

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

In the Matter of the Application of)	DOCKET NO. TC12-125
Budget PrePay, Inc., d/b/a Budget Mobile, for)	
Designation as an Eligible)	Budget PrePay, Inc.,
Telecommunications Carrier in South Dakota)	d/b/a Budget Mobile's Responses
Pursuant to 47 U.S.C. § 214(e))	to 1st Data Request

Budget PrePay, Inc., d/b/a Budget Mobile, ("Budget PrePay" or "Company"), for its responses to 1st Data Request from Staff, states as follows:

Data Request No. 1-1: Per ARSD 20:10:32:46, the Company is required to "provide a copy of the petition to any other telecommunications company that is serving as an eligible telecommunications carrier within the relevant service area." It appears CenturyLink was not provided a copy of the petition. Please send a copy to CenturyLink and verify no other carriers were ETCs were missed. Please efile verification of such action.

Response:

Attached is an Affidavit of Service confirming that Budget PrePay's Petition for ETC, Lifeline only, in non-rural areas, has now been served on all of the appropriate South Dakota ETCs, including CenturyLink.

Data Request No. 1-2: On page 6 of the application, the Company states that it satisfies the financial and technical capability requirements required in the FCC's Lifeline Reform Order (para 387). Please efile a detailed explanation of how the Company meets those requirements.

Response:

Budget PrePay is financially and technically capable of providing supported Lifeline services in South Dakota.

Attached as **Exhibit A** are Budget PrePay's audited 2009 and 2010 financial statements and unaudited 2011 financial statements showing that the Company has sufficient financial resources to provide supported Lifeline services in South Dakota.¹

Budget PrePay, based in Bossier City, Louisiana, has been in business since 1996. The Company has been designated as an ETC for wireless services in the states of Arkansas, Kentucky, Louisiana, Maryland, Rhode Island, Wisconsin, Nevada, Pennsylvania, Michigan, Washington, Iowa, South Carolina and Kansas, and is currently offering, or will begin offering, Lifeline service in each of these states. Biographies of Budget PrePay's President and Chief Financial Officer are provided at **Exhibit B**. Budget PrePay has grown into a multi-million dollar business over the last 16 years by successfully advertising services, investing in research and development, and providing timely, high-quality service, including during emergency situations, to thousands of customers across the country.

As set forth in its Petition, Budget currently derives the majority of its revenue from selling low-cost prepaid telephone services on a nationwide basis to tens of thousands of customers, and it employs hundreds of people nationally. Budget owns and operates its own switching

¹ The financial statements include information for Budget PrePay, Inc. and four subsidiaries of Budget: Bluebird Wireless Broadband Services, LLC, MyMinutes.com, LLC, Silver Creek Long Distance, LLC, and Hyde Real Estate, LLC.

facilities in Dallas, Texas and Shreveport, Louisiana. In addition, Budget has invested millions of dollars in software development, including its own customized, user-friendly point-of-sale software, which enables its agents to efficiently process customer applications so that Budget's customers can rapidly commence Budget's telecommunications services. Budget has not been subject to any enforcement action at the FCC or in any state. No ETC designations held by Budget have been rescinded, revoked, or terminated by the FCC or by any state. Given its successful business operations in other states as an ETC, Budget PrePay is confident that it has the financial and technical expertise to provide Lifeline supported services in South Dakota.

Moreover, for its wireless services, the Company resells the services of Sprint and Verizon Wireless. Both Sprint and Verizon Wireless have been serving the residents of South Dakota for many years. As set forth in Budget PrePay's Petition, Sprint and Verizon Wireless have indicated that they implement best practices in business continuity and have very robust emergency response and disaster recovery capabilities. These capabilities enable quick restoration of impacted services following a disaster, and help to mitigate congestion risks through traffic management algorithms to handle the overload surges in traffic. Additionally, their disaster recovery response teams proactively monitor congestion and performance of the wireless network and determine the appropriate course of action. This may include performing parameter changes, adding additional capacity to the network via radio installations to cellsites and/or by adding additional backhaul. Cellsite On-Wheels ("COW") and Satellite Cellsite On-Light-Trucks ("SatCOLT") may also be used to replace and/or expand Budget PrePay's underlying provider's footprint or add additional capacity to the network. In addition, both Sprint and Verizon Wireless are ETCs and have certified to the FCC that they are both able to function in emergency situations in accordance with 47 C.F.R. 54.202(a)(2).²

Dated this 29th day of August 2012.

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² See e.g., RCC Minnesota, Inc d/b/a Verizon Wireless and WWC License LLC d/b/a Verizon Wireless 2012 Annual Eligible Telecommunications Carrier reports (filed with South Dakota PUC on July 2, 2012); Sprint Nextel Corporation Verified Filing in Compliance with 47 C.F.R. § 54.209, CC Docket No. 96-45, at 6 (filed with the FCC Oct. 1, 2010). See also Alltel Communications, LLC d/b/a Verizon Wireless 2010 Eligible Telecommunications Carrier Certification and Annual Report for the State of Georgia, pursuant to 47 U.S.C. § 254(e), 47 C.F.R. §§ 54.313, 54.314, 54.202(a) and 54.209(b), WC Docket No. 09-197, at 8-9 (filed with the FCC Sept. 30, 2010).