

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Nancy Lange	Chair
Dan Lipschultz	Vice-Chair
Matt Schuerger	Commissioner
John Tuma	Commissioner
Katie Sieben	Commissioner

In the Matter of Petition of Budget PrePay,
Inc. for Relinquishment of Eligible Telecommunications Status Docket No. _____

**PETITION OF BUDGET PREPAY, INC. FOR RELINQUISHMENT OF
ELIGIBLE TELECOMMUNICATIONS CARRIER DESIGNATION**

Pursuant to § 214(e)(4) of the Communications Act of 1934 (“Act”), 47 U.S.C. § 214(e)(4), and § 54.205 of the Rules and Regulations (“Rules”) of the Federal Communications Commission (“FCC”), 47 C.F.R. § 54.205, and Minn. R. pt. 7812.1400, subp. 14, Budget PrePay, Inc. (“Budget”) hereby requests that the Commission permit it to relinquish its designation as an Eligible Telecommunications Carrier (“ETC”) in the State of Minnesota, effective July 5, 2017. In support thereof, the following is respectfully submitted:

1. On January 18, 2013, the Commission designated Budget as an ETC for the limited purpose of providing the services supported by the Universal Service Fund (“USF”) under the FCC’s Lifeline Program (“Lifeline”) for low-income consumers.
2. Budget seeks to relinquish its Lifeline-only ETC designation and to discontinue service in Minnesota, because of changes in the wireless industry and proposed modifications to the Lifeline program.
3. Relinquishment of Budget’s Lifeline-only ETC designation will not affect the amount of federal Lifeline support available to other ETCs in the state.

4. Under the USF provisions of the Act, the Commission must allow an ETC to relinquish its designation in any area served by more than one ETC. Section 214(e)(4) of the Act states, in pertinent part, as follows:

A State commission ... shall permit an [ETC] to relinquish its designation as such a carrier in any area served by more than one [ETC]. An [ETC] that seeks to relinquish its [ETC] designation for an area served by more than one [ETC] shall give advance notice to the State commission ... of such relinquishment. Prior to permitting a telecommunications carrier designated as an [ETC] to cease providing universal service in an area served by more than one [ETC], the State commission ... shall require the remaining [ETC] or [ETCs] to ensure that all customers served by the relinquishing carrier will continue to be served, and shall require sufficient notice to permit the purchase or construction of adequate facilities by any remaining eligible telecommunications carrier. The State commission ... shall establish a time, not to exceed one year after the State commission ... approves such relinquishment under this paragraph, within which such purchase or construction shall be completed.¹

5. Section 54.205 of the Rules essentially reiterates the requirements of § 214(e)(4) of the Act and states, in pertinent part, that a “state commission shall permit” an ETC to “relinquish its designation as such in any area served by more than one [ETC].”² The FCC rule also requires that the ETC “shall give advance notice to the state commission of such relinquishment.”³ Finally, the rule requires state commissions to ensure that the relinquishing ETC’s customers will be served by the remaining ETC(s) and ensure sufficient notice to permit the purchase and construction of facilities if necessary.⁴

6. The Commission’s rules governing ETC designation similarly provides as follows:

A local service provider may relinquish its ETC designation and accompanying universal service obligations as provided in items A to C.

¹ 47 U.S.C. § 214(e)(4). *See* 47 C.F.R. § 54.205.

² 47 C.F.R. § 54.205(a).

³ *Id.*

⁴ *See id.* § 54.205(b).

A. A local service provider seeking to relinquish its ETC designation shall file a petition with the commission, specifying the service area for which it seeks to relinquish its designation, its proposed timetable for relinquishing its designation, and the identity of the other ETCs serving the service area. The petition to relinquish must be served on the department, the OAG-RUD, and all other local service providers serving the area for which the petitioner seeks to relinquish its ETC designation.

B. The commission shall permit a local service provider to relinquish its ETC designation if at least one other ETC serves the area for which the relinquishment is sought.

C. The petitioning ETC shall continue to meet its ETC obligations for the entire area for which it seeks to relinquish those obligations until the date specified in the commission's order approving the relinquishment. The commission shall specify the date upon which the local service provider may discontinue service based on the ability of other ETCs to serve the relinquishing provider's customers as provided in section 102(a) of the act.⁵

7. The federal requirements for relinquishing ETC designation are: (1) there must be more than one ETC serving in the area of the ETC seeking relinquishment; (2) the ETC seeking relinquishment must provide advance notice to the Commission; (3) the customers served by the relinquishing ETC must continue to be served by an ETC; and (4) to the extent that additional facilities are required to serve any of the relinquishing ETC's customers, sufficient notice shall be provided to ensure that the construction or purchase can be timely completed. As shown below, all such requirements for relinquishing Budget's ETC designation are satisfied.

8. The wire centers impacted by this request are identified in **Exhibit A**, attached hereto. To the best of Budget's knowledge, each of the wire centers identified in **Exhibit A** is currently served by an Incumbent Local Exchange Carrier ("ILEC"), which is an ETC. In addition, the Commission has designated other wireless ETCs to provide Lifeline service within Budget's current ETC designated area. Several wireless Lifeline-only ETCs provide service in all or at least a part of Budget's designated service area, including: American Broadband &

⁵ Minn. R. pt. 7812.1400, subp. 14.

Telecommunications, Sprint d/b/a Assurance Wireless, Blue Jay Wireless, Boomerang Wireless, Telrite d/b/a Life Wireless, Q Link Wireless and TracFone Wireless d/b/a Safelink Wireless. As there is at least one other ETC in all areas in which Budget is currently designated as an ETC, the Commission is required by federal law to permit Budget to relinquish its Lifeline-only ETC designation.

9. Since multiple ETCs already serve the same ETC service area that Budget serves, to the best of Budget's knowledge, those ETCs will not be required to purchase or construct additional facilities to ensure that Budget's Lifeline subscribers continue to receive service.

10. Because there is at least one additional ETC throughout Budget's ETC service area, there is no bar to prevent this Commission from allowing Budget to relinquish its ETC designation in Minnesota, and the requirements set forth in § 214(e)(4) of the Act, § 54.205 of the Rules, and Minn. R. pt. 7812.1400, subp. 14 have been met.

11. Budget requests the Commission issue an order approving the relinquishment of Budget's ETC designation as soon as possible, but no later than July 5, 2017. Such action will permit Budget to provide ample notice to its Lifeline customers of the discontinuance of their Lifeline service and to ensure an orderly transition. As of the date of this filing, Budget has approximately 200 Lifeline customers within its ETC service area in Minnesota.

12. Shortly after filing Petition, Budget will notify each of its Lifeline customers in Minnesota that it will soon no longer provide Lifeline service. If a Budget customer decides to obtain service from another provider, there will not be any early termination fees, as Budget customers are not subject to such fees.

13. Budget's customers will receive notice that Budget intends to discontinue their service via text message. Text messages have historically been the mechanism by which Budget

communicates with its customers, and they will be the most effective method of ensuring Budget's customers receive this important information.

14. Budget will send each Lifeline customer at least one text message no later than May 5, 2017, which is more than (60) days prior to Budget's preferred relinquishment date of July 5, 2017, notifying Budget's Lifeline customers of the change. The contents of this message will include the following information: (1) Budget will soon no longer be an ETC and the customer's existing service with Budget will soon be discontinued; (2) a Lifeline discount can be obtained from one of many remaining ETCs in Minnesota and information about alternative Lifeline providers in Minnesota will be provided; (3) the customer must make arrangements with another Lifeline carrier to continue receiving Lifeline service; and (4) a toll-free number will be provided that customers may call to reach Budget's customer service representatives to assist with the transition. The notice is set forth below:

Budget Mobile plans to cease service in Minnesota on or about 7-5-2017.

To continue service, you will need to contact another Lifeline provider authorized by the Minnesota PUC.

**Additional information is available from the Minnesota PUC at
<https://mn.gov/puc/consumers/telephone-discounts.jsp>**

**A list of Lifeline providers in Minnesota is available at
<http://www.lifelinesupport.org/ls/companies/companies.aspx>**

**For more information, please call 888-777-4007 or visit
www.budgetmobile.com**

15. Budget will continue to provide its existing Lifeline customers with the Lifeline Minnesota discount and claim reimbursement for the Lifeline discount until Budget discontinues

its wireless operations in Minnesota. Budget expects to stop seeking reimbursement for the Lifeline discount on or about July 5, 2017.

16. In accordance with the conditions established by the Commission in designating Budget as an ETC, Budget filed, as an informational tariff, its Minnesota Public Utilities Commission Tariff No. 1, which described its Lifeline service. Concurrent with grant by the Commission of the requested relinquishment of Budget's ETC designation, Budget also seeks to cancel its informational tariff.

17. Budget is serving this petition on the Department of Commerce, Department of Public Safety, OAG-RUD, and all other local service providers serving Budget's ETC designated service area.

18. Petitioner's contact for purposes of this filing is:

Gregory R. Merz
Gray Plant Mooty
500 IDS Center
80 South Eighth Street
Minneapolis, MN 55402
Phone: (612) 632-3257
E-mail: Gregory.merz@gpmlaw.com

CONCLUSION

For the foregoing reasons, Budget respectfully requests that the Commission grant this petition expeditiously allowing Budget to relinquish its Lifeline-only ETC designation and right to receive federal universal service funding in Minnesota, effective July 5, 2017.

Respectfully submitted,

GRAY PLANT MOOTY

s/Gregory R. Merz

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Counsel for Budget PrePay, Inc

Dated: May 4, 2017

EXHIBIT A

List of Non-Rural Wire Centers Where Budget PrePay is Requesting Authority to Relinquish its ETC Designation

ST PAUL-AFTON
ALBERT LEA
ANOKA
APPLETON
AUSTIN
AVON
BUFFALO
BLAINE
BLOOMINGTON-CEDAR
BLTN-NORMANDEALE ISDN
BLOOMINGTON-SOUTH
BEMIDJI
MPLS-BROOKLYN CENTER
BRAHAM
BARNUM
BRAINERD
MPLS-BURNSVILLE
BATTLE LAKE
BUHL
BIWABIK
CHISHOLM
BASS BROOK
CROOKSTON
CALEDONIA
CLOQUET
COLERAINE
COLD SPRING
CAMBRIDGE
COMSTOCK
MPLS-COON RAPIDS
COOK
DULUTH-CARLTON
MPLS-CRYSTAL
CASS LAKE
CHATFIELD
ST PAUL-COTTAGE GROVE
DULUTH-HEMLOCK
DULUTH-CALUMET
DULUTH-KENWOOD
DULUTH-DOUGLAS
DULUTH-PROCTOR

DULUTH-ENDION
DULUTH-LAKESIDE
DULUTH-MELROSE
DULUTH-PIKE LAKE
DULUTH-HUNTERS PARK
DETROIT LAKES
EAGAN-LEXINGTON
STPL-LEX-NW AIRLINES
MPLS-EDEN PRAIRIE
MPLS-GLEN PRAIRIE
MPLS-ELK RIVER
EVELETH
MPLS-EXCELSIOR
FINLAND
FOLEY
FARIBAULT
MPLS-FRIDLEY
FERGUS FALLS
ST PAUL-FOREST LAKE
GRAND MARAIS
GRAND RAPIDS
GLENVILLE
HONEYWELL DOUGLAS
MPLS-ORCHARD 01T TDM
GLENWOOD
GAYLORD
MPLS-HAMEL
HIBBING
HOLDINGFORD
HINCKLEY
HENNING
MPLS-HANOVER
MPLS-HOPKINS
HAWLEY
DULUTH-ISLAND LAKE
ISANTI
JACKSON
KEEWATIN
LE SUEUR
LITCHFIELD

EXHIBIT A

List of Non-Rural Wire Centers Where Budget PrePay is Requesting Authority to Relinquish its ETC Designation

LITTLE FALLS
LUVERNE
M, AHNOMEN
MOOSE LAKE
MORA
MPLS-7TH AVE ORM
MPLS HONEYWELL HQ
MPLS-BRYANT
MPLS-BEARD RS1
MPLS-DOWNTOWN
MPLS-FRANKLIN RS1
MPLS-FT SNELLING
MPLS-CENTRAL AVE
DEPT OF HEALTH
MPLS-PENN AVE
MPLS-PILLSBURY
MPLS-24TH AVE
ST PAUL-MAPLEWOOD
MPWD – 3M ISDN 5ORM
MARBLE
MORRIS
MARSHALL
MOUNTAIN IRON
MONTEVIDEO
NORTH BRANCH
NICOLLET
NORTHFIELD
NASHWAUK
ST PAUL-PARK ROW
NISSWA
MPLS-NAVARRE
ST PAUL-CLEVELAND
OGILVIE
OAK GROVE
OLIVIA-BIRD ISLAND
ORTONVILLE-BIG STONE C
OWATONNA
PARK RAPIDS
MPLS-FERNBROOK

PINE CITY
PIPESTONE
PRINCETON
MPLS-66TH ST
MPLS-ROCKFORD
RED WING
ROCHESTER
RUSH CITY
ROYALTON
SABIN
MPLS-SODERVILLE
SHAKOPEE
SHOREVIEW-RICE ST
SAUK CENTRE
SILVER BAY
SANDSTONE
STAPLES
ST CLOUD
ST CHARLES
ST JOSEPH
ST PAUL-BEECH
ST PAUL-EMERSON
ST PAUL-FRONT ST
ST PAUL-MIDWAY
ST PAUL-MARKET
ST PETER
STEWARTVILLE
ST PAUL-STILLWATER
SWANVILLE
TOFTE
TRACY
THIEF RIVER FALLS
VIRGINIA
WADENA
WASECA
ST PAUL-WHITE BEAR
WABASHA
WINONA
WILLMAR
WINDOM
ST PAUL-WEST (OAKDALE)
MPLS-WAYZATA

SERVICE LIST

COMPANY	REGISTERED AGENT
Telrite d/b/a/ Life Wireless	Corporation Service Company 2345 Rice Street, Suite 230 Roseville, MN 55113
Terracom, Inc.	CT Corporation System, Inc. 1010 Dale Street North St. Paul, MN 55117-5603
Sprint Communications Company d/b/a Assurance Wireless	Prentice Hall Corp Systems Inc. 380 Jackson Street, #700 St. Paul, MN 55101
Global Connection of America d/b/a Stand Up Wireless	Corporation Service Company 2345 Rice Street, Suite 230 Roseville, MN 55113
i-wireless, LLC	Incorp Services, Inc. 901 Marquette Avenue, #1675 Minneapolis, MN 55402-3275
Q Link Wireless	Incorp Services, Inc. 901 Marquette Avenue, #1675 Minneapolis, MN 55402-3275
Boomerang Wireless	Corporation Service Company 2345 Rice Street, Suite 230 Roseville, MN 55113
Blue Jay Wireless	National Corporate Research, Ltd. 6040 Earle Brown Drive, Suite 480 Brooklyn Center, MN 55430
American Broadband and Telecommunications Company	CT Corporation System, Inc. 1010 Dale Street North St. Paul, MN 55117-5603
TracFone Wireless d/b/a SafeLink Wireless	Corporate Creations Network 5200 Willson Road #150 Edina, MN 55424
Tempo Telecom	Corporation Service Company 2345 Rice Street, Suite 230 Roseville, MN 55113
North American Local	Incorp Services, Inc. 901 Marquette Avenue, #1675 Minneapolis, MN 55402-3275
Century Link Communications, LLC	Jason Topp Corporate Counsel CenturyLink 200 South Fifth Street, Suite 2200 Minneapolis, MN 55402