

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 10th day of
March, 2010.

In the Matter of the Application of Budget PrePay, Inc.)
for Designation as an Eligible Telecommunications)
Carrier for Purpose of Receiving Low-Income and)
Disabled Customer Support in AT&T Missouri)
Service Areas.)

File No. TA-2010-0146

**ORDER GRANTING APPLICATION FOR DESIGNATION
AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER**

Issue Date: March 10, 2010

Effective Date: March 20, 2010

Syllabus: The Missouri Public Service Commission grants eligible telecommunications carrier (“ETC”) status to Budget PrePay, Inc. (“Budget”) 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, as follows.

Procedural History

On November 11, 2009, Budget applied to the Commission for designation as an eligible telecommunications carrier (“ETC”), for the purpose of receiving low-income and disabled customer support. Budget’s application is limited to a request to receive only low-income federal Universal Service Fund support for Lifeline, support related to giving qualifying low-income customers discounts on monthly rates, and LinkUp, support designed

to provide qualifying low-income customers discounts on initial connection fees. Budget is not requesting federal high-cost USF support or Missouri state USF support.

Budget amended the application on December 7, 2009, January 22, 2010, and again on January 29, 2010. The Commission issued notice and allowed for intervention, but no party has asked to intervene.

Staff filed its Recommendation on January 29, 2010, requesting that the Commission grant Budget the requested relief, subject to the condition that Budget's Tier I reimbursement support be limited to the tariffed rate in effect for the primary residential end user common line charge of the incumbent local exchange carrier serving the area in which the qualifying Lifeline consumer receives service.¹ No parties responded to Staff's pleading.

Discussion

The application is within the Commission's jurisdiction to decide.² Because no party objects to Budget's application, no evidentiary hearing is required.³ Thus, the Commission deems the hearing waived⁴, and bases its findings on the verified filings, and makes its conclusions as follows.

Budget is a Louisiana corporation authorized to do business in Missouri. Budget is a competitive local exchange carrier and holds a certificate of service authority to provide basic local exchange services and long distance services in its service area. Within the last

¹ According to Staff, FCC rule 54.403(a)(1) limits federal reimbursement Tier I support in this manner. The condition will ensure Budget does not attempt to draw a larger amount from the federal USF than allowed by FCC rules.

² 47 U.S.C. § 214(e)(2).

³ *State ex rel. Rex Deffenderfer Ent., Inc. v. Public Serv. Com'n*, 776 S.W.2d 494 (Mo.App. 1989).

⁴ Section 536.060, RSMo 2000.

three years before the application's filing, no pending action or final unsatisfied judgment or decision, involving customer service or rates, has occurred in any state or federal agency or court against Budget, and Budget has no overdue annual report or assessment fees.

The federal Universal Service Fund was established in the Telecommunications Act of 1996. The stated purpose of the fund is to ensure that telephone customers in rural and high cost areas, as well as low-income customers, have access to quality telecommunications services at reasonable and affordable rates.⁵ To meet that goal, the Universal Service Fund redistributes money paid into the fund by telecommunications customers to telecommunications service providers who serve rural and high cost parts of the country. Before a telecommunications service provider is eligible to receive funding from the Universal Service Fund, it must be designated as an Eligible Telecommunications Company, referred to by the acronym ETC.

The Telecommunications Act established two factual criteria for determining whether an applicant may be designated as an ETC. First, the applicant must offer the services that are supported by the Universal Service Fund throughout the service area for which the designation is received.⁶ The applicant can offer those services either through its own facilities, or a combination of its own facilities and the resale of another carrier's services. Second, the applicant must advertise the availability of such services and the charges therefore using media of general distribution.⁷

⁵ 47 U.S.C. 254(b).

⁶ 47 CFR 54.101(a) (which requires ETCs to offer (1) Voice grade access to the public switched network; (2) Local usage; (3) Dual tone multi-frequency signaling or its functional equivalent; (4) Single-party service or its functional equivalent; (5) Access to emergency services; (6) Access to operator services; (7) Access to interexchange service; (8) Access to directory assistance; (9) Toll limitation for qualifying low-income consumers; and (10) Access to telecommunications relay services by dialing 711.

⁷ 47 U.S.C. 214(e)(1).

Budget requests waivers of Commission Rules 4 CSR 240-3.570(2)(A)1-3 (requiring filings regarding the intended use of high-cost support), (2)(C) (plans for handling unusual construction or installation charges), and (3)(C)(3) (plans for extending the carrier's network). Staff states that these regulations are applicable only for carriers seeking **high**-cost support. Because Budget seeks only **low**-cost support, Staff recommends granting the waivers.

The Commission finds the allegations in the Application and its supplements, and Staff's Memorandum and Recommendation to be true. The Commission must grant Budget eligible telecommunications carrier designation if it offers the services set out in Section 254 of the Act and if it advertises the availability of those services using media of general distribution.⁸ The Commission finds that Budget has met those requirements. Therefore, the Commission will designate Budget as an eligible telecommunications carrier.

The Commission may waive regulations based upon good cause.⁹ Good cause exists to waive those regulations due to Budget's application being limited to seeking only federal low-cost USF support.

THE COMMISSION ORDERS THAT:

1. Budget PrePay, Inc., is designated as an eligible telecommunications carrier throughout the Southwestern Bell Telephone Company, L.P., d/b/a AT&T Missouri service territories, as set forth in Exhibit 1 to Budget PrePay, Inc's application, under the provisions of 47 U.S.C. §§ 214 and 254, to receive low-income federal universal service fund support, subject to the condition that Budget PrePay's Tier I reimbursement support be limited to the tariffed rate in effect for the primary residential end user common line charge of the

⁸ 47 U.S.C. § 214(e)(1), (2).

⁹ Commission Rules 4 CSR 240-2.015(1), 3.015(1).

incumbent local exchange carrier service the area in which the qualifying Lifeline consumer receives service.

2. Budget PrePay, Inc., shall advertise the availability of Lifeline and LinkUp services using media of general distribution, in compliance with 47 U.S.C § 214(e)(1).

3. The requirements of 4 CSR 240-3.570(2)(A)1-3, 4 CSR 240-3.570(2)(C), and 4 CSR 240-3.570(3)(C)(3) are waived.

4. This order shall become effective on March 20, 2010.

5. This case shall be closed on March 21, 2010.

BY THE COMMISSION



Steven C. Reed
Secretary

(S E A L)

Davis, Jarrett, Gunn, and Kenney, CC., concur.
Clayton, Chm., absent.

Pridgin, Senior Regulatory Law Judge