

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)

TRF Docket No. 90- 9218 _____

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

Case No. ~~16~~ 1933 - **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 Mobile
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
Phone 614 464 2000 Fax 614 464 2002

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.

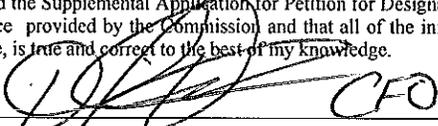
Executed on (Date) 6/26/2012 at (Location) Bossier City, Louisiana
*(Signature and Title)  (Date) 6/26/2012
CFO

- *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)  (Date) 6/26/2012
CFO

**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)	Docket No. 12-1933-TP-UNC
OF BUDGET PREPAY, INC. FOR)	
DESIGNATION AS A LOW-INCOME)	
ELIGIBLE TELECOMMUNICATIONS)	
CARRIER)	
)	
)	

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

I. INTRODUCTION

Budget PrePay, Inc. (“Budget PrePay” or the “Company”), by undersigned counsel, respectfully submits this Petition for Limited Designation as an Eligible Telecommunications Carrier (“ETC”) pursuant to Section 214(e)(2) of the Communications Act of 1934, as amended (the “Act”),¹ Sections 54.101 *et seq.* of the Rules of the Federal Communications Commission (“FCC”), as modified by the FCC Report and Order and Further Notice of Proposed Rulemaking released on February 6, 2012, in CC Docket No. 96-45 (“*FCC Lifeline Reform Order*”)², and Ohio Admin. Code § 4901:1-6-19 as modified by the Public Utilities Commission of Ohio’s (“PUCO’s” or “Commission’s”) Finding and Order issued on May 23, 2012, in Case No. 10-2377-TP-COI (the “*Ohio Lifeline Reform Order*”).³ Budget PrePay seeks designation as a low-income ETC solely for the purpose of receiving support from the federal Universal Service Fund

¹ 47 U.S.C. § 214(e)(2).

² *In the Matter of Lifeline and Link Up Reform and Modernization*, WC Docket Nos. 11-42, 03-109, and 12-23, and CC Docket No. 96-45, Report and Order and Further Notice of Proposed Rulemaking, FCC 12-11 (released Feb. 6, 2012) (“*FCC Lifeline Reform Order*”).

³ *In the Matter of the Commission Investigation into the Provision of Nontraditional Lifeline Service by Competitive Eligible Telecommunications Carriers*, Case No. 10-2377-TP-COI, Finding and Order, at 11 (May 23, 2012) (“*Ohio Lifeline Reform Order*”).

(“USF”) to provide Lifeline subsidized wireless service to qualifying Ohio residents throughout Ohio (though Budget PrePay is not planning to offer service in rural ILEC areas) subject to the existence and corresponding coverage of Budget PrePay’s underlying wireless carrier, Verizon Wireless.⁴

Sections 214(e)(2) and 254 of the Act expressly authorize the Commission to designate Budget PrePay as an ETC. Further, the FCC recently determined that it would grant blanket forbearance from Section 214(e)(1)(A)’s “own facilities” requirement to Lifeline-only applications that comply with the conditions set forth in the *FCC Lifeline Reform Order*.⁵ Specifically, carriers seeking forbearance must submit and obtain FCC approval of a comprehensive Compliance Plan.⁶ A copy of Budget PrePay’s FCC-approved Compliance Plan is attached hereto as Attachment 1. The FCC approved Budget PrePay’s Compliance Plan and granted Budget PrePay forbearance from the “own facilities” requirement on May 25, 2012.⁷ Budget PrePay will comply with all aspects of its FCC Compliance Plan in providing Lifeline service in Ohio.

Budget PrePay meets each of the statutory and regulatory prerequisites for designation as an ETC. In addition, consumers qualifying for the Lifeline 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 Ohio

⁴ 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).

⁵ *FCC Lifeline Reform Order*, at ¶ 368.

⁶ See *FCC Lifeline Reform Order*, at ¶ 368; see also Budget PrePay, Inc. Compliance Plan, WC Docket Nos. 09-197 and 11-42 (filed May 1, 2012).

⁷ FCC Public Notice, WC Docket Nos. 09-197 and 11-42, DA 12-828 (released May 25, 2012) (attached hereto as Attachment 2).

in particular. Accordingly, Budget PrePay respectfully requests that the Commission grant this Petition expeditiously so that qualified Ohio residents can benefit from the high-quality and high-value services that the Company plans to offer.

II. BACKGROUND

Budget PrePay is a Louisiana corporation⁸ and is authorized to conduct business in the State of Ohio.⁹ Budget PrePay is a Competitive Local Exchange Carrier (“CLEC”) providing local exchange and long distance services in wire centers served by Ohio’s non-rural ILECs.¹⁰ Budget PrePay is certified to provide CMRS in Ohio pursuant to the Certificate of Public Convenience and Necessity No. 90-5584 issued in PUCO Case No. 11-5013-TP-RCC. Currently, Budget PrePay does not have any Ohio wireless customers. Budget PrePay does, however, provide wireless recharge pin cards for other wireless carriers in Ohio.

Budget PrePay has already been designated an ETC to provide Lifeline supported wireless service in Arkansas, Kentucky, Louisiana, Maryland, Pennsylvania, Rhode Island, Wisconsin and Nevada, and is currently offering, or will begin offering, Lifeline service in each of these states.¹¹ Budget PrePay now seeks authority to provide Lifeline supported wireless service to low-income customers in Ohio. Budget PrePay will provide its wireless Lifeline service in Ohio under the d/b/a, Budget Mobile.

III. LEGAL REQUIREMENTS TO BE DESIGNATED AN ETC

Title 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

⁸ 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.

⁹ Ohio Secretary of State Foreign Registration #1299984.

¹⁰ Certificate of Public Convenience and Necessity No. 90-9218.

¹¹ Budget PrePay also has been designated as an ETC for wireline services in Tennessee, Oklahoma, Alabama, Florida, Nebraska, Maryland, Louisiana, Mississippi, Arkansas, Kentucky, Michigan, Missouri, North Carolina, and South Carolina. The Company does not seek ETC designation for its wireline services in this Petition.

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.

II. BUDGET PREPAY SATISFIES THE STATUTORY AND REGULATORY PREREQUISITES FOR DESIGNATION AS A LIFELINE-ONLY ETC IN OHIO

Budget PrePay satisfies each of the statutory and regulatory prerequisites set forth in the Act and the FCC and this Commission’s rules, as respectively modified by the *FCC Lifeline Reform Order* and the *Ohio Lifeline Reform Order*:

A. Budget PrePay Is a Common Carrier

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 offering interstate communications by radio, and is a common carrier for hire.

In addition to Budget PrePay’s authority to provide wireline and wireless service in Ohio, Budget PrePay holds a domestic and international Section 214 authorization from the FCC to provide domestic interstate and international telecommunications services throughout the United States, including Ohio.¹²

B. Service Area

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

¹² See 47 C.F.R. § 63.01 (authority for all domestic common carriers); ITC-214-20030206-00050 (granting Budget PrePay authority to provide facilities-based and resale services in accordance with 47 C.F.R. § 63.18).

In the Matter of the Application of Nexus Communications dba Reachout Wireless for Designation as an Eligible Telecommunications Carrier in the State of Ohio,¹³ Budget PrePay seeks authority to provide USF supported wireless service to qualifying Ohio residents throughout Ohio (though Budget PrePay is not planning to offer service in rural ILEC areas), subject to the existence and corresponding coverage of Budget PrePay's selected underlying wireless carrier for Ohio, Verizon Wireless.¹⁴

C. Budget PrePay Will Provide the Supported Services Through Resale pursuant to Budget PrePay's FCC Forbearance Order From the "Own Facilities" Requirement

Budget PrePay purchases certain supported services on a wholesale basis from Verizon Wireless, which is a national service provider. As noted above, the FCC has granted Budget PrePay forbearance from Section 214(e)(1)(A)'s "own facilities" requirement and correspondingly has approved Budget PrePay's Compliance Plan.¹⁵ A copy of Budget PrePay's FCC-approved Compliance Plan is attached hereto as Attachment 1. Budget PrePay will comply with all aspects of its Compliance Plan in providing Lifeline service in Ohio.

D. Budget PrePay Will Offer the Services and Functionalities Supported by the Federal Low-Income Universal Service Program [47 C.F.R. §§ 54.101(a) and 54.201(d)(1)]

Title 47 C.F.R. § 54.201(d)(1) requires that an ETC offer the services identified in 47 C.F.R. § 54.101(a). In the *FCC Lifeline Reform Order*, the FCC revised 47 C.F.R. § 54.101(a) to provide as follows:

- (a) Services designated for support. Voice telephony services shall be supported by federal universal service support mechanisms. Eligible voice telephony services must provide voice grade access to the public switched network or its functional

¹³ *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 (June 22, 2011) ("Nexus Order").

¹⁴ *Id.* at 8.

¹⁵ FCC Public Notice, WC Docket Nos. 09-197 and 11-42, DA 12-828 (released May 25, 2012) (attached hereto as Attachment 2).

equivalent; minutes of use for local service provided at no additional charge to end users; access to the emergency services provided by local government or other public safety organizations, such as 911 and enhanced 911 systems . . . ; and toll limitation services to qualifying low-income consumers as described in subpart E of this part.

Budget PrePay provides each of the services supported by federal universal service support mechanisms, as set forth in Sections 54.101 *et seq.* of the FCC's new rules, and will offer these supported services throughout the State of Ohio upon designation as an ETC, as follows:

1. Voice Grade Access [47 C.F.R. § 54.101(a)]. Eligible voice telephony services must provide voice grade access to the public switched network or its functional equivalent. “Voice grade access” permits a telecommunications user to transmit voice communications, including signaling the network that the caller wishes to place a call, and to receive voice communications, including receiving a signal that there is an incoming call. Budget PrePay will provide its customers with “voice grade access” by enabling such customers to make and receive calls on the public switched telephone network.

2. Local Service Minutes at No Additional Charge [47 C.F.R. § 54.101(a)]. Budget PrePay will provide its Lifeline customers with minutes of use for local service at no additional charge. Each of the Lifeline plans to be offered by Budget PrePay (as set forth in Exhibit A) will provide local usage at no additional charge to customers.

3. Access to Emergency Services [47 C.F.R. § 54.101(a)(5)]. Budget PrePay will provide access to emergency services in conformance with the FCC’s requirements. All of the phones that Budget PrePay will distribute to subscribers will be capable of delivering automatic numbering information (“ANI”) and automatic location information (“ALI”), and otherwise satisfy applicable enhanced-911 requirements.

4. Toll Limitation [47 C.F.R. § 54.101(a)(9)]. Budget PrePay will provide toll limitation services to qualifying low-income customers, in accordance with applicable FCC and Ohio requirements. “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 PrePay will offer toll limitation service to qualifying low-income customers, as requested.

E. Budget PrePay Will Advertise the Availability of and Charges for Its Universal Service Qualifying Offerings [47 C.F.R. § 54.201(d)(2)]

Budget PrePay commits to offer and advertise the availability of the supported services detailed above, consistent with both Ohio established and FCC floor eligibility criteria. Advertising will include descriptions of the supported services and the corresponding rates and charges, and will be designed to inform not only the general public, but will also target the low-income population throughout Budget PrePay’s service area in Ohio. 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. (Please see Exhibit G, *infra*, for Budget PrePay’s proposed Ohio advertising materials.)

F. Budget PrePay Is Able to Remain Functional in Emergencies

As described above, Budget PrePay does not own or operate any cell site or microwave hubs, since it will provide service in Ohio by reselling services of another wireless network carrier. Those network operators have implemented state-of-the-art network reliability standards and Budget PrePay and its customers in Ohio will benefit from their high standards. Budget PrePay will have the ability to provide for the rerouting of traffic around damaged facilities, and management of traffic spikes resulting from emergency situations through its wireless service

provider and its own facilities. Budget PrePay’s underlying wholesale carrier has met all applicable E911 deployment and compliance requirements.

G. Budget PrePay Has Committed to Meet Applicable Service Quality and Consumer Protection 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. Budget PrePay will also use its best efforts to resolve any complaints received by the Commission and designates the following contact person to work with Commission staff to resolve any complaints or other compliance matters:

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

H. Financial and Technical Qualifications [47 C.F.R. § 54.201(h)]

As part of the *FCC Lifeline Reform Order*, the FCC amended its rules to require a carrier seeking designation as a Lifeline-only ETC to demonstrate that it is financially and technically capable of providing the supported Lifeline service in compliance with all of the low-income program rules.¹⁶ Budget PrePay satisfies these criteria.

Budget PrePay, based in Bossier City, Louisiana, has been in business since 1996.¹⁷ Budget PrePay currently derives the majority of its revenue from selling low-cost prepaid telephone services on a nationwide basis to over tens of thousands of customers and employs approximately 340 people.

¹⁶ See *FCC Lifeline Reform Order*, at ¶ 387.

¹⁷ Budget PrePay was organized and incorporated in the State of Louisiana on May 1, 1996.

Budget PrePay owns and operates its own switching facilities in Dallas, Texas and Shreveport, Louisiana. In addition, Budget PrePay has invested millions of dollars in software development, including its own customized, user friendly point-of-sale software.

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

I. OHIO ADMIN. CODE § 4901:1-6-19 ETC REQUIREMENTS, AS MODIFIED BY THE OHIO LIFELINE REFORM ORDER

Budget PrePay will comply will all of Ohio Admin. Code § 4901:1-6-19's ETC requirements, as modified by the *Ohio Lifeline Reform Order*:

1. Free Customer Service Communication¹⁸

Budget PrePay will provide a local or toll free customer service number whereby customers may contact it – free of charge – regarding customer service matters. Any minutes used by the customer for calls to the Company's customer care will be credited back to the customer's account.

2. County Specific 911 Fees¹⁹

To the extent that any Ohio county has implemented a 911 surcharge pursuant to R.C. §§ 4931.52–.53, Budget PrePay will bill and collect from their customers any county-specific 911 charges imposed and shall remit on a quarterly basis such charges to the county in which the area served by the 911 system is located.

¹⁸ *Ohio Lifeline Reform Order*, at 18.

¹⁹ *Ohio Lifeline Reform Order*, at 43. Budget PrePay notes that TracFone Wireless, Inc. has applied for rehearing regarding the Commission's determination that "nontraditional" ETCs must contribute to Ohio's 911 and TRS funds. *In the Matter of the Commission Investigation into the Provision of Nontraditional Lifeline Service by Competitive Eligible Telecommunications Carriers*, Case No. 10-233-TP-COI, TracFone Wireless, Inc. Application for Rehearing (June 22, 2012). Budget PrePay will comply with any order this Commission issues regarding TracFone Wireless, Inc.'s Application for Rehearing.

3. State 911 Surcharge²⁰

Budget PrePay will contribute \$0.28 to Ohio's 911 fund for each Lifeline wireless telephone number of a subscriber who has an address in Ohio. Budget PrePay will comply with this requirement by dividing the total monthly USAC reimbursement within Ohio during the month by fifty, multiplying the quotient by twenty-eight cents, and remitting this amount.

4. CETC Administrative Assessment²¹

Budget PrePay will pay the assessment the Commission requires pursuant to R.C. § 4905.10 to offset the Commission's administrative costs associated with the designation and oversight of CETCs in Ohio.

5. Telecommunications Relay Service ("TRS") Fund Charge

Budget PrePay will pay the TRS fund charge as required by R.C. § 4905.84(C).²² To permit assessment of the TRS fund charge, for all customer classes, Budget will capture the number of active accounts in its database as of December 31 and include that number in its report as required by the PUCO.

IV. COMMISSION REQUIRED EXHIBITS

A. EXHIBIT A: Proposed Service Offerings, Rates, and Charges, and Lifeline Eligibility Requirements

1. Proposed Service Offerings, Rates, and Charges

Budget PrePay will initially offer two wireless prepaid USF supported plans throughout its designated service area in Ohio: the Active User Talk and Text Plan and the 250 Minute Talk Plan. All of Budget PrePay's Lifeline plans will include a free handset and the following custom calling features: Caller ID, Call Waiting, and Voicemail.

²⁰ *Ohio Lifeline Reform Order*, at 44.

²¹ *Ohio Lifeline Reform Order*, at 45–46.

²² *Ohio Lifeline Finding and Order*, at 45.

Budget PrePay does not impose credit checks or long-term service contracts on its prepaid customers. Customers are not bound by a local calling area requirement; all Budget PrePay plans come with domestic long distance at no extra per minute charge. There are no roaming charges. Customers can purchase extra minutes at retail outlets, in Budget PrePay's service area, and online. Additional minutes will be loaded electronically. Calls to 911 emergency services are always free, regardless of service activation or availability of minutes.

Budget PrePay believes that its proposed service plans for Lifeline customers in Ohio will be received well by Ohio residents and generate significant interest.

Active User Talk and Text Plan: This prepaid service provides for a combined 4000 local/long distance voice minutes and text messages. Each text message counts as one minute of voice service.

Rates & Optional Services

Active User Talk and Text Plan	\$34.25
<u>Lifeline Credit</u>	<u>(\$9.25)</u>
Final Lifeline Price	\$25.00 (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.

250 Minute Talk: This prepaid service provides 250 minutes of free local and domestic long distance calling per month. Customers can add additional airtime in denominations and at the rates indicated below.

Rates & Optional Services

250 Minute Plan	\$9.25
<u>Lifeline Credit</u>	<u>(\$9.25)</u>
Final Lifeline Price	FREE

- Additional Minutes \$5.00 – 50 minutes
 \$10.00 – 100 minutes
 \$15.00 – 150 minutes
- 1000 texts 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 250 Minute Talk 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, by visiting the budgetmobile.com website, 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 not assessed “roaming charges.”
- Minutes will be deducted for calls to 411 services and voicemail, as well as for calls to other Budget PrePay wireless customers.
- Service payments may be made at participating Budget PrePay agent retail outlets frequented by low income customers through the designated service area or by calling customer service.

- Budget PrePay 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.
- **No Activation Fee:**
Pursuant to Ohio Admin. Code § 4901:1-6(B)(2), Budget PrePay will not charge any Lifeline-qualified customer an activation fee.

2. Lifeline eligibility requirements:

Budget PrePay will offer its Lifeline 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 PrePay will also offer its Lifeline 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

Pursuant to the *FCC Lifeline Reform Order*, Budget PrePay will provide the \$9.25 USF funded discount to all Lifeline customers, as set out *supra*, in Exhibit A.

III. EXHIBIT C: DESIGNATION OF BUDGET PREPAY AS A WIRELESS ETC WILL PROMOTE 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.²³ 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.²⁴ Given this context, designating Budget PrePay as an ETC would serve the public interest generally, and the needs of low-income customers in Ohio in particular.

The public interest benefits associated with the Company's wireless service include nationwide calling areas (as compared to traditional wireline carriers' local calling areas) and the convenience and personal security afforded by mobile telephone service. 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.

²³ Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56.

²⁴ See Nicholas P, Sullivan, “Cell Phone 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.

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. 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. Unlike many wireless providers, one of Budget PrePay's service offerings is a high-value wireless service that includes nearly unlimited local and domestic long distance calling and text messaging, caller ID, call waiting and voicemail, all without any of the credit check, deposit and contract requirements imposed by the more traditional wireline and wireless service providers.

Because of these benefits, Budget PrePay expects that many eligible consumers will select its wireless Lifeline service in lieu of the more traditional wireline or wireless services available from competing providers. Budget PrePay will fulfill a critical role in the marketplace by ensuring that many Americans who cannot qualify for, or afford, the services provided by other wireless providers can still enjoy the benefits of wireless telecommunications.

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 Ohio, 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 their service plans to offer service terms and features appealing to low-income customers.

Budget PrePay has emphasized customer service as a pillar of its marketplace success since service launch. The Company’s business model includes brick and mortar stores in low-income communities to best serve Lifeline customers. Upon designation as an ETC by the PUCO, the Company intends to follow the same business model in Ohio. As a result, in addition to bringing new service options to eligible Ohio residents, Budget PrePay’s designation will also mean new job opportunities for State residents.

Finally, as this Commission has recognized, “[c]ustomer choice is the barometer by which comparable value [of prepaid Lifeline plans to postpaid Lifeline plans] must be measured.”²⁵ Thus, comparable value is to be viewed “in terms of an increase in the choices and options available to Lifeline customers rather than a minimum service offering that all nontraditional Lifeline service providers must make available.”²⁶ By offering an additional nontraditional Lifeline service to compete in the marketplace, Budget PrePay’s application for ETC designation promotes the public interest by offering a service of comparable value.

VI. EXHIBIT D: ENROLMENT/ELIGIBILITY VERIFICATION PROCESS

Budget PrePay will follow the enrollment and eligibility verification procedures as detailed in its FCC Compliance Plan, attached hereto as Attachment 1. Enrollment materials will reflect the Ohio-specific eligibility criterion for those demonstrating income at 150% of the federal poverty rate, as well as Ohio-specific Lifeline-qualifying assistance programs.

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

New Lifeline subscribers receive a receipt summarizing important Lifeline requirements, service terms and conditions, and handset warranty information. Customers are directed to Budget PrePay’s website to review a complete listing of the terms and service of service. A copy

²⁵ *Ohio Lifeline Reform Order*, at 18.

²⁶ *Ohio Lifeline Reform Order*, at 18.

of a sample receipt and of Budget PrePay's terms and conditions of service are attached hereto as Attachment 3.

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

Please see Attachment 4.

IX. EXHIBIT G: COPY OF PROPOSED LIFELINE ADVERTISING LANGUAGE

Please see Attachment 5.

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

As set forth in its Compliance Plan approved by the FCC, Budget PrePay has proposed a plan to implement the certification and verification conditions outlined in the *FCC Lifeline Reform Order* to ensure that only one Lifeline benefit is provided per household. Budget PrePay shares the concern about waste, fraud and abuse of the Lifeline program and is committed to the safeguards stated in its FCC Compliance Plan, as well as complying with applicable FCC and/or Commission rules.

XI. CONCLUSION

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

Respectfully submitted:

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ATTORNEYS FOR BUDGET PREPAY, INC.

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

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

COMPLIANCE PLAN OF BUDGET PREPAY, INC.

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

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

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

Budget PrePay hereby files its Compliance Plan outlining the measures it will take to implement the conditions set forth in the *Lifeline Reform Order*.³ Budget PrePay respectfully requests expeditious approval of this Compliance Plan so that the Company, upon designation as an ETC by the FCC and other state commissions, may quickly begin providing essential Lifeline services to eligible low-income customers.

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

Budget PrePay, based in Bossier City, Louisiana, has been in business since 1996.⁴ The Company provides both wireline and wireless services. The Company has been designated as an ETC for wireless services in the states of Arkansas, Kentucky, Louisiana, Maryland, Rhode Island, Wisconsin and Nevada, and is currently offering, or will begin offering, Lifeline service in each of these states.⁵

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

Budget PrePay owns and operates its own switching facilities in Dallas, Texas and Shreveport, Louisiana. In addition to providing access to directory assistance and operator services, the switching facilities are also used to provide access to some interexchange services (for the routing of certain domestic and all non-domestic) calls. Budget PrePay has also invested

³ This Compliance Plan and the attached supplemental materials replace the Compliance Plan submitted to the Commission on March 1, 2012 and the revised Compliance Plan submitted April 17, 2012.

⁴ Budget PrePay was organized and incorporated in the State of Louisiana on May 1, 1996.

⁵ Budget PrePay also has been designated as an ETC for wireline services in Tennessee, Oklahoma, Alabama, Florida, Nebraska, Maryland, Louisiana, Mississippi, Arkansas, Kentucky, Michigan, Missouri, North Carolina, South Carolina, and Texas.

millions of dollars in software development, including its own customized, user friendly point-of-sale software.

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

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

II. BACKGROUND

In the *Lifeline Reform Order*, the Commission stated that it would grant forbearance from the “own-facilities” requirement contained in Section 214(e)(1)(A) for carriers that are, or seek to become, Lifeline-only ETCs, subject to compliance with the following conditions:⁶

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

(2) the carrier must file, and the Bureau must approve, a compliance plan that: (a) outlines the measures the carrier will take to implement the obligations contained in this Order, including but not limited to the procedures the ETC follows in enrolling a subscriber in Lifeline and submitting for reimbursement for that subscriber from the Fund, materials related to initial and ongoing certifications and sample marketing materials, as well as further safeguards against waste, fraud and abuse the Bureau may

⁶ *Lifeline Reform Order* at ¶¶ 368, 373 and 379. While Budget PrePay owns some facilities and appears to satisfy the revised supported services requirements applicable to ETCs, Budget PrePay is filing this Compliance Plan out of an abundance of caution, to illustrate its support for many of the recent reform measures taken by the Commission that attempt to curb waste, fraud and abuse in the Low Income Fund, and in the hopes that this filing will expedite processing of its pending ETC designation Petitions. Budget PrePay commits to comply with its Compliance Plan in all states where it is designated as a Lifeline-only ETC.

deem necessary; and (b) provides a detailed description of how the carrier offers service, the geographic areas in which it offers service, and a description of the carrier's various Lifeline service plan offerings, including subscriber rates, number of minutes included and types of plans available.

III. COMPLIANCE PLAN

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

A. Access to 911 and E911 Services

The *Lifeline Reform Order* requires ETCs to provide their Lifeline customers with access to 911 and E911 services, regardless of activation status and availability of minutes.⁷ Budget PrePay hereby affirms that all of its customers will have access to emergency calling services at the time that Lifeline service is initiated, and that such 911 and E911 access will be available from Budget PrePay handsets even if the account associated with the handset has no minutes remaining.

B. E911-Compliant Handsets

The Commission also conditioned its grant of forbearance on ETCs providing only E911-compliant handsets to its Lifeline customers.⁸ Budget PrePay will ensure that all handsets used in connection with the Company's Lifeline service offering are E911-compliant. In the event that an existing Budget PrePay customer does not have an E911-compliant handset, the Company will replace it with a 911/E911-compliant handset at no charge to the customer. Any

⁷ *Id.* at ¶ 373.

⁸ *Id.*

new customer that qualifies for and enrolls in the Lifeline program will receive a 911/E911-compliant handset, free of charge.

C. Certification and Verification of Lifeline Eligibility

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

1. Policy

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

2. Certification Procedures

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

website, which will contain a link to information regarding the Company's Lifeline service plans, including a detailed description of the program and state-specific eligibility criteria. Budget PrePay's application form will clearly identify that it is a "Lifeline" application. Except in states in which applicants are enrolled through a designated state agency, Budget PrePay will have direct contact with all customers applying for Lifeline service, in person or by telephone, facsimile, mail or the internet.

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

For states with program-based eligibility criteria, the form will list each of the qualifying programs, and the applicant will be required to identify the specific program(s) in which they participate, and to provide the requisite proof that they currently participate in such program(s), regardless of whether such proof is required pursuant to state law. For states with income-based eligibility criteria, the applicant will be required to certify under penalty of perjury that their

household income does not exceed the relevant threshold (*e.g.*, 135% of the Federal Poverty Guidelines for federal default states) and will be required to provide the requisite proof of income-based eligibility. Budget PrePay will not retain copies of proof documentation, but rather will maintain accurate records detailing how the customer demonstrated his or her eligibility.⁹

Budget PrePay will check the eligibility of low-income consumers seeking to enroll in Lifeline either by accessing electronic eligibility databases, where available, or by reviewing documentation from the consumer demonstrating his/her eligibility for Lifeline service. Where the Company is able to access a state or federal database to make determinations about customer eligibility, the Company is not required to obtain proof documentation; in such case Budget PrePay or its representative will note in its records what specific data was relied upon to confirm the customer's initial eligibility for Lifeline.¹⁰ In instances where a state agency or third-party administrator is responsible for the initial determination of consumer eligibility, Budget PrePay will rely on the state identification or database.¹¹

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

⁹ *Lifeline Reform Order* at ¶ 101.

¹⁰ *Id.* at ¶ 98.

¹¹ *Id.*

violation of the one-per-household requirement constitutes a violation of the Commission's rules and will result in the consumer's de-enrollment from the program, and could result in criminal prosecution by the United States government.¹² Although the exact wording of the disclosure statements described above may vary on a state-by-state basis, depending on state-specific requirements and/or consultations with relevant state agencies, Budget PrePay expects the substance of these disclosures to be consistent with the certifications set forth in the enclosed Lifeline Application and Certification Form. See Exhibit 1.

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

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

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

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

The application form will clearly state that Lifeline participants must provide their new address to the Company within 30 days of moving.¹⁴ Budget PrePay will incorporate this information into its customer information database. Prior to initiating service for a customer, the Company will check the address of each Lifeline applicant against its database to determine

¹² *Id.* at ¶ 121.

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

¹⁴ *Id.* at ¶¶ 85 and 117.

whether or not it is associated with a customer that already receives Budget PrePay Lifeline service, and will then review the application to ascertain whether the applicant is attempting to receive Lifeline-supported service for more than one handset associated with its household.¹⁵ If the Company determines that an individual at the applicant's residential address is currently receiving Lifeline-supported service, the Company will take an additional step to ensure that the applicant and the current subscriber are part of different households.¹⁶ In order to make this determination, Budget PrePay will require applicants to complete and submit to the Company a written document which will be developed by USAC. Budget PrePay will deny the Lifeline application of any individual residing at the same address as a current Lifeline subscriber who is part of the same household, and will advise the applicant of the basis for the denial.

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

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

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

¹⁶ *Lifeline Reform Order* at ¶ 78.

¹⁷ 47 C.F.R. § 54.405 (e)(2).

¹⁸ *Id.* at ¶¶ 88 – 89.

3. *Annual Verification Procedures*

As required by the Commission's *Lifeline Reform Order*, Budget PrePay will require every consumer enrolled in the Lifeline program to verify on an annual basis that he or she is the head of his or her household, receives Lifeline-supported service only from Budget PrePay and, to the best of his or her knowledge, no one else in the subscriber's household is receiving a Lifeline-supported service.¹⁹ Pursuant to the new rule adopted in the *Lifeline Reform Order*, Budget PrePay will re-certify the eligibility of all of its Lifeline subscribers as of June 1, 2012, by the end of 2012, and report the results to USAC by January 31, 2013.²⁰ The Company may undertake this re-certification on a rolling basis throughout the year.²¹ Where ongoing eligibility cannot be determined through access to a qualifying database either by the Company or the state, and there is no state administrator verifying the continued eligibility of Lifeline subscribers, the Company will re-certify the continued eligibility of its subscribers by contacting them—either in person, in writing (by mail), by phone, by text message, by email, or otherwise through the Internet—to confirm their continued eligibility.²² Such certifications may be obtained in person through a written document, an IVR system, a text message, or on-line with an electronic signature. The Company will accept electronic signatures that meet the requirements of the Electronic Signatures in Global and National Commerce Act, 15 USC 7001-7006, and any applicable state laws, in accordance with the *Lifeline Reform Order*.²³ In states where a state agency or a third party has implemented a database that carriers may query to re-certify the consumer's continued eligibility, the Company (or state agency or third-party, where applicable)

¹⁹ *Id.* at ¶ 120.

²⁰ *Id.* at ¶ 130.

²¹ *Id.*

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

²³ *Id.* at ¶ 132.

will instead query the database and maintain a record of what specific data was used to re-certify eligibility and the date of re-certification.²⁴

The notice will explain the actions the customer must take to retain Lifeline benefits, when Lifeline benefits will be terminated if such actions are not taken, and how to contact Budget PrePay. Consistent with the *Lifeline Reform Order*, the Company will provide notice of impending Lifeline service termination to subscribers who do not respond to the annual re-certification within 30 days. Anyone who does not respond to the impending termination notice within 30 days to demonstrate that his or her Lifeline service should not be terminated will be de-enrolled from the Company's Lifeline program.²⁵

D. Specific Customer Enrollment Procedures

Budget PrePay prefers direct contact with consumers. To this end, Budget PrePay does not offer its services through "chain" stores, but rather through its own stores, and through retail agents familiar with the underserved consumers in the communities Budget PrePay serves. Currently, Budget PrePay has 12 stores in Louisiana, 3 stores in Maryland, 2 stores in Arkansas, Nevada, and Kentucky, and one store in Rhode Island. Budget PrePay plans to open multiple stores in each state where it is designated. Budget PrePay sells the remainder of its service through Internet sales and inbound telemarketing (where a customer is seeking to initiate service with Budget PrePay).

As an initial matter, in those few states that have a state administrator, Budget PrePay fully cooperates with the state Lifeline administrators to ensure that it does everything necessary to ensure it is in compliance with both state and federal enrollment, verification, and re-certification procedures. For all states that do not have a Lifeline administrator, Budget PrePay

²⁴ *Id.* at ¶ 131.

²⁵ *Id.* at ¶¶ 141-142.

will perform the same first step in the process of enrollment. Regardless of how the customer applies—whether in a retail store, online, or over the phone, each customer will supply the same information via Budget PrePay’s standard customer application and certification form. (Attached as **Exhibit 1.**)

Budget PrePay enrolls Lifeline customers through several different marketing channels: 1) in person, through company-owned and affiliated retail stores, 2) in person, through retail agents trained by Budget PrePay, and 3) through customer-initiated contact, either through inbound telemarketing, or more frequently, through online sales over the Internet. The majority of Budget PrePay’s sales are through its “in person” channels.

All of Budget PrePay’s retail sales are the result of direct contact with the potential Lifeline consumer.

Retail Stores. The prospective customer comes into the store, and is asked the basis for his or her claim to Lifeline eligibility. The store employee can verify the customer’s program, or income, based eligibility in person. Budget PrePay provides comprehensive training/reference materials to its employees which allow the employees to verify the most common forms of proof for each eligible program and/or income verification. The store employee will then ask the prospective customer for additional documentation proving identity and/or address verification. The final program/income eligibility-specific step is for the customer to provide the required information and make the certifications required by new rule §54.410(d)(3).

If the customer appears to be eligible, the employee will explain the Commission’s definition of “household” as an “economic unit” where related or unrelated people share income and expenses. In the case of multiple applicants at the same mailing address, the customer will then make the “one per household” certification required by §54.410(d)(1). Finally, Budget

PrePay will collect the necessary customer-specific information required by new rule §54.401(d)(2) so that Budget PrePay can report the information to USAC to be used to populate the National Lifeline Accountability Database (“duplicates database”), defined in §54.400(i) of the Commission’s new rules.

The retail store employee then enters the customer’s information into Budget PrePay’s OSS systems, where the information is checked against available databases (the duplicates database, and Budget PrePay’s own list of existing customers). The retail store rep quickly determines whether the customer is eligible to receive Lifeline service. In cases where a state program eligibility database exists, the retail store personnel will contact Budget PrePay’s internal group dedicated to verifying eligibility who will query the state database and either approve or deny the applicant. Where proof of eligibility is needed, the retail personnel, who are trained on what is eligible documentation will witness the documentation and sign the application demonstrating they have witnessed the documentation.

Upon successful completion of the certification process, the customer chooses a service plan and is provided with a handset. The customer’s account is activated upon completion of an outbound call. For purposes of “enrollment” in the Lifeline program, Budget PrePay will use the date of this first completed outbound call from its call records as the customer’s effective start date.

Retail Agents. The process for signing up customers at Budget PrePay’s retail agents is very similar to the process used by Budget PrePay for signing up customers at its owned stores. The prospective customer comes into the agent’s retail location, and is asked the basis for his or her claim to Lifeline eligibility. The agent’s employee can verify the customer’s program, or income, based eligibility in person. Budget PrePay provides comprehensive training and

reference materials to its agent's employees which allow the agent's employees to verify the most common forms of proof for each eligible program and/or income verification. The agent's employee will then ask the prospective customer for additional documentation proving identity and/or address verification. The final program/income eligibility-specific step is for the customer to provide the required information and make the certifications required by new rule §54.410(d)(3).

If the customer appears to be eligible, the agent's employee will explain the Commission's definition of "household" as an "economic unit" where related or unrelated people share income and expenses. In the case of multiple applicants at the same mailing address, the customer will then make the "one per household" certification required by §54.410(d)(1). Finally, the agent's employee will collect the necessary customer-specific information required by new rule §54.401(d)(2) so that Budget PrePay can report the information to USAC to be used to populate the National Lifeline Accountability Database ("duplicates database"), defined in §54.400(i) of the Commission's new rules.

The agent's employee then faxes the completed certification form to Budget PrePay's Agent Services department, where an employee enters the data into Budget PrePay's OSS systems. The OSS systems check the data against available databases (the duplicates database, and Budget PrePay's own list of existing customers). Where proof of eligibility is needed, the agent's employees, who are trained on what is eligible documentation, will witness the documentation and sign the application demonstrating they have witnessed the documentation.

Review of the documents and appropriate databases is completed by Budget PrePay employees. If Budget PrePay confirms that the customer is eligible, a handset will be mailed to the customer. The customer's account is not activated until completion of an outbound call. For

purposes of “enrollment” in the Lifeline program, Budget PrePay will use the date of this first completed outbound call from its call records as the customer’s effective start date.

Inbound Channel Marketing. Prospective customers can also apply for, and obtain, Lifeline service from Budget PrePay either over the phone or through the Internet. Customers choosing to obtain service through inbound channels must either fill out an application online, or provide the relevant information to the customer sales representative over the telephone. In these cases, Budget PrePay verifies eligibility via a state database, state administrator, or by reviewing documentation of eligibility submitted by the applicant in advance of receiving service.

Online Sales. To apply for Budget PrePay Lifeline service online, a customer will fill out an application, provide the necessary information that all prospective Lifeline customers must provide, and be taken through successive screens, which clearly explain all relevant legal eligibility requirements. If the customer is seeking to qualify for Lifeline service based on their participation in a particular program (or income level), the prospective customer may be able to be qualified by an inbound sales representative who inputs the prospective customer’s information into an eligibility database (if available for the relevant state). However, in most cases, the prospective customer will fill out the relevant eligibility forms on the computer, and then send in copies of the records needed by Budget PrePay to verify the customer’s eligibility to participate in Lifeline. Once the prospective customer is successfully verified by Budget PrePay, the customer can be enrolled in the service plan they have chosen, and then mailed their handset.

Assuming the customer has successfully completed the online application process, Budget PrePay will have all the information it needs to verify the customer is only receiving one Lifeline subsidy for their household, to verify eligibility, to satisfy its record-keeping obligations, and to send to USAC in order to populate the duplicates database. The requisite certifications

needed by Budget PrePay to establish service with the prospective customer is obtained as electronic signatures.

Budget PrePay's method of accepting electronic signatures—on all of its online certifications and re-certifications—is to allow the customer to create a unique electronic signature by typing their name, and providing their date of birth and their social security number. The customer's name, combined with their date of birth and their social security number, is sufficiently unique to satisfy the Commission's new rules for accepting electronic signatures.

If the prospective customer fails to qualify for Lifeline service, Budget PrePay will explain to the customer why the request was rejected. On the other hand, if the prospective customer sends in sufficient evidence to qualify for Lifeline eligibility, and adequately certifies eligibility, Budget PrePay will notify the customer, and enroll the customer in their requested service plan, and send the customer the handset. The customer's account is not activated until completion of an outbound call. For purposes of "enrollment" in the Lifeline program, Budget PrePay will use the date of this first completed outbound call from its call records as the customer's effective start date.

Inbound Telemarketing. To obtain Budget PrePay Lifeline service, a customer can call Budget PrePay to initiate service. The process is very similar to online enrollment, except that instead of being taken through successive screens, the customer is asked a series of qualifying questions by a customer service representative. The questions will all be designed to elicit true and accurate information that is necessary for Budget PrePay to obtain a complete standard certification form. If, at any time during the conversation, it becomes apparent to the customer service representative that the prospective customer is unlikely to qualify for Budget PrePay

Lifeline service, the customer service representative explains the issue to the customer and offers to allow the customer to sign up for one of Budget PrePay's non-Lifeline service plans.

On the other hand, if the customer provides information indicating that the customer would be eligible to obtain Lifeline service, the customer service representative will take the customer as far as possible in trying to qualify the customer. For example, if there are no other Lifeline subscribers in the customer's household, and the customer participates in a Lifeline-eligible program (or is income-qualified), the customer service representative tries to verify the customer's information through a state database (if available). If the customer seems to qualify (through a database query), then the customer service representative will open a file for the customer, take the customer's information that is required to be collected from each customer, send the customer the requisite certification forms for verification of eligibility (or allow the customer to certify eligibility through an IVR recorded and associated with the customer's account), and request copies of the evidence that would prove eligibility in cases where a state database is not available.

If the prospective customer fails to qualify for Lifeline service, Budget PrePay will explain to the customer why the request was rejected. On the other hand, if the prospective customer sends in sufficient evidence to qualify for Lifeline eligibility, and adequately certifies eligibility, Budget PrePay will notify the customer, and enroll the customer in their requested service plan, and send the customer the handset. The customer's account is not activated until completion of an outbound call. For purposes of "enrollment" in the Lifeline program, Budget PrePay will use the date of this first completed outbound call from its call records as the customer's effective start date.

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

1. Non-usage Policy

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

2. Customer Education with Respect to Duplicates

To supplement its verification and certification procedures, and to better ensure that customers understand the Lifeline service restrictions with respect to duplicates, Budget PrePay will implement measures and procedures to prevent duplicate Lifeline benefits being awarded to the same household. These measures entail additional emphasis in written disclosures as well as live due diligence, and will help ensure that only eligible consumers enroll in the program and that those consumers are fully informed of the rules and requirements of the program.

²⁶ *Id.* at ¶¶ 257-263.

²⁷ *Id.* at ¶ 257.

²⁸ *Id.* at ¶ 261.

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

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

Budget PrePay will disclose the company names under which it does business and the details of its Lifeline service offerings.³¹ A sample marketing brochure is enclosed as Exhibit 2.

3. Cooperation with state and federal regulators

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

²⁹ *Id.* at ¶ 121.

³⁰ *Id.* at ¶ 275.

³¹ *Id.*

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

F. Lifeline Offering

Budget PrePay will offer its Lifeline service in the states where it is designated as an ETC throughout the coverage area of its underlying carriers, Sprint and Verizon Wireless. As

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

³³ *Id.* at ¶ 390.

summarized in Exhibit 3 attached hereto, the Company's Lifeline offering will provide customers with the option to choose between two (2) Lifeline plans³⁴ that best meets their needs.

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

IV. CONCLUSION

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

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

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

Respectfully submitted,

BUDGET PREPAY, INC.



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Counsel for Budget PrePay, Inc.

May 1, 2012

Attachments (Certification, Exhibits 1 – 3)

CERTIFICATION

I, David Donahue, do hereby declare under penalty of perjury as follows:

1. I am the Chief Financial 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 revised Compliance Plan 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.



David Donahue
Chief Financial Officer
Budget PrePay, Inc.

April 27, 2012.

Exhibit 1:

Sample Lifeline Application and Certification (Louisiana)

LIFELINE CERTIFICATION FORM

Initial Lifeline Enrollment Re-Verification of Lifeline Enrollment

PERSONAL INFORMATION

PLEASE FILL OUT THE FOLLOWING INFORMATION:

First Name: Middle Name:

Last Name: Date of Birth: //

Social Security # (last four digits): Tribal Identification #: Alt. Contact #: () -

Email Address:

I certify that I reside on a Federally recognized Tribal land. (For Tribal Residents Only)

PLEASE READ AND ACKNOWLEDGE YOU AGREE BY INITIALING EACH STATEMENT BELOW, UNDER PENALTY OF PERJURY

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

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

I understand that Lifeline is only available for one phone line per household, whether landline or wireless. Other Lifeline providers include: Budget Home Phone, AT&T, Safelink, and Assurance Wireless. To the best of my knowledge no one in my household is receiving Lifeline service. A household is defined, for purpose of the Lifeline program, as any individuals who live together at the same address and share income and expenses.

I certify that I am at least 18 years of age and not currently receiving a Lifeline telephone service from any other landline or wireless telephone company. I will only receive Lifeline from Budget PrePay and no other landline or wireless telephone company. Any violation of the one phone line per household limitation will result in de-enrollment from the Lifeline program and may be punished by fine or imprisonment.

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

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

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

I will notify Budget PrePay within thirty (30) days if my home address changes. If the address I have provided is a temporary address, I understand that I must verify my address every ninety (90) days. Failure to provide such notification or verification may result in de-enrollment from the program.

I authorize Budget PrePay to contact me by interactive voice response (IVR), or other means, to notify me of annual Lifeline re-verification and the company's 60-day non-usage reminder.

I understand that completion of this application does not constitute immediate approval for Lifeline service.

ELIGIBILITY

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

First Name: _____ MI: _____ Last Name: _____

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

- | | | |
|-------------------------------------------------------------|--------------------------------------------------------------------|------------------------------------------------------------------------------------------------|
| <input type="checkbox"/> Food Stamps (SNAP) | <input type="checkbox"/> Federal Housing Assistance (Section 8) | <input type="checkbox"/> Low Income Home Energy Assistance Program |
| <input type="checkbox"/> Supplemental Security Income (SSI) | <input type="checkbox"/> National School Lunch (Free Program Only) | <input type="checkbox"/> Food Distribution Program on Indian Reservations (FDPIR) |
| <input type="checkbox"/> Medicaid | <input type="checkbox"/> Temporary Assistance for Needy Families | <input type="checkbox"/> Bureau of Indian Affairs General Assistance (BIA) |
| | | <input type="checkbox"/> Tribally-Administered Temporary Assistance for Needy Families (TTANF) |

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

Exhibit 2:

Sample Marketing Brochure (Las Vegas, Nevada)

Budget **MOBILE**
LIFELINE

**FREE MOBILE
PHONE**

Plus

250 FREE MINUTES
Every Month

NO CONTRACTS · NO CREDIT CHECKS · NO PAYMENTS REQUIRED

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

FREE MOBILE PHONE + 250 FREE MINUTES Each Month

There are 2 easy ways to sign up for service:

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



FEATURES include

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

ELIGIBILITY

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

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

Bonanza Square Shopping Center

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

Mission Center

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

Exhibit 3:

Lifeline Offerings

EXHIBIT 3

Lifeline Offerings

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

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

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

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

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

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

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

Lifeline Credits

Federal Lifeline Credit

\$9.25

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



PUBLIC NOTICE

Federal Communications Commission
445 12th St., S.W.
Washington, D.C. 20554

News Media Information 202 / 418-0500
Internet: <http://www.fcc.gov>
TTY: 1-888-835-5322

DA 12-828

Release Date: May 25, 2012

WIRELINE COMPETITION BUREAU APPROVES THE COMPLIANCE PLANS OF AMERICAN BROADBAND & TELECOMMUNICATIONS, BUDGET PREPAY, CONSUMER CELLULAR, GLOBAL CONNECTION, TERRACOM AND TOTAL CALL

WC Docket Nos. 09-197 and 11-42

The Wireline Competition Bureau (Bureau) approves compliance plans of six telecommunications carriers: American Broadband & Telecommunications; Budget Prepay, Inc.; Consumer Cellular, Inc.; Global Connection, Inc. of America; TerraCom, Inc.; and Total Call Mobile, Inc. filed pursuant to the *Lifeline Reform Order* as a condition of obtaining forbearance from the facilities requirement of the Communications Act of 1934, as amended (the Act), for the provision of Lifeline service.¹

The Act provides that in order to be designated as an eligible telecommunications carrier for the purpose of universal service support, a carrier must “offer the 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 services”² The Commission recently amended its rules to define voice telephony as the supported service and removed directory assistance and operator services, among other things, from the list of supported services.³ As a result of these amendments, many Lifeline-only ETCs that previously met the facilities requirement by relying on operator services, directory assistance or other previously supported services no longer meet the facilities requirement of the Act.⁴ In the *Lifeline Reform Order*, the Commission found that a grant of blanket forbearance of the facilities

¹ See *Lifeline and Link Up Reform and Modernization et al.*, WC Docket No. 11-42 *et al.*, Report and Order and Further Notice of Proposed Rulemaking, FCC 12-11, at paras. 379-380 (rel. Feb. 6, 2012) (*Lifeline Reform Order*). A list of the compliance plans approved through this Public Notice can be found in the Appendix to this Public Notice.

² 47 U.S.C. § 214(e)(1)(A).

³ See *Connect America Fund*, WC Docket No. 10-90 *et al.*, Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 17663, 17692-93, paras. 77-78, 80 (2011) (*USF/ICC Transformation Order*); *pets. for review pending sub nom. In re: FCC 11-161*, No. 11-9900 (10th Cir. filed Dec. 8, 2011); *Connect America Fund*, WC Docket No. 10-90 *et al.*, Order on Reconsideration, 26 FCC Rcd 17633, 17634-35, para. 4 (2011) (*USF/ICC Transformation Order on Reconsideration*).

⁴ See *Lifeline Reform Order*, FCC 12-11, at para. 366, App. A; *USF/ICC Transformation Order on Reconsideration* at para. 4. Some ETCs have included language in their compliance plans indicating that they have facilities or plan to acquire facilities in the future. See, e.g., Budget PrePay, Inc. Petition for Designation as an Eligible Telecommunications Carrier, WC Docket Nos. 09-197 and 11-42, Compliance Plan of Budget PrePay, Inc. at 3 n. 6 (filed May 1, 2012). To the extent ETCs seek to avail themselves of the conditional forbearance relief established in the *Lifeline Reform Order*, we presume they lack facilities to provide the supported service under section 54.101 and 54.401 of the Commission’s rules. See 47 C.F.R. §§ 54.101 and 54.401. Such ETCs must comply with the compliance plan approved herein in each state or territory where they are designated as an ETC, regardless of their claim of facilities for other purposes, such as eligibility for state universal service funding.

requirement, subject to certain public safety and compliance obligations, is appropriate for carriers seeking to provide Lifeline-only service.⁵ Therefore, in the *Lifeline Reform Order*, the Commission conditionally granted forbearance from the Act's facilities requirement to all telecommunications carriers seeking Lifeline-only ETC designation, subject to the following conditions: (1) compliance with certain 911 and enhanced 911 (E911) public safety requirements; and (2) Bureau approval of a compliance plan providing specific information regarding the carrier and its service offerings and outlining the measures the carrier will take to implement the obligations contained in the *Order*.⁶

The Bureau has reviewed the compliance plans listed in the Appendix for conformance with the *Lifeline Reform Order*, and now approves those six compliance plans.⁷

Filings, including the Compliance Plans identified in the Appendix, and comments are available for public inspection and copying during regular business hours at the FCC Reference Information Center, Portals II, 445 12th Street, S.W., Room CY-A257, Washington, D.C. 20554. They may also be purchased from the Commission's duplicating contractor, Best Copy and Printing, Inc., Portals II, 445 12th Street, S.W., Room CY-B402, Washington, D.C. 20554, telephone: (202) 488-5300, fax: (202) 448-5563, or via email www.bcpweb.com.

People with Disabilities: To request materials in accessible formats for people with disabilities (Braille, large print, electronic files, audio format), send an email to fcc504@fcc.gov or call the Consumer & Governmental Affairs Bureau at (202) 418-7400 or TTY (202) 418-0484.

For further information, please contact Divya Shenoy, Telecommunications Access Policy Division, Wireline Competition Bureau at (202) 418-7400 or TTY (202) 418-0484.

- FCC -

⁵ See *Lifeline Reform Order*, FCC 12-11 at paras. 368-381.

⁶ See *id.* at paras. 373 and 389. Subsequently, the Bureau provided guidance for carriers submitting compliance plans pursuant to the *Lifeline Reform Order*. *Wireline Competition Bureau Provides Guidance for the Submission of Compliance Plans Pursuant to the Lifeline Reform Order*, WC Docket Nos. 09-197 and 11-42, Public Notice, 27 FCC Rcd 2186 (Wireline Comp. Bur. 2012).

⁷ The Commission has not acted on any pending ETC petitions filed by these carriers, and this Public Notice only approves the compliance plans of the carriers listed above. While these compliance plans contain information on each carrier's Lifeline offering, we leave it to the designating authority to determine whether or not the carrier's Lifeline offerings are sufficient to serve consumers. See *Lifeline Reform Order*, FCC 12-11 at paras. 50 and 387.

Appendix

Petitioner	Compliance Plans As Captioned by Petitioner	Date of Filing	Docket Numbers
American Broadband & Telecommunications	American Broadband & Telecommunications Revised Compliance Plan	April 27, 2012	09-197; 11-42
Budget PrePay, Inc.	Compliance Plan of Budget PrePay, Inc.	May 1, 2012	09-197; 11-42
Consumer Cellular, Inc.	Consumer Cellular Amended Revised Compliance Plan	April 18, 2012	09-197; 11-42
Global Connection, Inc. of America	Global Connection Inc. of America Compliance Plan	April 30, 2012	09-197; 11-42
TerraCom, Inc.	TerraCom, Inc. Second Revised Blanket Forbearance Compliance Plan	May 1, 2012	09-197; 11-42
Total Call Mobile, Inc.	Total Call, Inc. Revised Compliance Plan	May 17, 2012	09-197; 11-42

ATTACHMENT 3

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

BUDGET MOBILE PROGRAM DESCRIPTION

The BUDGET MOBILE Program provides Lifeline Service, which is a government assistance program 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 Federal 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". A "household" is any individual or group of individuals who are living together at the same address as one economic unit. 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. The BUDGET MOBILE Program is a non-transferable benefit and Subscriber may not transfer the benefit to any other person.

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 at least 18 years of age or older
- Do not currently receive lifeline support for a telephone line serving their residential address and no other person in their household participates in the Lifeline 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 within 30 days if and when they no longer qualify for any of the public assistance programs or exceed the income levels identified in their application form.
- Will notify BUDGET MOBILE within 30 days of any change of address by calling 1-888-777-4007.
- If living at a temporary residential address, will verify the temporary address every 90 days.
- Reviewed the information contained in their application and it is true and correct to the best of their knowledge and belief.
- Acknowledges that providing false and fraudulent information to receive Lifeline benefits is punishable by law.
- Acknowledges a requirement to recertify eligibility at any time and that failure to do so will result in de-enrollment and termination.

Lifeline service, provided under the BUDGET MOBILE Program is a federal benefit plan and willfully making false statements to obtain the benefit can result in fines, imprisonment, de-enrollment or being barred from the Budget Mobile Program.

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. Alternatively, for a discounted rate, applicants who qualify and are enrolled in the BUDGET MOBILE Program will receive a free cellular phone and significant allotment of minutes for talk and texting. 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 under any plan may 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 at least 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 or other monthly minute allotment under the customer's plan. BUDGET MOBILE Customers who are no longer eligible (for any reason) for enrollment in the BUDGET MOBILE Program must notify BUDGET MOBILE within 30 days 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. Your account will not be activated until you complete an outbound call on your handset. 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 or a larger monthly allotment of minutes for a discounted rate 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"). Text messages initiated by BUDGET MOBILE do not reduce the airtime minutes in your plan. 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. Failure to respond to an annual verification request within 30 days will trigger notice of impending de-enrollment and de-enrollment effective five (5) business days after the expiration of the time to respond to the annual verification request. Upon de-enrollment from the BUDGET MOBILE Program, you will cease receiving the free or paid 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 plan 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 60 days without any Usage (as defined in this section), You will be de-enrolled from the BUDGET MOBILE Program. An account will be considered active if during any 60-day period you do at least one of the following: make a monthly payment; purchase minutes from BUDGET MOBILE to add to your existing account; complete an outbound call; answer an incoming call from anyone other than BUDGET MOBILE; or affirmatively respond to a direct contact from BUDGET MOBILE confirming that you want to continue your service. Upon de-enrollment for non-Usage, you will have up to a 30 day grace period to re-enroll 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 will 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 and 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 thirty (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 out 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](#)



LA1709
6363 Hearne Avenue
Shreveport, LA 71108
(318) 555-1212

Date:
Time:

Sales Receipt

Plan:
Customer:
Account Number:
Mobile Number:

Sales Total: **\$0.00**

Customer Service
888-777-4007

Thank you for choosing
BUDGET MOBILE!

PLEASE REMEMBER:

USAGE

You **MUST** use your phone at least once **Every 60 Days** to keep your service active. Phone usage can be placing one phone call or one text every 60 days from the day you sign up. Failure to use your handset will result in your de-enrollment from the Lifeline Program.

UNLIMITED TALK AND TEXT

Now, just \$25/month!

Lifeline customers only

TOP UP/ADD MINUTES

Add more Minutes and Texting to your phone at any of our store locations or online at BudgetMobile.com.

- 50 Additional Minutes ----- \$ 5/mo.
- 100 Additional Minutes ----- \$10/mo.
- 150 Additional Minutes ----- \$15/mo.
- 1,000 Texts ----- \$10/mo.

Or, login to your account on the web at
www.budgetmobile.com

USER NAME:

Voicemail Setup

To setup your Budget Mobile voicemail, call your 10 digit mobile phone number (shown above) from your mobile phone. Follow the prompts to setup your voicemail account.

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

Budget Mobile In-Store Warranty & Return Policy

HANDETS UNDER WARRANTY

- Budget Mobile refurbished handsets have a warranty of thirty (30) days from the activation date.
- Customer abuse or neglect on handsets voids the warranty. Budget Mobile is not able to credit or accept back handsets that have obvious abuse.
- Handset warranty only covers manufacturer's defects that interfere with making or receiving calls.

HANDETS RETURNED

- Budget Mobile handsets can be upgraded after thirty (30) days from the date it was activated for a \$10.00 processing fee. This fee is in addition to the price of the new handset.
- All returns MUST include your sales receipt, handset, battery, battery cover (if applicable) and charger. Missing items voids the warranty.
- ESN/Serial Number on handsets MUST match the ESN/Serial Number on customer account.
- Customer is responsible for any airtime used. NO refunds will be given for additional airtime added.

Budget Mobile is NOT responsible for lost or stolen handsets. Customers may purchase a replacement handset if original handset is lost or stolen. An additional \$10.00 processing fee will be applied to the cost of the handset purchased by customer.

Budget Employee Lifeline Enrollment Checklist

Do you understand that:

- ✓ You can only qualify for one Lifeline Program Discount per household
- ✓ You are prohibited from receiving the Lifeline Program Discount from another carrier
- ✓ You may not receive the Lifeline Program Discount for both wireline and wireless service
 - At the same time
 - At the same address
 - From more than one company at the same time
- ✓ You can only qualify if you (1) participate in one of the Lifeline eligibility programs listed on the Budget PrePay Certification Form or

(2) your total household income is below a certain level.

- ✓ You must certify that you are 18 years of age or older
- ✓ You cannot transfer your service to anyone else.
- ✓ You must complete the USAC Lifeline Household Worksheet if your household shares an address with a separate household, and if another household at that address already receives a Lifeline discount
- ✓ Should you apply for wireless service you must use your mobile device every 60 days. Failure to do so shall result in automatic de-enrollment of the Lifeline program.
- ✓ Should you move, you are required to notify Budget within 30 days of your new address.
- ✓ If a temporary address is given at the time of enrollment you have 30 days to notify Budget of your permanent address, and you may be required to verify your temporary address as often as every 90 days.
- ✓ Should you no longer be a participant in one of the Lifeline eligibility programs, or if your household income exceeds the eligibility level, you are required to notify Budget within 30 days.
- ✓ You are required to re-verify your Lifeline eligibility annually.

Government Assisted Program

FREE MOBILE PHONE



Plus

250 FREE MINUTES

Every Month

NO CONTRACTS · NO CREDIT CHECKS · NO PAYMENTS REQUIRED

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

FREE MOBILE PHONE + 250 FREE MINUTES

Each Month

There are 2 easy ways to sign up for service:

- 1 Call toll free **1-855-883-3733**
- 2 Order online at **www.BudgetMobile.com**



FEATURES include

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

ELIGIBILITY

To apply for Budget Mobile Lifeline service, you MUST participate in ONE of the following programs:

- Food Stamps (SNAP)
- SSI (Supplemental Security Income)
- SSI – Blind and Disabled (SSDI)
- General/Disability Assistance
- Section 8 (Federal Housing Assistance)
- Medicaid
- LIHEAP (Low Income Home Energy Assistance Program)
- Free Lunch Program (National School Lunch)
- TANF (Temporary Assistance for Needy Families)/Ohio Works First
- Food Distribution Program on Indian Reservations (FDPIR)
- Bureau of Indian Affairs General Assistance (BIA)
- Tribally-Administered Temporary Assistance for Needy Families (TTANF)

Budget **MOBILE**
LIFELINE

1325 Barksdale Blvd., Suite 200
Bossier City, LA 71111

www.budgetmobile.com

This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

6/26/2012 5:52:43 PM

in

Case No(s). 12-1933-TP-UNC

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