

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

In the Matter of the Application of Budget    )  
Prepay, Inc. for Designation as a Wireless    )    **File No. CO-2012-0043**  
Eligible Telecommunications Carrier        )

**STAFF RECOMMENDATION**

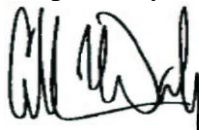
COMES NOW the Staff of the Missouri Public Service Commission and for its request, states as follows:

1. On August 8, 2011, Budget Prepay, Inc. (“Budget”) filed an application with the Missouri Public Service Commission seeking to expand its designation as an Eligible Telecommunications Carrier (“ETC”) for the purpose of receiving federal universal service fund support for low income customers through Lifeline and LinkUp programs as a wireless carrier in the State of Missouri. Budget was originally granted wireline ETC status in File No. TA-2010-0146 for AT&T Missouri service areas, and is presently seeking wireless ETC status for those exchanges.

2. In the attached Memorandum, the Staff recommends that the Commission deny the Company’s request. In the Staff’s opinion, the Company has not met the requirements, both state and federal, to become designated as an eligible telecommunications carrier for receipt of federal universal service fund low-income support. The Company appears to be non-compliance with regard to its current ETC activities and has been non-responsive to the Staff’s requests for information, explanations or changes in courses of conduct.

**WHEREFORE**, Staff recommends that the Commission deny Budget Prepay, Inc.’s Application to be designated an Eligible Telecommunications Service for the receipt of low-income support from the federal Universal Service Fund.

Respectfully submitted,



Colleen M. Dale  
Senior Counsel  
Missouri Bar No. 31624  
Attorney for the Staff of the  
Missouri Public Service Commission  
P. O. Box 360  
Jefferson City, MO 65102  
(573) 751-4255 (Telephone)  
[cully.dale@psc.mo.gov](mailto:cully.dale@psc.mo.gov)

**CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 21<sup>st</sup> day of October, 2011.



## MEMORANDUM

To: Missouri Public Service Commission Official Case File  
Case No. CO-2012-0043  
Company Name: Budget PrePay, Inc.

From: Dana Parish  
Telecommunications Department

/s/ John Van Eschen 10/20/11                      /s/ Cully Dale 10/20/11  
Utility Operations Division                      General Counsel's Office

Subject: Staff Recommendation Regarding Budget PrePay, Inc.'s Application for ETC  
Status on a Wireless Basis

Date: October 20, 2011

On August 8, 2011 Budget PrePay, Inc. (Budget or company) filed an application with the Missouri Public Service Commission (PSC) seeking designation as an Eligible Telecommunications Carrier (ETC) in Case No. CO-2012-0043. The application was for the purpose of receiving federal universal service fund support for low income customers exclusively. Budget PrePay, Inc. was previously granted ETC status in Case Nos. TA-2010-0146 and CA-2003-0024.

The Commission Staff (Staff) has reviewed the ETC application submitted by the company. In addition, Staff has issued data requests to the company to gain certain information contemplated in the pending ETC rulemaking in Case Nos. TX-2011-0415 and TW-2012-0012. Budget proposes to offer two wireless prepaid wireless packages to qualifying low-income consumers. The Unlimited Talk and Text Plan which provides unlimited local and domestic long distance calling, unlimited texting, caller ID, call waiting and voicemail. The second option; Free 250 Plan, provides 250 minutes of local and domestic long distance calling, caller ID, call waiting and basic voicemail. Customers will receive a free wireless handset to qualifying consumers with no monthly fees. Since wireless companies are not eligible to participate in the Missouri Universal Service Fund Program (MoUSF), Budget does not intend to seek MoUSF funding for this service.

Staff has also issued data requests to all companies participating in the low income program. Budget Prepay, Inc.'s data request responses suggest the company is not complying with existing requirements of the low income program. The company has been notified of these deficiencies; however, the company has failed to address such issues in a timely manner. Additionally, Staff worked with the company's request for additional time to reply to these deficiencies. To date, the company still has not responded. Attachment A reflects correspondence between Staff and the applicant regarding this matter. Consequently Staff recommends the Commission simply reject the ETC application of Budget Prepay, Inc. Staff intends to pursue separate action against the company to address the non-compliance issues.

## Attachment A

**From:** VanEschen, John  
**Sent:** Wednesday, October 12, 2011 10:18 AM  
**To:** 'Lakisha Taylor'  
**Cc:** Tom Forte; cneeld@tminc.com; Parish, Dana  
**Subject:** RE: Lifeline audit: Budget Prepay, Inc.

The follow-up questions are contained in my September 14, 2011 email to Craig Neeld which is at the bottom of this string of emails. The manner in which the company filed its data request responses indicated the responses were filed by Mr. Neeld. Mr. Neeld is also the only person listed within the MoPSC's Electronic Filing and Information System (EFIS) as the company's universal service fund representative. Based on the apparent confusion of who is responsible for responding to my follow-up questions the company may want to evaluate whether the company's contacts listed within EFIS remain accurate. Nevertheless the company needs to place a priority to provide adequate responses to resolve the issues presented in the follow-up questions. You need to be aware the company's failure to resolve this matter in a timely manner will have implications in the company's pending ETC application in Case No. CO-2012-0043. Unless we receive adequate responses by the end of this week, the MoPSC Staff will be forced to immediately submit a recommendation for the Commission to simply reject the company's pending ETC application. In addition, the MoPSC Staff will take additional action to address non-compliance issues related to the company's current participation in the Lifeline program.

John Van Eschen  
Manager, Telecommunications  
Missouri Public Service Commission  
(573) 751-5525

**From:** Lakisha Taylor [mailto:[lakishat@budgetprepay.com](mailto:lakishat@budgetprepay.com)]  
**Sent:** Friday, October 07, 2011 1:47 PM  
**To:** VanEschen, John  
**Cc:** Tom Forte; cneeld@tminc.com  
**Subject:** RE: Lifeline audit: Budget Prepay, Inc.

John,

Can please send all correspondence to myself. The Lifeline report that was filed on 7/21/11 was sent from me.

I will take a look at this email and respond or fix the problem.

Thanks

Lakisha T. Taylor  
Product Coordinator  
[lakishat@budgetprepay.com](mailto:lakishat@budgetprepay.com)  
318 671-5736 Direct  
800 637-3107 Fax



**From:** Tom Forte [mailto:[tforte@tminc.com](mailto:tforte@tminc.com)]  
**Sent:** Friday, October 07, 2011 1:41 PM  
**To:** Lakisha Taylor  
**Subject:** FW: Lifeline audit: Budget Prepay, Inc.

Craig forwarded this to me as he thought it was something I had worked on but I didn't.

Thanks

Tom

**From:** Craig Neeld [mailto:[cneeld@tminc.com](mailto:cneeld@tminc.com)]  
**Sent:** Tuesday, October 04, 2011 8:37 AM  
**To:** Thomas Forte  
**Subject:** FW: Lifeline audit: Budget Prepay, Inc.

Were you able to contact Budget about this? We think this is one they prepared on their own.

Thanks - Craig

Craig Neeld  
Compliance Reporting Specialist  
Technologies Management, Inc.  
(407) 740-3008 - Direct  
(407) 740-0613 - Fax

**From:** VanEschen, John [mailto:[john.vaneschen@psc.mo.gov](mailto:john.vaneschen@psc.mo.gov)]  
**Sent:** Monday, October 03, 2011 6:01 PM  
**To:** 'cneeld@tminc.com'

**Cc:** Parish, Dana; Dietrich, Natelle\*; Dale, Cully  
**Subject:** FW: Lifeline audit: Budget Prepay, Inc.

I have not received a response to my September 14<sup>th</sup> email shown below. Consequently I am turning the matter over to Cully Dale in our legal department.

John Van Eschen  
Manager, Telecommunications Unit  
Missouri Public Service Commission  
(573) 751-5525

**From:** VanEschen, John  
**Sent:** Wednesday, September 14, 2011 2:32 PM  
**To:** 'cneeld@tminc.com'  
**Cc:** Parish, Dana  
**Subject:** Lifeline audit: Budget Prepay, Inc.

Mr. Craig Neeld:

The Missouri PSC Staff has initially reviewed your company's Lifeline program data request responses. Listed below are issues that need to be addressed:

- 1. The company is using an unauthorized Lifeline application form.**  
Commission rule 4 CSR 240-31.050(3)(D) states, "Individuals who qualify for low-income or disabled support shall complete a board-approved application." For your convenience attached is the latest version of the generic board-approved application form. A company's Lifeline application form needs to conform as closely as possible to this generic form in order for the Missouri USF Board to seriously consider approval. Unless significant revisions are made to your company's Lifeline Application form it is doubtful the Missouri USF Board will approve it. Please respond as to how your company intends to remedy this issue.
  
- 2. Consumer bill issues:** Specifically, your company's bill for a Lifeline subscriber shows a \$7.05 Lifeline credit and a \$1.50 Lifeline credit – TLS service charge. Explain how all discounts associated with the Lifeline program are fully provided to your Lifeline subscriber. In addition, your company's bill reflects a \$7.35 subscriber line charge. Explain why this charge is higher than normally applied by other companies. Your response should also explain why the consumer bill does not appear to waive this charge for the Lifeline subscriber.
  
- 3. Your company failed to fully respond to Data Request No. 25, 26 and 27.**  
This data request asks about your company's annual verification process. Failure to fully respond to these data requests suggest your company may not be annually

verifying Lifeline subscriber eligibility as required by Missouri Commission rule 4 CSR 240-31.050. Please fully respond to these data requests.

- 4. Your company failed to respond to Data Request No. 14.** This data request asks for a variety of information relating to Lifeline subscriber quantities. Please fully respond to this data request.

Send your responses directly to Dana Parish and me via email. If you have any questions, please let Dana or me know. Dana can be reached at (573) 526-4777. Please be aware that failure to respond within 10 business days may subject the company to legal action.

John Van Eschen  
Manager, Telecommunications Department  
Missouri Public Service Commission  
(573) 751-5525

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**AFFIDAVIT OF DANA PARISH**

STATE OF MISSOURI    )  
  ) ss  
COUNTY OF COLE     )

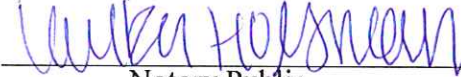
Dana Parish of lawful age, on oath states: that she participated in the preparation of the foregoing Staff Recommendation in memorandum form, to be presented in the above case; that the information in the Staff Recommendation was provided to her; that she has knowledge of the matters set forth in such Staff Recommendation; and that such matters are true to the best of her knowledge and belief.

  
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Dana Parish

Subscribed and sworn to before me this 20<sup>th</sup> day of October, 2011.

LAURA HOLSMAN  
Notary Public - Notary Seal  
State of Missouri  
Commissioned for Cole County  
My Commission Expires: June 21, 2015  
Commission Number: 11203914

  
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Notary Public