

BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION

In the Matter of the Application of)
Budget PrePay, Inc. for Designation as an) File No.
Eligible Telecommunications Carrier for)
Purpose of Receiving Low-Income and Disabled)
Customer Support in AT&T Missouri)
Service Areas.)

BUDGET PREPAY, INC.’S APPLICATION
FOR DESIGNATION AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER

COMES NOW Budget PrePay, Inc. (“Budget PrePay”), pursuant to Section 214(e)(2) of the Communications Act of 1934, as amended (the “Act”)¹ and the rules of Federal Communications Commission (“FCC”), including 47 C.F.R. Sections 54.101 through 54.207, Section 392.248 R.S.Mo., and the rules and regulations of the Missouri Public Service Commission, including 4 CSR 240-3.570 and 31.050, and for its Application for Designation as an Eligible Telecommunications Carrier (“ETC”) for the purpose of receiving low-income and disabled customer support in AT&T Missouri service areas, with waiver of regulations applicable to high cost support, states as follows:

1. Budget PrePay seeks ETC designation throughout the Southwestern Bell Telephone Company, L.P. d/b/a AT&T Missouri service territories, as set forth in the list of exchanges attached hereto as **Exhibit 1** (the “Designated Service Area”), for the purpose of receiving federal universal service support. Budget PrePay is seeking only low-income/disabled customer support, and is not requesting high cost support. As demonstrated below, Budget PrePay satisfies all of the statutory and regulatory requirements for designation as an ETC in the Designated Service Area. Furthermore, designation of Budget PrePay as an ETC in the

¹ 47 U.S.C. § 214(e)(2).

Designated Service Area will serve the public interest. Accordingly, Budget PrePay respectfully requests that the Commission grant this Application,

2. All inquiries, correspondence, communications, pleadings, notices, orders and decisions to be sent to Budget PrePay relating to this matter should be directed to:

Carl J. Lumley, #32869
Curtis, Heinz, Garrett & O’Keefe, PC
130 S. Bemiston, Suite 200
St. Louis, Missouri 63105
Telephone: (314) 725-8788
Facsimile: (314) 725-8789
Email: clumley@lawfirmemail.com

I. Background

3. Budget PrePay is a Louisiana corporation authorized to conduct business within the State of Missouri. A copy of its Certificate of Good Standing is attached hereto and incorporated herein by reference as **Exhibit 2**. Further, Budget PrePay is a Competitive Local Exchange Carrier (“CLEC”) authorized by the Commission to provide basic local exchange services and long distance services in all wire centers in the Designated Service Area. Budget PrePay has been providing services in Missouri since 2002.² The principal office of Budget PrePay is located at 1325 Barksdale Boulevard, Bossier City, Louisiana 71111. The telephone number of Budget PrePay is (888) 424-5588. Budget PrePay provides local exchange services and long distance services in the Designated Service Area using a combination of its own facilities, including leased facilities, and through resale

4. As set forth in Section 214(e)(2) of the Act, the Commission “shall upon its own motion or upon request designate a common carrier that meets the requirements of [Section

² Budget PrePay (then Budget Phone, Inc.) was originally certificated by the Missouri Public Service on September 18, 2002, in Case No. CA-2003-0024. On May 9, 2007 the Commission issued its Order recognizing the name change from Budget Phone, Inc. to Budget PrePay, Inc. in Case No. TN-2007-0411.

214(e)(1)] as an eligible telecommunications carrier for a service area designated by the State Commission.”³ Upon designation as an ETC, the carrier shall be eligible to receive universal support in accordance with Section 254 of the Act.⁴

5. The requirements for designation as an ETC set forth in Section 214(e)(1) are that the carrier must:

- a) offer the services that are supported by Federal universal support mechanisms under Section 254(c), either using its own facilities or a combination of its own facilities and resale of another carrier’s services (including the services offered by another eligible telecommunications carrier); and
- b) advertise the availability of such services and the charges therefore using the media of general distribution.⁵

II. Budget PrePay satisfies the requirements for designation as an ETC to serve the Designated Service Area.

6. Budget PrePay is a common carrier as that term is defined in the Act.⁶ Budget PrePay provides competitive local exchange services in the Designated Service Area pursuant to certificate granted in CA-2003-0024 as referenced above.

7. Budget PrePay offers all of the supported services enumerated under Section 254(c) using facilities obtained as UNEs, or the equivalents thereof, through commercial agreements. According to FCC Rules, facilities obtained as UNEs satisfy the requirement that an ETC provide the supported services using either its own facilities or a combination of its own

³ 47 U.S.C. § 214(e)(2); see 47 C.F.R. § 54.201(b) (FCC Rules citing the Act’s requirements).

⁴ 47 U.S.C. § 214(e)(1).

⁵ *Id.*

⁶ *See* 47 U.S.C. § 153(10) (“the term ‘common carrier’ or ‘carrier’ means any person engaged as a common carrier for hire, in interstate or foreign communication by wire or radio or in interstate or foreign radio transmission of energy . . .”).

facilities and resale of another carrier's services.⁷ Accordingly, Budget PrePay satisfies the requirement set forth in Section 214(e)(1)(A).

8. The services that are supported by Federal universal support mechanisms under section 254(c) are enumerated in the rules of the FCC at 47 C.F.R. § 54.101(a)(1)-(9); and in the PSC's rules at 4 CSR 240-3.570(3)(C)(1). These services are:

- a) Voice grade access to the public switched network. "Voice grade access" is defined as a functionality that enables a user of telecommunications services 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 indicating there is an incoming call. For the purposes of this part, bandwidth for voice grade access should be, at a minimum, 300 to 3,000 Hertz;
- b) Local usage. "Local usage" means an amount of minutes of use of exchange service, prescribed by the FCC, provided free of charge to end users;
- c) Dual tone multi-frequency signaling or its functional equivalent. "Dual tone multi-frequency" (DTMF) is a method of signaling that facilitates the transportation of signaling through the network, shortening call set-up-time;
- d) Single-party service or its functional equivalent. "Single-party service" is telecommunications service that permits users to have exclusive use of a

⁷ Section 54.201(f) of the FCC's Rules states: "[f]or the purposes of this section, the term 'own facilities' includes, but is not limited to, facilities obtained as unbundled network elements pursuant to Part 51 of this chapter, provided that such facilities meet the definition of the term 'facilities' under this subpart." 47 C.F.R. § 54.201(f). The term "facilities" under Section 54.201 is defined as "any physical components of the telecommunications network that are used in the transmission or routing of the services that are designated for support pursuant to subpart B of this part." 47 C.F.R. § 54.201(e). Budget PrePay's use of UNEs meets this definition of "facilities".

wireline subscriber loop or access line for each call placed, or, in the case of wireless telecommunications carriers, which use spectrum shared among users to provide service, a dedicated message path for the length of a user's particular transmission;

- e) Access to emergency services and Emergency telephone number services capable of automatic number identification, automatic location identification, and call routing facilities to public safety response. "Access to emergency services" includes access to services, such as 911 and enhanced 911, provided by local governments or other public safety organizations. 911 is defined as a service that permits a telecommunications user, by dialing the three-digit code "911", to call emergency services through a Public Service Access Point (PSAP) operated by the local government. "Enhanced 911" is defined as 911 service that includes the ability to provide automatic numbering information (ANI), which enables the PSAP to call back if the call is disconnected, and automatic location information (ALI), which permits emergency service providers to identify the geographic locations of the calling party. "Access to emergency services" includes access to 911 and enhanced 911 services to the extent the local government in an eligible carrier's service area has implemented 911 or enhanced 911 systems;
- f) Access to operator services. "Access to operator services" is defined as access to any automatic or live assistance to a consumer to arrange for billing or completion, or both, of a telephone call;

- g) Access to interexchange service. “ Access to interexchange service” is defined as the use of the loop, as well as that portion of the switch that is paid for by the end user, or the functional equivalent of these network elements in the case of a wireless carrier, necessary to access an interexchange carrier’s network;
- h) Access to directory assistance. “Access to directory assistance” is defined as access to a service that includes, but is not limited to, making available to customers, upon request, information contained in directory listings;
- i) Toll limitation and/or blocking for qualifying low-income consumers; and
- j) Access to telecommunications relay services by dialing 711.

9. Budget PrePay also provides essential local telecommunications services as defined in 4 CSR 240-31.010 and is eligible for Missouri low-income and disabled customer USF support pursuant to 4 CSR 240-31.050.

10. Pursuant to 4 CSR 240-3.570(3)(A), Budget PrePay has developed a bill design that can be easily interpreted by its customers and clearly sets forth charges in compliance with state and federal billing requirements. A sample bill is attached hereto as **Exhibit 3**.

11. Pursuant to 4 CSR 240-3.570(3)(B), Budget PrePay shall provide customer service contact information online and on billing statements. Budget PrePay acknowledges that this requirement also applies to ETCs that use a third party billing agent.

12. Pursuant to 4 CSR 240-3.570(3)(E), Budget PrePay shall maintain a record of customer complaints that have been received by the company in a manner that includes, at a minimum: the end-user name; the account number; a description of the complaint; the date the complaint was filed; the resolution; and the amount of refund or credit, if any. Budget PrePay

shall also maintain records of complaints from consumers in the Missouri service area in which ETC designation is granted that have been submitted to or filed with the Federal Communications Commission for which the company has knowledge in a manner that includes, at a minimum: a description of the complaint; the date the complaint was filed; the date the complaint was resolved; the resolution of the complaint and the amount of refund or credit, if any.

13. Pursuant to 4 CSR 240-3.570(3)(F), Budget PrePay shall, within ten (10) days of a change in the company-designated contacts, either notify the manager of the Commission's Telecommunications Department, in writing or by electronic mail, or shall update the Commission's electronic filing system (EFIS). The notification or update shall include the name(s), address(es) and/or telephone number(s) of the designated individual(s). The contact name(s) provided pursuant to this section shall be the individual(s) primarily responsible for: customer service, repair and maintenance, answering complaints; authorizing and/or furnishing refunds to customer; and information or tariff filing issues.

14. Upon designation as an ETC, Budget PrePay will participate in, and offer, LifeLine and Link-Up discounts to qualifying low-income consumers and publicize the availability of Lifeline and Link-Up services using media of general distribution in a manner reasonably designed to reach and fully inform those likely to qualify for those services, all as required by FCC Rules⁸ and pursuant to 4 CSR 240-3.570(2)7.

15. Budget PrePay will advertise the availability of services and charges for those services using media of general distribution throughout the Designated Service Area, as required by FCC Rules⁹ and pursuant to 4 CSR 240-3.570(2)6.

⁸ See 47 C.F.R. §§ 54.401-54.417; 54.405(b) & 54.411(d).

⁹ See 47 C.F.R. §§ 54.201(d)(2).

III. Areas for Which ETC Certification is Requested

16. Budget PrePay has served and will continue to serve the exchanges where it leases UNEs or resells the services of AT&T Missouri in the Designated Service Area. Budget PrePay does not seek Designation as an ETC in any areas served by rural telephone companies.

IV. Granting Budget PrePay's Application Will be Consistent with the Public Interest, Convenience and Necessity.

17. Congress requires that the Commission grant competitive ETC applications in non-rural areas.¹⁰ No specific public interest test is mentioned for non-rural areas, in contrast to areas served by rural telephone companies.¹¹ Thus, the Act provides that the Commission “shall” designate Budget PrePay as an ETC upon finding that the company meets the nine-point list of services and that it agrees to advertise the supported services throughout the Designated Service Area. But in any event, pursuant to 4 CSR 240-3.570(2)(A)5, the designation of Budget PrePay as an ETC will serve and be consistent with the public interest, convenience and necessity.

18. A central purpose of the Telecommunications Act of 1996 was to “promote competition and reduce regulation ... [thereby securing] lower prices and higher quality services.”¹² Designation of Budget PrePay as an ETC would further these goals.

19. Pursuant to 4 CSR 240-3.570(2)6, Budget PrePay will announce and advertise telecommunications services as an ETC where it provides service in its Designated Service Area in Missouri and will publicize the availability of Lifeline and Link-Up services in a manner reasonably designed to reach those likely to qualify for those services. Accordingly, more low-income Missouri residents will be made aware of the opportunities afforded to them under the

¹⁰ See 47 U.S.C. 214(e)(2).

¹¹ See *Id.*

¹² The Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56, 56 (1996).

Lifeline and Link-Up programs and will be able to take advantage of those opportunities by subscribing to Budget PrePay's service.

20. A grant of Budget PrePay's application will serve the public interest by increasing customer choice for eligible low-income customers and the market as a whole by promoting additional deployment of Budget PrePay's local exchange service offerings to the areas served by AT&T Missouri. Budget PrePay offers quality service at affordable prices. Budget PrePay adds another choice of provider for low-income customers, in the Designated Service Area. If designated as an ETC, Budget PrePay will offer service to many low-income customers who may not have been able to have service but for the Budget PrePay. In addition, the public interest will be served by assuring quality telecommunications service to low-income customers in the Designated Service Area through the commitments Budget PrePay makes with respect to the ETC designation.

21. Budget PrePay will provide universal service as an ETC in all of its Designated Service Area in accordance with Commission rules, including but not limited to the provisions of 4 CSR 240-3.570(5) applicable to wireline carriers.

22. Pursuant to 4 CSR 240-3.570(2)9, Budget PrePay acknowledges it shall provide equal access pursuant to 4 CSR 240-32.100(3) and (4) if all other ETCs in the Designated Service Area relinquish their designations pursuant to Section 214(e) of the Telecommunications Act of 1996. The FCC's ETC Order does not impose a general equal access requirement on ETC applicants at this time, but instead suggests the applicants acknowledge that an ETC applicant may be required to provide equal access to long distance carriers in their designated service area in the event that no other ETC is providing equal access within the service area. Budget PrePay acknowledges this potential and will abide by the requirement should it occur in the future.

23. Budget PrePay is aware that it may seek USF funding only with respect to those customers that it serves through the use of its own facilities (including leased UNEs).

24. Pursuant to 4 CSR 240-3.570(2)(A)1-3, each request for ETC designation shall include: the intended use of the high-cost support and a two year plan to demonstrate the proper use of high-cost support. Under FCC guidelines, an ETC applicant must submit a five-year plan that describes with specificity proposed improvements or upgrades to the applicant's network on a wire center-by-wire center basis throughout is proposed Designated Service Area. The only circumstances warranting deviation from this requirement is where an applicant's requested ETC serving territory would qualify it to receive no "high cost" USF support, but only "low income" USF support. Because Budget PrePay seeks ETC designation solely for purposes of reimbursement for provision of subsidized Lifeline and Link-Up services to eligible customers, submission of a Five-Year Network Improvement Plan per FCC guidelines is not required at this time; and the provisions of 4 CSR 240-3.570(2)(A)1-3 are not applicable to Budget PrePay. Based upon the foregoing, Budget PrePay respectfully requests a waiver of 4 CSR 240-3.570(2)(A)1-3. Since Lifeline support is designed to reduce the monthly cost of telecommunications services for eligible consumers, and is distributed on a per-customer basis and is directly reflected in the price that the eligible customer pays, it is assured that all support received by the carrier is used to provide Lifeline services to consumers, thus promoting Lifeline and the availability of telephone service to low income users, which is clearly in the public interest.

25. Pursuant to 4 CSR 240-3.570(2)10, Budget PrePay is committed to offer a local usage plan comparable to those offered by the incumbent local exchange carrier in the areas for which the carrier seeks designation. Budget PrePay offers a local usage plan with unlimited

calling within the customer’s local calling area for a flat monthly fee with the same calling scope as AT&T Missouri. Specifically, Budget PrePay’s Basic, Double Feature and Deluxe plans all provide for unlimited local calling, with the Double Feature and Deluxe plans offering additional features and long distance options. Budget PrePay’s commitment includes a commitment to provide Lifeline and Link-Up discounts and Missouri Universal Service Fund (MoUSF) discounts pursuant to 4 CSR 240-31, if applicable, at rates, terms and conditions comparable to the Lifeline and Link-Up offerings and MoUSF offerings in the incumbent local exchange carrier providing service in the ETC service area. Since the incumbent local exchange carrier in the Designated Service Area does not offer services to the targeted low income consumer base that Budget PrePay intends to serve, Budget PrePay’s proposed offerings of Lifeline and Link-Up services will clearly be in the public interest. Budget PrePay intends to provide customer service at the rates as follows, which is comparable to the plan offered by AT&T in the Designated Service Area as follows:

	Features	Local	Total Package Price	Price with Lifeline Credit
Basic Service - basic line service, no features	\$0.00	33.45	33.45	19.95
Double Feature – Caller ID, Call Waiting, 250 long distance minutes free for one month	0.00	33.45	33.45	19.95
Deluxe - Caller ID, Call Waiting, Call Forwarding, 3 Way Calling, Call Return, 2000 long distance minutes	\$10.00	\$33.45	\$43.45	\$29.95

26. Under FCC and Commission guidelines, an ETC applicant must demonstrate that it will satisfy applicable consumer privacy protection (per 47 CFR 64 Subpart U) and service quality standards. 47 CFR § 54.202(2)(3); FCC ETC Order at Para. 28; and 4 CSR 240-3.570(2)8. Budget PrePay will satisfy all such standards. As part of its certification requirements for providing local exchange services, Budget PrePay must abide by the service quality and consumer privacy protection rules. In addition, Budget PrePay commits to reporting information

on consumer complaints per 1,000 lines on an annual basis consistent with the FCC's ETC Order. Budget PrePay in general commits to satisfying all such applicable state and federal requirements related to consumer privacy protection and service quality standards.

27. Under FCC and Commission guidelines, an ETC applicant must demonstrate its ability to remain functional in emergency situations. 47 CFR § 54.202(a)(2); FCC ETC Order at Para. 25; and 4 CSR 240-3.570(2)4. Since Budget PrePay will provide service to its customers through the use of ILEC leased facilities, this arrangement allows Budget PrePay to provide to its customers the same ability to remain functional in emergency situations as currently provided by the ILECs to their own customers, including access to a reasonable amount of back-up power to ensure functionality without an external power source, the ability to reroute traffic around damaged facilities, and the capability of managing traffic spikes resulting from emergency situations.

28. Under FCC guidelines, an ETC Budget PrePay must commit to provide service throughout its proposed designate service area to all customers making a reasonable request for service. FCC ETC Order at Para. 22; 47 CFR § 54.202(a)(1)(i). Budget PrePay commits to provide service throughout its proposed ETC-designated service area to all customers making a reasonable request for service. Furthermore, as stated above, Budget PrePay is eligible for ETC designation since it offers all of the supported services enumerated under Section 254(c) using facilities obtained as UNEs through commercial agreements. According to FCC Rules, facilities obtained as UNEs satisfy the requirement that an ETC provide the supported services using either its own facilities or a combination of its own facilities and resale of another carrier's services. Based upon the foregoing, Budget PrePay respectfully requests a waiver of the requirements of 4 CSR 240-3.570(2)(C) and 4 CSR 240-3.570(3)(C)(3) (network extension

requirements and subpart (c)). Since Budget PrePay will be providing service to customers only in the AT&T Missouri service area, Budget PrePay anticipates that it will be able to provide service to all customers making a reasonable request for service. However, in the event that Budget PrePay is not able to provide service to a customer making a reasonable request for service in the Designated Service Area, pursuant to 4 CSR 240-3.570(3)(C)(3)(A) and (B), Budget PrePay will attempt to offer resold service of other carriers that have facilities available to that premises. Furthermore, pursuant to 4 CSR 240-3.570(3)(C)(3)(D), if there is no possibility of providing service to the requesting customer, Budget PrePay will notify the customer and include such information in Budget PrePay's annual certification documentation to the Commission.

29. Budget PrePay has no pending actions or final unsatisfied judgments or decisions against it from any state or federal agency or court which involve customer service or rates, which action, judgment or decision has occurred within three (3) years of the date of this application. No Commission annual reports or assessment fees are overdue.

30. To the best of Budget PrePay's knowledge, its account is current with the FCC in regards to regulatory fees; and its account is current with the Universal Service Administrative Company in regards to universal service contribution. Budget PrePay is aware that there may be an audit of the use of universal service funds and that the eligible telecommunications service designation is reviewed annually by state commissions.

31. Budget PrePay has been granted designated an ETC by the States of Tennessee, Oklahoma, Alabama, Florida, Nebraska, Maryland, Iowa, Louisiana, North Carolina and Mississippi. Budget PrePay has a petition for ETC designation pending in Kentucky, South Carolina and Georgia.

32. As indicated above, Budget PrePay seeks waiver of the following regulations which are only applicable to high cost support requirements:

- 4 CSR 240-3.570(2)(A)1-3
- 4 CSR 240-3.570(2)(c)
- 4 CSR 240-3.570(3)(C)(3) (network extension requirement and subpart c)

No public utility will be affected by these waivers.

V. Relief Requested

For the foregoing reasons, Budget PrePay requests that the Commission grant its application and designate it as an ETC for the Designated Service Area, and grant the waivers requested herein.

Respectfully Submitted,

CURTIS, HEINZ,
GARRETT & O'KEEFE, P.C.

/s/ Carl J. Lumley

Carl J. Lumley #32869
130 S. Bemiston, Suite 200
St. Louis, Missouri 63105
(314) 725-8788
(314) 725-8789 (FAX)
Email: clumley@lawfirmemail.com

Attorneys for Budget PrePay, Inc.

CERTIFICATE OF SERVICE

A true and correct copy of the foregoing documents was either faxed, emailed, or mailed by U.S. Mail postage paid this 12th day of November, 2009, to the following:

General Counsel's Office
Missouri Public Service Commission
200 Madison Street, Suite 800
P.O.Box 360
Jefferson City, Mo 65102
gencounsel@psc.mo.gov

Lewis Mills
Office of the Public Counsel
200 Madison Street, Suite 650
P.O. Box 2230
Jefferson City, MO 65102
opcservice@ded.mo.gov

/s/ Carl J. Lumley

STATE OF LOUISIANA)
)
PARISH OF BOSSIER) SS.

VERIFICATION

I, Molly Vance, first being duly sworn, state on my oath that I am over the age of twenty-one years, sound of mind, and Controller of Budget PrePay, Inc. I am authorized to act on behalf of Budget PrePay, Inc., regarding the foregoing document. I have read the foregoing document and I am informed and believe that the matters contained therein are true. Further, I hereby confirm that Carl J. Lumley and Curtis, Heinz, Garrett & O'Keefe, P.C., 130 S. Bemiston, Suite 200, Clayton, Missouri 63105, are authorized to sign all pleadings and documents necessary to obtain the decision of the Missouri Public Service Commission on the foregoing document, and to represent Budget PrePay, Inc., in this proceeding.

Molly J. Vance
Name: Molly L. Vance
Title: Controller

On this 11th day of November, 2009, before me, a Notary Public, personally appeared Molly Vance, and being first duly sworn upon her oath stated that she is over twenty-one years, sound of mind and the Controller of Budget PrePay, Inc. and that she signed the foregoing document as representative of Budget PrePay, Inc., and the facts contained therein are true and correct according to the best of her information, knowledge and belief.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the Parish and State aforesaid, the day and year above-written.

Patrick D. Nix
Notary Public

My Commission Expires: LIFE

**PATRICK D. NIX
NOTARY PUBLIC, #35044
CADDO PARISH LOUISIANA
My Commission is for Life**