

DECISION MEMORANDUM

TO: COMMISSIONER KJELLANDER
COMMISSIONER SMITH
COMMISSIONER REDFORD
COMMISSION SECRETARY
COMMISSION STAFF

FROM: DON HOWELL
DEPUTY ATTORNEY GENERAL

DATE: DECEMBER 14, 2012

SUBJECT: BUDGET PREPAY'S APPLICATION FOR DESIGNATION AS AN
ELIGIBLE TELECOMMUNICATIONS CARRIER, CASE NO. BPP-T-12-
01

On July 19, 2012, Budget PrePay dba Budget Mobile filed an Application requesting designation as an “eligible telecommunications carrier” (ETC) throughout the State of Idaho “for the limited purposes of receiving support from the federal Universal Service Fund (USF).” Application at 2. Budget intends to provide wireless telecommunications services to eligible low-income customers participating in the Idaho “Lifeline” program. The Lifeline program is intended to provide telecommunications service to eligible low-income customers by using USF revenues to make such services more affordable. Idaho participates in the residential Lifeline program pursuant to *Idaho Code* § 56-901. *See* Order No. 21713.

THE APPLICATION

Budget PrePay is a Louisiana corporation authorized to conduct business within Idaho. Budget is a commercial mobile radio services (CMRS) carrier licensed by the Federal Communications Commission (FCC). Budget is a competitive local exchange carrier (CLEC) that provides basic local exchange services and long-distance services in 42 states. Application at 2. Budget asserts that it meets all of the requirements of Section 214(e)(1) of the federal Telecommunications Act to be designated as an ETC. 47 U.S.C. § 214(3). More specifically, Budget asserts it is able to provide the support services required for ETC designation, including

access to the public switch telephone network, local calling services, access to emergency services, as well as access to operator services and directory assistance.¹

Budget intends to initially offer qualifying Lifeline customers a choice of two prepaid calling plans. The first plan is a “talk & text” wireless plan that provides 4,000 minutes of combined local/toll voice and texting for \$25. Each text will count as one voice minute. The second plan is free but limited to 250 minutes of local/toll usage. Under the second plan customers may purchase additional minutes of usage. Application at 16-17. Budget also proposes to offer its eligible Lifeline customers toll blocking and toll control services. While these toll limitation services do not need to be offered for Lifeline services, these services allow Budget’s customers to protect against unexpectedly larger bills.²

If approved for ETC designation, Budget intends to offer services using its own facilities, or in combination with its own facilities and the resale of another carrier’s facilities.³ *Id.* at 4-5. In addition, it intends to advertise the availability of its services and related charges using media of general distribution. *Id.* at 5. “Budget will use a variety media resources, including point of sale material of various kinds, onsite merchandising, banners, customer direct mail, customer brochures, television, and print media.” *Id.* at 7.

Budget’s proposed ETC service area for Idaho is comprised of wire centers for both non-rural and rural incumbent local exchange carriers (ILECs). More specifically, Budget proposes to provide ETC services in the CenturyLink and Frontier service areas, as well as in the wire centers of several rural ILECs. Application, Exh. 2.

Budget asserts that its ETC designation will be in the public interest. In particular, Budget believes that providing “discounted wireless service in both rural and urban areas is consistent with the public interest.” *Id.* at 20. Budget’s two Lifeline plans will be provided to eligible telecommunications customers “without the requisite credit check, deposit, service activation fees, minimum service periods and contract requirements of the more traditional wireless service providers.” *Id.* at 21. Budget also commits to complying with any applicable

¹ In December 2011, the FCC amended the list of required services for ETC designation by removing dual tone signaling, single-party service, and access to operator services, interexchange services, and directory assistance. *In the Matter of Lifeline and Link Up Reform and Modernization, Report and Order and Further Notice of Proposed Rulemaking*, 27 F.C.C. Rcd. 6656 at ¶ 365 (Feb. 6, 2012).

² See, *Id.* ¶ 367.

³ Budget’s underlying wireless providers are Sprint and Verizon Wireless. Application at 13.

Lifeline eligibility requirements developed by the FCC, this Commission, or the Idaho Legislature. *Id.* at 24-25. Consequently, Budget requests that the Commission designate it has a wireless ETC throughout Idaho for the purpose of receiving federal USF support for Lifeline services. Budget also requests that the Commission “either find inapplicable or waive [reporting] requirements related solely to high-cost funding, including initial and annual provision of a network improvement plan, provision of related progress reports, and [usage] certification . . . of high-cost funds.” *Id.* at 25-26.

STAFF RECOMMENDATION

Staff has reviewed Budget’s Application and recommends that it be processed through Modified Procedure with a 21-day comment period.

COMMISSION DECISION

Does the Commission wish to process Budget’s Application for ETC designation through Modified Procedure with a 21-day comment period?



Don Howell
Deputy Attorney General

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