is not allowed to request an additional month of service before providing the required materials. Once the required materials are received, the subscriber eligibility is verified and service continues for another year at which time the process repeats. Customers are also given the option to re-certify over the phone by calling the 800 number provided on the recertification letter.

As an additional measure to ensure one Lifeline benefit per household, Budget will implement a 60-day inactivity policy for its Lifeline services given that its service offerings are prepaid in nature. Under this policy, if no usage appears on a Budget prepaid Lifeline customer's account during any continuous 60-day period, Budget will promptly notify the customer that the customer is no longer eligible for Budget Lifeline service subject to a 30-day grace period. During the 30-day grace period, the customer's account will remain active, but Budget will engage in outreach efforts to determine whether the customer desires to remain on Budget Lifeline service. If the prepaid customer's account does not show any customer-specific activity during the grace period (such as making or receiving a voice call, receiving or sending a text message, downloading data or adding money to the account), Budget will deactivate Lifeline services for that customer. In addition, the Company will not seek to recover a federal Universal Service Fund subsidy for the free minutes provided to the customer during the grace period or thereafter report that customer to USAC on its FCC Form 497.

XI. CONCLUSION

Budget's request for ETC designation to provide Lifeline/Link Up supported wireless service to low-income customers is consistent with the Commission's recent designation of any number of carriers as a wireless ETC, including but not limited to Nexus Communications, Inc., Assurance Wireless, TracFone Wireless, Inc., and Cincinnati Bell Wireless, LLC. Recent Commission Orders designating these other carriers as wireless ETCs indicate that designation of Budget as a wireless would further competition for wireless Lifeline and Link Up services and would offer low-income consumers an additional choice of providers for accessing telecommunications services, representing a significant step towards ensuring that all low-income consumers share in the many benefits associated with access to wireless service. Budget requests that the Commission expeditiously process its ETC Petition so that it can quickly commence providing qualifying low-income Ohio customers with affordable USF-supported wireless services during these challenging economic times for all State residents.

WHEREFORE, Budget respectfully requests that the Commission designate Budget as low-income ETC for purposes of receiving federal USF support to provide Lifeline and Link Up supported wireless services throughout the state of Ohio (in non-rural ILEC service territory), subject to the existence and corresponding coverage of Budget's underlying wireless carriers.

Respectfully submitted:

/s/ Richard R. Parsons

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ATTORNEYS FOR BUDGET PREPAY, INC.

ATTACHMENT 1



TERMS AND CONDITIONS OF SERVICE

These BUDGET MOBILE Terms and Conditions of Service are a legally binding agreement between you and BUDGET MOBILE. They contain important information about your legal rights and require that certain disputes be resolved through Arbitration instead of a court trial. BUDGET MOBILE reserves the right to change or modify any of these BUDGET MOBILE Terms and Conditions of Service at any time and at its sole discretion. Any changes or modifications to these BUDGET MOBILE Terms and Conditions of Service will be binding upon you once posted on the BUDGET MOBILE website at www.budgetmobile.com. You should check the BUDGET MOBILE website regularly for updates to these terms.

By enrolling in the BUDGET MOBILE Program (the "BUDGET MOBILE Program" or "BUDGET MOBILE Program") and by using the BUDGET MOBILE service (the "BUDGET MOBILE Service" or "BUDGET MOBILE Service"), you ("You"), the participant, acknowledge and agree to the following terms and conditions:

BUDGET MOBILE PROGRAM DESCRIPTION

BUDGET MOBILE Service is funded by the Universal Service Fund Lifeline program and administered by the Universal Service Administrative Company. In order to qualify for enrollment in the BUDGET MOBILE Program, a person must meet certain eligibility requirements set by each state where the BUDGET MOBILE Program is offered. These requirements are based on a person's participation in a state or federal support program(s) or by meeting certain income requirements based upon the Income Poverty Guidelines as defined by the US Government. Federal law limits the availability of the BUDGET MOBILE Program. The BUDGET MOBILE Program allows one (1) enrollment per "household" and only the "head of household" may apply. The BUDGET MOBILE Program permits only one Lifeline benefit per household, therefore, no person currently living in the household may receive Lifeline benefits from any other Lifeline program. Applicants for the BUDGET MOBILE Program must complete an application form, provide supporting documentation that they meet the eligibility requirements and certify, under penalty of perjury, that they:

- Are eligible for and currently receive benefits from the public assistance program(s) identified in the application form.
- Are a "head of household."
- Do not currently receive lifeline support for a telephone line serving their residential address and no other resident in their household participates in the Lifeline program. If the applicant is already participating in another Lifeline program, then the applicant agrees to cancel their current household Lifeline support provider in order to enroll in the BUDGET MOBILE Program.
- Are not claimed as a dependent on another person's federal or state income tax return.
- Will notify BUDGET MOBILE by calling 1-888-777-4007 if and when they no longer qualify for any of the public assistance programs identified in their application form.
- Will notify BUDGET MOBILE of any change of address by calling 1-888-777-4007.
- Reviewed the information contained in their application and it is true and correct to the best of their knowledge and belief.

Applicants who qualify and are enrolled in the BUDGET MOBILE Program will receive a free cellular phone provided by BUDGET MOBILE together with a free allotment of airtime minutes each month for up to one year. BUDGET MOBILE will determine at its sole discretion whether or not an applicant meets the eligibility requirements to participate in the BUDGET MOBILE Program. The monthly airtime minutes provided by the

BUDGET MOBILE Program will vary from state to state and will be based upon the Plan Option selected. Please call BUDGET MOBILE at 1-888-777-4007 or visit our website at www.budgetmobile.com for further information.

Upon enrollment in the BUDGET MOBILE Program, you will be qualified to participate for up to one (1) year. To continue your enrollment in the BUDGET MOBILE Program after the initial year, you must verify annually that you are qualified for continued enrollment in the BUDGET MOBILE Program as required by your state Public Service Commission, Public Utility Commission or other agency administering the BUDGET MOBILE Program in your state. BUDGET MOBILE will also conduct verification for each state according to its rules. If BUDGET MOBILE determines during its verification, or at any other time, that a customer fails to continue to qualify for the BUDGET MOBILE Program, such customer will immediately be deemed ineligible to participate in the BUDGET MOBILE Program, will be de-enrolled from the BUDGET MOBILE Program and will no longer receive the free monthly minutes. BUDGET MOBILE Customers who are no longer eligible (for any reason) for enrollment in the BUDGET MOBILE Program must immediately notify BUDGET MOBILE that they no longer meet the eligibility requirements for enrollment. A BUDGET MOBILE customer's enrollment may also be cancelled upon the request of a state and/or federal authority.

BUDGET MOBILE reserves the right to cancel the enrollment of any customer and/or permanently deactivate any customer's BUDGET MOBILE phone for fraud, misrepresentation or other misconduct as determined solely by BUDGET MOBILE. While participating in the BUDGET MOBILE Program, a customer shall not be permitted to sell, rent, give away or in any way allow another person to use the cellular phone or BUDGET MOBILE Service provided to him/her by BUDGET MOBILE. IT IS A VIOLATION OF FEDERAL AND STATE LAW TO SELL OR GIVE AWAY THE BUDGET MOBILE CELLULAR PHONE OR BUDGET MOBILE SERVICE PROVIDED TO YOU BY BUDGET MOBILE. Any violation of this prohibition will be reported to the appropriate legal authorities for prosecution. In addition, if BUDGET MOBILE determines, in its sole discretion, that a BUDGET MOBILE customer has violated these prohibitions, BUDGET MOBILE will permanently de-enroll the customer from the BUDGET MOBILE Program, their phone will be permanently deactivated and the customer's personal information will be permanently flagged so that the customer may not re-enroll in the BUDGET MOBILE Program in the future. If you have any questions, concerns, comments or complaints regarding the BUDGET MOBILE Program or Service, offerings or products, please call BUDGET MOBILE Customer Service at 1-888-777-4007. You may also contact your state's Public Service Commission/Public Utility Commission.

ACTIVATION AND USE OF YOUR BUDGET MOBILE PHONE

Upon enrollment in the BUDGET MOBILE Program, you will receive a pre-activated BUDGET MOBILE phone delivered to your home address noted in the application. You must accept the BUDGET MOBILE telephone number assigned to your BUDGET MOBILE phone at the time of activation and you will acquire no proprietary interest in any number assigned to you. The wireless telecommunications networks used to transmit calls for the BUDGET MOBILE Service are owned and operated by various licensed commercial mobile radio service providers ("Carriers"), not BUDGET MOBILE. The number assigned to your BUDGET MOBILE phone at the time of activation will not be changed for any reason unless required by a Carrier or if the number is lost following the deactivation of your phone. You may not select a number to be assigned to your BUDGET MOBILE phone. Your BUDGET MOBILE phone can only be used through BUDGET MOBILE, and cannot be activated with any other wireless or cellular service. BUDGET MOBILE Services are provided at BUDGET MOBILE's discretion. Some functions and features referenced in the Manufacturer's manual provided with your BUDGET MOBILE phone may not be available on your BUDGET MOBILE handset. BUDGET MOBILE may modify or cancel any BUDGET MOBILE Service or take corrective action at any time without prior notice and for any reason, including but not limited to your violation of these terms and conditions of service.

AIRTIME RATES, USAGE AND INCLUDED MONTHLY MINUTES

While you are enrolled in the BUDGET MOBILE Program, you will receive a free monthly allotment of airtime minutes as provided for the BUDGET MOBILE Program approved in your state and the minute Plan that you select. BUDGET MOBILE airtime is issued in minute (or unit) increments. Units are deducted from the BUDGET MOBILE phone at a rate of one (1) unit per minute or partial minute of use. There is no additional charge for nationwide long distance. New BUDGET MOBILE customers must choose a plan upon enrollment. Existing BUDGET MOBILE customers who wish to switch plans may do so at www.budgetmobile.com or by calling 1-888-777-4007.

Airtime minutes will be deducted for all time during which your BUDGET MOBILE phone is connected to, or using, the wireless system of any Carrier. Use of a wireless system typically begins when you press the "send," "call" or other key to initiate or answer a call and does not end until you press the "end" key or the call is otherwise terminated. Airtime minutes are deducted for all incoming and outgoing calls, including incoming call waiting calls, simultaneous calls, calls to toll free numbers, 411, 611, Customer Service, and to access your voice mail. For simultaneous calls, such as incoming call waiting and 3-way calling (where available) airtime minutes will be deducted for each call. For outbound calls, you may be charged airtime for incomplete and/or busy-no answer calls. Airtime minutes will be deducted for use of other services such as text messaging and

accessing the BUDGET MOBILE Web ("WAP"). No credit or refund is given for dropped calls.

SERVICE END DATE, DEACTIVATION AND REACTIVATION

As a BUDGET MOBILE customer, you will receive one year of service days upon your enrollment and activation in the BUDGET MOBILE Program and another 365 service days following each successful annual verification for your continued program eligibility in the BUDGET MOBILE Program. If you fail to complete your annual verification within 120 days of the required verification date, you will be de-enrolled from the BUDGET MOBILE Program. Upon de-enrollment from the BUDGET MOBILE Program, you will cease receiving the free monthly allotment of airtime. If you are de-enrolled, your phone will remain active and you may continue to use your phone so long as you have available airtime minutes and service days remaining on your phone. You may purchase airtime and service days to keep your phone service active. If you are de-enrolled from the BUDGET MOBILE Program and you allow your remaining service days to expire or go "past due," Your phone service will be deactivated, you may lose your unused minutes and you will lose your wireless telephone number.

If your service is deactivated, you may reactivate your service by re-enrolling in the BUDGET MOBILE Program (if eligible) or purchasing and redeeming a BUDGET MOBILE airtime with service days. Upon reactivation of your phone, you may be assigned a new telephone number. If you have been de-enrolled from the BUDGET MOBILE Program but you wish to keep your service active, you must purchase and redeem additional airtime and service days before the "Service End Date" displayed on your phone. To prevent any interruption in your phone service, please keep your handset service active by timely completing your annual verification as required by the BUDGET MOBILE Program or by purchasing and adding BUDGET MOBILE airtime before your Service End Date.

"No Usage" De-Enrollment and Deactivation: Regardless of the Service End Date displayed on your handset, if you exceed 2 months without any Usage (as defined in this section), you will be de-enrolled from the BUDGET MOBILE Program. "Usage" is defined as any transaction including, but not limited to, making or receiving a call, sending or opening a text message, downloading data content, adding airtime or receiving your free monthly airtime. Upon de-enrollment for non-Usage, you will have up to a 30 day grace period to reenroll in the BUDGET MOBILE Program. If you do not re-enroll or call BUDGET MOBILE Customer Service within 30 days of your de-enrollment, your phone service could be deactivated. In order to reactivate your BUDGET MOBILE phone and re-enroll in the BUDGET MOBILE Program, you will need to call BUDGET MOBILE Customer Service. Upon successful re-enrollment, you will receive the monthly minutes that you were entitled to receive through the date your enrollment was cancelled. You will not, however, receive any airtime for the period of time you were not enrolled in the BUDGET MOBILE Program.

OUR RIGHT TO TERMINATE YOUR BUDGET MOBILE SERVICE

You agree not to give away, resell or offer to resell the BUDGET MOBILE Phone or Service provided by the BUDGET MOBILE Program. You also agree your BUDGET MOBILE Phone will not be used for any other purpose that is not allowed by this agreement or that is illegal. WE CAN, WITHOUT NOTICE, LIMIT, SUSPEND, OR END YOUR SERVICE AND DE-ENROLL YOU FROM THE BUDGET MOBILE PROGRAM FOR VIOLATING THIS PROVISION OR FOR ANY OTHER GOOD CAUSE, including, but not limited to, if you: (a) violate any of the terms and conditions of service; (b) lie to us or attempt to defraud us; (c) allow anyone to tamper with your BUDGET MOBILE Phone; (d) threaten or commit violence against any of our employees or customer service representatives; (e) use vulgar and/or inappropriate language when interacting with our representatives; (f) steal from us; (g) harass our representatives; (h) interfere with our operations; (i) engage in abusive messaging, emailing or calling; (j) modify your device from its manufacturer's specification; or (k) use the service in a way that adversely affects our network or the service available to our other customers. We reserve the right to, without notice, limit, suspend or end your service for any other operational or governmental reason. In addition to permanently terminating your Service, criminal offenses (i.e., selling or giving away your Service; threatening violence, etc.) will be reported to the appropriate legal authorities for prosecution.

UNAUTHORIZED USAGE; TAMPERING

The BUDGET MOBILE handset is provided exclusively for use by you, the end consumer with the BUDGET MOBILE Service available solely in the United States, Puerto Rico and the U.S. Virgin Islands. Any other use of your BUDGET MOBILE handset, including without limitation, any resale, unlocking and/or re-flashing of the handset is unauthorized and constitutes a violation of your agreement with BUDGET MOBILE. You agree not to unlock, re-flash, tamper with or alter your BUDGET MOBILE phone or its software, enter unauthorized PIN's, engage in any other unauthorized or illegal use of your BUDGET MOBILE phone or the Service, or assist others in such acts, or to sell and/or export BUDGET MOBILE handsets outside of the United States. These acts violate BUDGET MOBILE's rights and state and federal laws. Improper, illegal or unauthorized use of your BUDGET MOBILE phone is a violation of this agreement and may result in immediate discontinuance of Services and legal action against you. BUDGET MOBILE will prosecute violators to the full extent of the law. You agree that any violation of this agreement through your improper, illegal or unauthorized use or sale of your BUDGET MOBILE phone shall entitle BUDGET MOBILE to recover liquidated damages from you in an amount of not less

than \$5,000 per BUDGET MOBILE handset purchased, sold, acquired or used in violation of this agreement. Your BUDGET MOBILE phone is restricted from operating when you are located anywhere outside of the United States, Puerto Rico or the U.S. Virgin Islands, including offshore or in international waters. Any such calls are considered unauthorized usage by BUDGET MOBILE for which your service will be immediately suspended. In the event of suspension for this or any other unauthorized usage, you will not be entitled to receive any refunds for unused airtime.

COVERAGE MAPS AND ROAMING

You will find coverage maps on our website. These maps are for general informational purposes only. Actual coverage and service areas may vary from the maps and may change without notice. BUDGET MOBILE does not guarantee coverage or service availability. Even within a coverage area, factors such as terrain, weather, structures, foliage, signal strength, traffic volumes, service outages, network changes, technical limitations, and your equipment may interfere with actual service, quality and availability. "Roaming" occurs when a subscriber of one wireless service provider uses the facilities of another wireless service provider. Roaming most often occurs when you make and receive calls outside of the network coverage area of your service provider. When your BUDGET MOBILE phone is roaming, an indicator light on your handset may display the word "Roam" or "RM" on the screen while the phone is not in use. There are no additional charges for roaming calls for the BUDGET MOBILE phone you were provided. Availability, quality of coverage and Services while roaming are not guaranteed.

LIMITATIONS OF SERVICE AND USE OF EQUIPMENT

Service is subject to transmission limitations caused by certain equipment and compatibility issues, atmospheric, topographical and other conditions. Further, service may be temporarily refused, limited, interrupted or curtailed due to system capacity limitations, technology migration or limitations imposed by the Carrier, or because of equipment modifications, upgrades, repairs or relocations or other similar activities necessary or proper for the operation or improvement of the Carrier's radio telephone system. At anytime, BUDGET MOBILE reserves the right to substitute and/or replace any BUDGET MOBILE E WIRELESS equipment (including handsets) with other BUDGET MOBILE equipment including handsets of comparable quality. Some functions and features referenced in the Manufacturer's manual for a particular BUDGET MOBILE handset may not be available on your phone. BUDGET MOBILE does not warrant or guarantee availability of network or of any Services at any specific time or geographic location or that the Services will be provided without interruption. Neither BUDGET MOBILE, nor any Carrier, shall have any liability for service failures, outages or limitations of Service. Because of the risk of being struck by lightning, you should not use your BUDGET MOBILE phone outside during a lightning storm. You should also unplug the BUDGET MOBILE phone power cord and charger to avoid electrical shock and/or fire during a lightning storm.

DISCLAIMER OF WARRANTIES

EXCEPT FOR THE LIMITED WARRANTY SET FORTH IN THESE TERMS AND CONDITIONS, AND TO THE EXTENT PERMITTED BY LAW, THE SERVICES AND DEVICES ARE PROVIDED ON AN "AS IS" AND "WITH ALL FAULTS" BASIS AND WITHOUT WARRANTIES OF ANY KIND. WE MAKE NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE CONCERNING YOUR SERVICE OR YOUR DEVICE. WE CANNOT PROMISE UNINTERRUPTED OR ERROR-FREE SERVICE AND DO NOT AUTHORIZE ANYONE TO MAKE ANY WARRANTIES ON OUR BEHALF. WE DO NOT GUARANTEE THAT YOUR COMMUNICATIONS WILL BE PRIVATE OR SECURE; IT IS ILLEGAL FOR UNAUTHORIZED PEOPLE TO INTERCEPT YOUR COMMUNICATIONS, BUT SUCH INTERCEPTIONS CAN OCCUR.

EMERGENCY CALLS

BUDGET MOBILE customers have access to 911. Occasionally, however, callers may attempt to call 911 in areas where there is no wireless coverage. If there is no wireless coverage, your call to 911 may not go through and you should dial 911 from the nearest landline phone.

LIMITATION OF LIABILITY

BUDGET MOBILE and BUDGET MOBILE are not liable to you for any direct or indirect, special, incidental, consequential, exemplary or punitive damages of any kind, including lost profits (regardless of whether it has been notified such loss may occur) by reason of any act or omission in its provision of equipment and/or Services. BUDGET MOBILE will not be liable for any act or omission of any other company furnishing a part of our Services or any equipment or for any damages that result from any service or equipment provided by or manufactured by third parties. When your BUDGET MOBILE phone is returned to BUDGET MOBILE for any reason, BUDGET MOBILE is not responsible and shall not be liable to you or anyone else for any personal information such as user names, passwords, contacts, pictures, SMS, MMS and/or additional downloads you may have stored on your phone or which may remain on your phone.

INDEMINIFICATION

You agree to indemnify and hold harmless BUDGET MOBILE and BUDGET MOBILE from any and all liabilities, penalties, claims, causes of action, and demands brought by third parties (including the costs, expenses, and attorneys' fees on account thereof) resulting from your use of a BUDGET MOBILE phone and/or use of the BUDGET MOBILE Services, whether based in contract or tort (including strict liability) and regardless of the form of action.

LIMITED WARRANTY AND EXCHANGE POLICY

This policy is for all Budget Mobile refurbished handsets

- Budget Mobile refurbished handsets have a warranty of (30) days from the activation date.
- Customer abuse or neglect on handsets voids the warranty. We are not able to credit or accept back handsets that have obvious abuse.
- All returns MUST include handset, battery, battery cover (if applicable), charger and quick guide manual. Missing items voids the warranty or you may receive partial credit.
- Handsets MUST be returned in the original packaging.
- ESN on handsets MUST match the ESN from your account.
- Customer is responsible for any airtime used. NO refunds will be given for additional airtime added.
- Warranty only covers manufacturer's defects and does not cover buyer's remorse.

Budget Mobile is NOT responsible for lost or stolen handsets. Please make sure when returning handset you include your name & current address. Please make sure when returning handset that care is given to shipping and handling of device. Please fill our [Budget Mobile Handset Return Form](#) and ship with your handset in a small padded box or padded envelope large enough for all components. Handsets that meet all qualifications will be replaced with "like" or equivalent handsets within (15) business days of the handset being processed.

Return handsets to:

Budget Mobile Returns
1325 Barksdale Blvd (1st Floor)
Bossier City, LA 71111

Certain mobile phone features may not be available throughout the entire network or their functionality may be limited. All plan rates, features, functionality and other product specifications are subject to change without notice or obligation. Color of phones and models may vary. All talk and standby times are quoted in Digital Mode and are approximate.

PRIVACY POLICY

[Click here to view the BUDGET MOBILE Privacy Policy](#)



ATTACHMENT 2

LIFELINE CERTIFICATION FORM



www.budgetmobile.com

ELIGIBILITY

Please check all that apply:

- | | |
|--|--|
| <input type="checkbox"/> Low Income Home Energy Assistance Program | <input type="checkbox"/> Temporary Assistance for Needy Families |
| <input type="checkbox"/> Supplemental Security Income (SSI) | <input type="checkbox"/> Medicaid |
| <input type="checkbox"/> Federal Housing Assistance (Section 8) | <input type="checkbox"/> National School Lunch (free program only) |
| <input type="checkbox"/> Food Stamps | |

OR Check below:

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

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

(1) \$14,702	(4) \$30,173	(7) \$45,644	Add \$5,157 for each additional person.
(2) \$19,859	(5) \$35,330	(8) \$50,801	
(3) \$25,016	(6) \$40,487		

PERSONAL INFORMATION

Please fill out the following information.

First Name:

Middle Name:

Last Name:

Social Security Number (*Last 4 digits only*): Date of Birth (*mm/dd/yyyy*):

Street Address:

Apt. Number: Name of Apt. Complex:

City: State: Zip Code:

I certify, under penalty of perjury, that I am a current recipient of the above program(s) and will notify Budget PrePay® when I am no longer participating in at least one of the above designated programs. I authorize Budget PrePay® or it's duly appointed representative to access any records required to verify these statements to confirm my continued participation in the above program. I will only receive one Lifeline wireless connection and will not have simultaneous wireless Lifeline connections with another provider. I authorize representatives of the above programs to discuss with and/or provide copies to Budget PrePay®, if requested by the company, to verify my participation in the above programs and my eligibility for LifeLine and Link Up. I affirm that I am over the age of eighteen and head of household & that I am not listed as a dependent on another person's tax return. I acknowledge that I may be required to pay an activation fee.

Signature _____ Date _____

FOR AUTHORIZED EMPLOYEE USE ONLY

Customer Mobile Phone Number - -

Phone Identification Number

Date - -

FREE CELL PHONE Plus FREE SERVICE Each Month

No Payments Required

The **NEW Government Assisted program** allows eligible Ohio residents to receive a **FREE cell phone** plus **FREE cell phone service**. Sign up today and receive:



- **FREE Phone**
- **FREE 250 Minutes/Mo.**
- Voicemail
- Caller ID
- Call Waiting
- Access to 911 Service
- Nationwide Coverage
- Keep Your Same Phone Number

No Contract | No Deposit | No Bills To Pay

Budget PrePay, the same company that has provided Budget Home Phone service for more than 15 years, is now offering a new government assisted program. So for emergencies, job searching, or just to keep in touch, Budget Mobile Lifeline will provide you with a **FREE phone** plus **250 FREE minutes every month**.

With Budget Mobile Lifeline you can **add additional minutes** as you need them for the **low rate of \$5 per 50 minutes**. **Add UNLIMITED texting for just \$10 each month**.

For a full list of terms and conditions visit www.BudgetMobile.com.

SIGN UP TODAY!

Budget **MOBILE**
LIFELINE

There are 4 different ways to sign up for service:

1. Call **1-855-276-3733**.
2. Visit a store location nearest you.
Find store locations online at www.BudgetMobile.com
3. Order online at **www.BudgetMobile.com**
4. OR, fill out the form below and send it back to us for FREE, postage paid.



You must meet government assistance eligibility requirements for the Free Phone and 250 Free Minutes each month. Free phones will 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. Activation fee may be required. Only one Lifeline credit per household.

ELIGIBILITY

Tear here before mailing

1. I qualify for Lifeline because I participate in at least one of the following programs (CHECK ALL THAT APPLY):

- | | | |
|--|--|---|
| <input type="checkbox"/> Food Stamps | <input type="checkbox"/> Medicaid or State-Provided Medical Assistance | <input type="checkbox"/> Supplemental Security Income – Blind & Disabled (SSDI) |
| <input type="checkbox"/> Home Energy Assistance Program (HEAP) | <input type="checkbox"/> Federal Public Housing (Section 8) | |
| <input type="checkbox"/> Supplemental Security Income (SSI) | <input type="checkbox"/> National Free School Lunch Program | |
| <input type="checkbox"/> Disability Assistance (DA) | <input type="checkbox"/> Ohio Works First (aka TANF) | |

2. Required Information:

First Name:		Middle Initial:	
Last Name:			
Social Security Number: (Last 4 digits only)		Date of Birth: (mm/dd/yy)	
Address:		Suffix: (Dr/St/Rd/Cir)	
Apt. Number:		Name of Apt. Complex:	
City:		State:	Zip:
Phone:		E-Mail:	

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X _____
Signature

_____/_____/_____
Date

ATTACHMENT 3

GOVERNMENT ASSISTED PROGRAM

**FREE MOBILE
PHONE**

250 FREE MINUTES
Every Month

ELIGIBILITY

- Food Stamps
- Home Energy Assistance Program (HEAP)
- Supplemental Security Income - Blind & Disabled (SSDI)
- Supplemental Security Income (SSI)
- Disability Assistance (DA)
- Medicaid or State-Provided Medical Assistance
- Federal Public Housing (Section 8)
- National Free School Lunch Program
- Ohio Works First (aka TANF)

**Get Your Free Phone
& Service Today!**

855.203.3733

BudgetMobile.com

**Budget *MOBILE*
LIFELINE**

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First Name:		Middle Initial:	
Last Name:			
Social Security Number: (Last 4 digits only)		Date of Birth: (mm/dd/yy)	
Address:		Suffix: (Dr/St/Rd/Cir)	
Apt. Number:		Name of Apt. Complex:	
City:		State:	Zip:
Phone:		E-Mail:	

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X _____
Signature

_____/_____/_____
Date

Budget MOBILE
LIFELINE

No Payments Required

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FREE CELL PHONE
Plus FREE Service**



BENEFITS

- FREE Phone
- FREE 250 Minutes/mo.
- Voicemail
- Caller ID
- Call Waiting
- Access to 911 Service
- Nationwide Coverage
- Keep Your Same Phone Number



Fill out and mail back the reverse side of this piece to receive a **FREE** phone *plus* **FREE** minutes every month.



You are eligible for a:

FREE Cell Phone, Plus **FREE** Minutes Every Month

NO CASH VALUE

George Andrews

Authorized Signature

No Contract | No Deposit | No Bills To Pay

This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

9/28/2011 4:05:40 PM

in

Case No(s). 11-5315-TP-UNC

Summary: Application APPLICATION OF BUDGET PREPAY, INC. FOR DESIGNATION AS A LOW-INCOME ELIGIBLE TELECOMMUNICATIONS CARRIER AND REQUIRED EXHIBITS electronically filed by Mr. Richard R Parsons on behalf of Budget Prepay, Inc.