

LUKAS, NACE, GUTIERREZ & SACHS, LLP

8300 GREENSBORO DRIVE, SUITE 1200
MCLEAN, VIRGINIA 22102
703 584 8678 • 703 584 8696 FAX

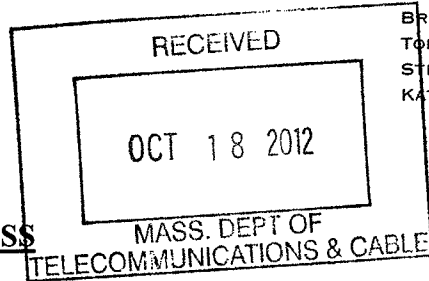
WWW.FCCLAW.COM

RUSSELL D. LUKAS
DAVID L. NACE
THOMAS GUTIERREZ*
ELIZABETH R. SACHS*
DAVID A. LAFURIA
PAMELA L. GIST
TODD SLAMOWITZ*
BROOKS E. HARLOW*
TODD B. LANTOR*
STEVEN M. CHERNOFF*
KATHERINE PATSAS NEVITT*

CONSULTING ENGINEERS
ALI KUZEHKANANI
LEILA REZANAVAZ
OF COUNSEL
GEORGE L. LYON, JR.
LEONARD S. KOLSKY*
JOHN CIMKO*
J. K. HAGE III*
JOHN J. MCAVOY*
HON. GERALD S. MCGOWAN*
TAMARA DAVIS BROWN*
JEFFREY A. MITCHELL*
ROBERT S. KOPPEL*
MARC A. PAUL*
*NOT ADMITTED IN VA

October 17, 2012

VIA FEDERAL EXPRESS



Ms. Catrice C. Williams
Secretary, Department of Telecommunications and Cable
1000 Washington Street, Suite 820
Boston, MA 02118-6500

ORIGINAL

RE: Budget PrePay, Inc.'s Responses to the Record Requests – D.T.C. 11-12

Dear Ms. Williams:

On behalf of Budget PrePay, Inc. ("Budget"), enclosed are an original and three copies of Budget's Responses to the Record Requests propounded by the Department of Telecommunications and Cable during the September 25, 2012 hearing.

The confidential information contained in these Responses has been redacted and Budget has provided one paper copy of the confidential version of its written responses to Hearing Officer Sean Carroll. Also included is Budget's Motion for Confidential Treatment ("Motion") for the confidential materials being submitted.

We are also enclosing one additional copy of this letter which we ask you to please date-stamp and return in the enclosed self-addressed stamped envelope.

Respectfully submitted,

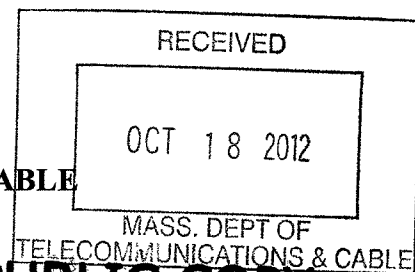
A handwritten signature in black ink, appearing to read "Todd B. Lantor".

Todd B. Lantor (MA BBO #633715)
Brooks E. Harlow
Robert S. Koppel

Enclosures

cc: Sean Carroll, Hearing Officer (via e-mail w/ enclosures)
Betsy Whittey, Senior Attorney (via e-mail w/ enclosures)
Joe Tiernan (via e-mail w/ enclosures)
Paul Abbott, General Counsel (via e-mail w/ enclosures)
Karlen Reed, Director, Competition Division (via e-mail w/enclosures)
Ben Dobbs, Deputy Director, Competition Division (via e-mail w/ enclosures)
Katherine Patsas Nevitt, Lukas, Nace, Gutierrez & Sachs, LLP (via e-mail w/ enclosures)

Before the
COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND CABLE



PUBLIC COPY

In the Matter of Budget PrePay, Inc.

**Petition for Limited Designation as an
Eligible Telecommunications Carrier**

Docket No. 11-12

ORIGINAL

BUDGET PREPAY, INC.'s RESPONSES
TO THE RECORD REQUESTS PROPOUNDED BY
THE DEPARTMENT OF TELECOMMUNICATIONS AND CABLE

NOW COMES Budget PrePay, Inc. d/b/a Budget Mobile ("Budget PrePay" or "Budget"), through undersigned counsel, which respectfully submits its Responses to the Record Requests propounded by the Department of Telecommunications and Cable ("Department" or "D.T.C.") during the September 25, 2012 hearing regarding Budget PrePay's above-captioned Petition.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Todd B. Lantor".

Todd B. Lantor (MA BBO #633715)
Brooks E. Harlow
Robert S. Koppel

LUKAS, NACE, GUTIERREZ & SACHS, LLP
8300 Greensboro Drive, Suite 1200
McLean, Virginia 22102
(703) 584-8678

Counsel for Budget PrePay, Inc.

Budget PrePay, Inc.
D.T.C. Docket No. 11-12
Responses to Mass. D.T.C. Record Requests
October 17, 2012
Witness: David Donahue, Chief Financial Officer

MASS. D.T.C. RECORD REQUESTS

Record Request ("RR") 1A: Is Budget a registered CLEC? If yes, please provide proof of Budget's CLEC registration.

RESPONSE:

Budget PrePay, Inc. is registered as a CLEC in Massachusetts. On the D.T.C. web site, there is a link to all registered telecom providers. Budget PrePay, Inc. is on the list (Line 84) as a CLEC. See: <http://www.mass.gov/ocabr/government/oca-agencies/dtc-lp/competition-division/telecommunications-division/>

RR 1B: If Budget is registered as a CLEC, has Budget filed annual reports and assessments with the Department?

RESPONSE:

Budget PrePay has filed annual reports and assessments with the Department. Enclosed as RR 1B – Part 1 is Budget PrePay's E-911 Service Charge Monthly Report, filed September 30, 2012. Enclosed as RR 1B – Part 2 is Budget PrePay's 2011 Annual Report and Revenue Statement.

RR 2A: Provide Budget's 2011 and partial year 2012 revenues broken down by Budget's wireline and wireless operations, for the Company's non-Lifeline customers.

RESPONSE:

Confidential Exhibit RR 2A will be provided as part of Budget PrePay's Further Supplemental Response.

RR 2B: Provide Budget's 2011 and partial year 2012 revenues, broken down by Budget's wireline and wireless operations, for non-plan purchases (e.g. accessories, handsets, top-up purchases) by the Company's Lifeline customers.

RESPONSE:

Confidential Exhibit RR 2B will be provided as part of Budget PrePay's Further Supplemental Response.

Budget PrePay, Inc.
D.T.C. Docket No. 11-12
Responses to Mass. D.T.C. Record Requests
October 17, 2012
Witness: David Donahue, Chief Financial Officer

RR 3: Provide Budget's 2011 audited financial statements.

RESPONSE:

Budget's 2011 audited financial statements were provided as Supplemental Confidential Exhibit 1-28 to the Company's Supplemental Response filed October 12, 2012.

RR 4A & 4B: Provide a copy of the [A] Sprint and [B] Verizon Wireless resale agreements.

RESPONSE:

Sprint and Verizon Wireless have advised Budget that they will only permit a redacted version of their respective agreements to be submitted, and that such redacted version cannot be submitted prior to grant of Budget's Motion for Confidential Treatment being submitted simultaneously herewith, or if the Department enters into a Non-Disclosure Agreement, which Budget would be pleased to draft for the Department's review.

RR 5: Provide a schedule detailing Budget's "Cost of Sales" as shown in 2011 and 2012, year-to-date, broken down by year.

RESPONSE:

Confidential Exhibit RR 5 will be provided as part of Budget PrePay's Further Supplemental Response.

RR 6: State the "gross profit" margin on Lifeline wireless sales (as a percentage of "sales" as shown in the income statements) in 2011 and 2012, year-to-date, broken down by year.

RESPONSE:

Confidential Exhibit RR 6 will be provided as part of Budget PrePay's Further Supplemental Response.

RR 7: Provide the corrected Active Talk & Text subscriber revenue in response to Information Request 2-10(c).

RESPONSE:

Confidential Exhibit RR 7 will be provided as part of Budget PrePay's Further Supplemental Response.

Budget PrePay, Inc.
D.T.C. Docket No. 11-12
Responses to Mass. D.T.C. Record Requests
October 17, 2012
Witness: David Donahue, Chief Financial Officer

RR 8: Provide the take rate by Lifeline customers for top-up, across all states where Budget provides wireless Lifeline service.

RESPONSE:

Confidential Exhibit RR 8 will be provided as part of Budget PrePay's Further Supplemental Response.

RR 9: Provide the coverage maps Budget PrePay uses from Sprint and Verizon Wireless to determine signal strength. What is the signal strength depicted on the Sprint and Verizon Wireless coverage maps? Describe how Budget uses the maps to determine sufficient coverage signal by zip code (or in any other way).

RESPONSE:

Confidential Exhibit RR 9 will be provided as part of Budget PrePay's Further Supplemental Response.

RR 10: Did the FCC have questions/issues/problems with initial versions of Budget's FCC Compliance Plan and what modifications did the FCC require in subsequent versions of the Compliance Plan?

RESPONSE:

See Exhibit RR 10.

RR 11: Provide certification that Budget will comply with the Mass. D.T.C.'s Mass Migration requirements (Mass. D.T.C. Docket 02-28).

RESPONSE:

Budget PrePay certifies that it will comply with the Department's Mass Migration Requirements adopted in D.T.C. Docket No. 02-28.

RR 12: Describe the results of Budget's IDVs.

RESPONSE:

In April 2011, the FCC directed USAC to conduct a series of in-depth data validations (IDVs) to identify subscribers that may be receiving a federal Lifeline subsidy from more than one carrier. In undertaking these IDVs, USAC typically requires that Lifeline ETCs in the state provide subscriber data, on a confidential basis, to USAC.

Budget PrePay, Inc.
D.T.C. Docket No. 11-12
Responses to Mass. D.T.C. Record Requests
October 17, 2012
Witness: David Donahue, Chief Financial Officer

In connection with such IDVs, Budget PrePay has been asked to provide subscriber data for its wireline Lifeline subscribers in Alabama, and for its wireless Lifeline subscribers in Louisiana, Maryland and Nevada.

In Alabama, USAC sent letters in mid-June to subscribers with more than one Lifeline carrier. Subscribers had 35 days to choose one carrier. After that period, USAC advises the ETCs which subscribers must be de-enrolled. In Louisiana, USAC sent letters in late June to subscribers with more than one Lifeline carrier. Subscribers had 35 days to choose one carrier. After that period, USAC advises ETCs which subscribers must be de-enrolled.

USAC instructed Budget PrePay to de-enroll customers in Alabama and Louisiana. The number of customers de-enrolled by Budget PrePay in Alabama and Louisiana is set forth in Confidential Exhibit RR 12. USAC has not yet advised Budget PrePay how many customers it will have to de-enroll as a result of recent IDVs of ETCs in Maryland and Nevada.

Pursuant to 47 C.F.R. §54.405(e) of the FCC's rules, after receiving notice from USAC, duplicate Lifeline consumers must be de-enrolled from Budget PrePay's Lifeline program within five business days of the date of the USAC letter and Budget PrePay must not claim on its FCC Form 497 federal Low Income Program support for these customers after five business days from the date of the USAC letter. Budget PrePay has complied with the rule.

RR 13: Verify that Budget's customer receipt shows the expiration date for top-up minutes?

RESPONSE:

Confidential Exhibit RR 13 will be provided as part of Budget PrePay's Further Supplemental Response.

RR 14: Provide a sample of a Budget receipt for a Massachusetts customer.

RESPONSE:

See Confidential Exhibit RR 13, which will be provided as part of Budget PrePay's Further Supplemental Response.

Budget PrePay, Inc.

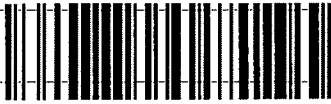
DTC Docket No. 11-12

Responses to the Record Requests

October 17, 2012

Witness: David Donahue, Chief Financial Officer

Exhibit RR 1B – Part 1



APPEND1



4132



MA



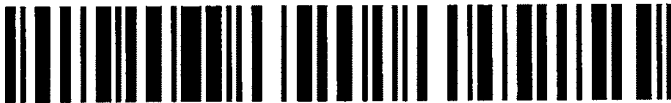
CLECR



2611



2012



2012_09_30

Client Name: Budget PrePay, Inc.
State: MA
Authority: CLECR
Report Name: E-911 Service Surcharge Monthly Report Wire-Line
Due Date: 09/30/2012
Filed Date: 09/13/2012
Remittance: \$

The following document may contain confidential information or may be confidential in its entirety. It should not be disclosed, scanned, or copied except as directed in connection with TMI compliance reporting service. Use of this document for any purpose other than transmittal to an agency or its agent, transmittal to the named client, or posting to secure TMI electronic databases is strictly prohibited without permission of a TMI Officer or other authorized person.



September 13, 2012
Via Overnight Delivery

2600 Maitland Center Pkwy.
Suite 300
Maitland, FL 32751
P.O. Drawer 200
Winter Park, FL
32790-0200
Tel: 407-740-8575
Fax: 407-740-0613
www.tminc.com

Ms. Michelle Hallahan
State 911 Department
1380 Bay Street
Bldg C
Taunton, MA 02780

RE: Budget PrePay, Inc. d/b/a Budget Phone
MA E-911 Service Surcharge Monthly Report Wire-Line
For the month ending August 31, 2012

Dear Ms. Hallahan:

Enclosed please find the MA E-911 Service Surcharge Monthly Report Wire-Line for the month ending August 31, 2012, filed on behalf of Budget PrePay, Inc. d/b/a Budget Phone. No check is enclosed as there are no remittance fees due. If it is possible, the company is requesting CONFIDENTIAL treatment of this report.

Questions regarding this filing should be directed to my attention at 407-740-8575. Thank you for your assistance in this matter.

Sincerely,

Craig Neeld
Compliance Reporting Specialist

cc: Lakisha Taylor - Budget PrePay, Inc. d/b/a Budget Phone

file: Budget PrePay, Inc. d/b/a Budget Phone - Reporting - Massachusetts

CN/jg

Commonwealth of Massachusetts
State 911 Department
Enhanced 9-1-1 Service Surcharge

Monthly Report Template

Company Name: Budget PrePay, Inc. d/b/a Budget Phone
Address: 1325 Barksdale Boulevard, Suite 200
Bossier City, LA 71111
Federal Tax ID#: 72-1335380

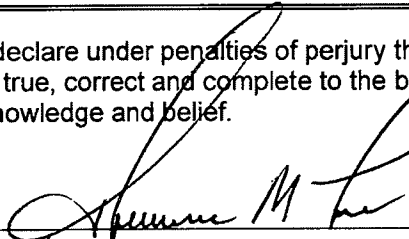
Contact Name: Lakisha Taylor
Phone: 318-671-5000
Fax: 318-671-5024
E-Mail: lakishat@budgetprepay.com

Reporting Period (Month/Year) August 2012
Type of Service Provider Wireline (Enter Wireline, Wireless, Pre-Paid Wireless, or VoIP)

Number of Subscribers/End Users/Customers*	#	0
Rate*	\$	0.75
Subtotal (Subscribers/End Users/Customers multiplied by Rate)	\$	0.00
Less Uncollectible Amount (if applicable)	\$	0.00
Less Administrative Fee Retained (1% of total surcharge collected):	\$	0.00
Total Service Surcharge Remitted:	\$	0.00

* rate @ \$0.75 pursuant to M.G.L. c. 6A, Section 18H

I declare under penalties of perjury that the above return is true, correct and complete to the best of my knowledge and belief.


Signature

8/12/12
Date

TECHNOLOGIES MANAGEMENT, INC.
AS ATTORNEY-IN-FACT
BY THOMAS M. FORTE

Title

PAYMENT DUE NOT LATER THAN 30 DAYS AFTER END OF COLLECTION MONTH

Prepaid Carriers ONLY:

*Please check one: Actual Number of Subscribers/End Users/Customers
 Calculated Number of Subscribers/End Users/Customers (ARPU)

Send Check and Form To:

Commonwealth of Massachusetts
State 911 Department
1380 Bay Street, Bldg C
Taunton, MA 02780

For inquiries and comments, please contact Michelle Hallahan at (508) 821-7216

Budget PrePay, Inc.

DTC Docket No. 11-12

Responses to the Record Requests

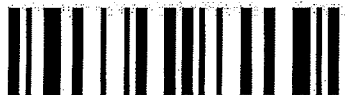
October 17, 2012

Witness: David Donahue, Chief Financial Officer

Exhibit RR 1B – Part 2



APPEND



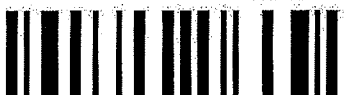
4132



MA



IXCR



1032



2012



2012_03_31

Client Name: Budget PrePay, Inc.
State: MA
Authority: IXCR
Report Name: Annual Return and Revenue Statement
Due Date: 03/31/2012
Filed Date: 03/30/2012
Remittance: \$5.00

The following document may contain confidential information or may be confidential in its entirety. It should not be disclosed, scanned, or copied except as directed in connection with TMI compliance reporting service. Use of this document for any purpose other than transmittal to an agency or its agent, transmittal to the named client, or posting to secure TMI electronic databases is strictly prohibited without permission of a TMI Officer or other authorized person.

TM RECEIVED APR 06 2012

March 30, 2012

Via Overnight Delivery



2600 Maitland Center Pkwy.
Suite 300
Maitland, FL 32751
P.O. Drawer 200
Winter Park, FL
32790-0200
Tel: 407-740-8575
Fax: 407-740-0613
www.tminc.com

Ms. Catrice Williams
MA Department of Telecommunications & Cable
1000 Washington Street
Suite 820
Boston, MA 02118

RE: Budget PrePay, Inc. d/b/a Budget Phone
MA Annual Return and Revenue Statement
For the year ending December 31, 2011

Dear Ms. Williams:

Enclosed please find the original and one (1) copy of the MA Annual Return and Revenue Statement for the year ending December 31, 2011, filed on behalf of Budget PrePay, Inc. d/b/a Budget Phone. A check in the amount of \$5.00 is enclosed to cover the remittance fees due. One (1) copy of the check is also enclosed per commission instructions.

Please acknowledge receipt of this filing by date-stamping the extra copy of this cover letter and returning it to me in the self-addressed, stamped envelope provided for that purpose.

Questions regarding this filing should be directed to my attention at 407-740-8575. Thank you for your assistance in this matter.

Sincerely,

Craig Needl
Compliance Reporting Specialist

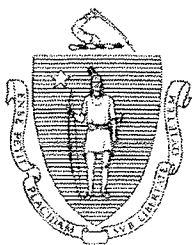
cc: Lakisha Taylor - Budget PrePay, Inc. d/b/a Budget Phone

file: Budget PrePay, Inc. d/b/a Budget Phone - Reporting - Massachusetts

CN/jg

PAID
\$5.00

RECEIVED *SC*
APR 06 2012
MASS. DEPT OF
TELECOMMUNICATIONS & CABLE



COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND CABLE

Annual Return and Revenue Statement for calendar year ending December 31, 2011

1. Exact legal name of the registered company is Budget PrePay, Inc.

2. Doing business as (dba) in MA, if any Budget Phone

3. Federal Employee Identification No. (FEIN) 72-1335380

4. Address of its *principal office* is 1325 Barksdale Boulevard, Suite 200
Bossier City, LA 71111

5. Main/General Telephone Number 318-671-5000

6. Address of its *regulatory office*, if different from principal office _____
1325 Barksdale Boulevard, Suite 200, Bossier City, LA 71111

7. Mailing Address, if different from above 1325 Barksdale Boulevard, Suite 200
Bossier City, LA 71111

8. Has company changed its registered and/or operating name(s) during the calendar year?

No

Yes If 'yes' provide the following information:

Previous name(s)	dba	FIN	Date changed/reason

Annual Return and Revenue Statement of Budget PrePay, Inc. d/b/a Budget Phone for calendar year ending December 31, 2011

- 9. Date and state of incorporation 5/1/1996 Louisiana
- 10. Long-term debt \$ Not available on state level Short-term debt \$ Not available on state level
- 11. Capital stock authorized \$ N/A on state level Capital stock outstanding \$ N/A on state level
- 12. Dividends paid out \$ N/A on state level Dividends declared \$ N/A on state level
- 13. Briefly describe company's business operations in MASSACHUSETTS.

Signature and Oath of Treasurer and Chief Accounting Officer

We hereby certify that all statements contained in this return are full, just and true on this, the 10th day of March, in the year 2012.

Treasurer:

David Donahue
Name (typed or printed)

[Signature]
Signature

Chief Accounting Officer:

Robert D. Hyde, III
Name (typed or printed)

[Signature]
Signature

If signatures of the above two parties were affixed outside of the Commonwealth of Massachusetts, they must be properly sworn to, in person, as attested to by a Notary Public or Justice of the Peace:

[Signature]
Signature

1325 Parkdale Blvd. Ste 200
Address (city, state and Zip Code) Bossier City, LA 70011

Robin Enkey
Name (typed or printed)

ROBIN M ENKEY
Notary Public #78084
Bossier Parish
State of Louisiana
Commission Is For Life

My commission expires on: at death
(mm/yyyy)

Revenue Statement

- 1. *Exact* legal name of reporting company
Budget PrePay, Inc.
- 2. Doing business as (dba) in MA, if any
Budget Phone
- 3. Federal Employee Identification Number (FEIN) 72-1335380
- 4. MA intrastate operating revenue \$ 3
- 5. MA intrastate operating expenses \$ 2

CONTACT INFORMATION

Questions concerning the information provided in this return, and **regulatory assessments should be directed to:**

Please check if the contact information has changed since last filing.

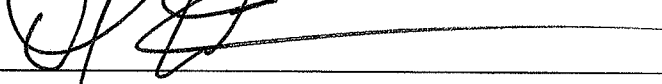
Contact person/title: Lakisha Taylor, Product Coordinator

Address: 1325 Barksdale Boulevard, Suite 200, Bossier City, LA 71111

Contact person telephone number 318-671-5000

Contact person E-mail address lakishat@budgetprepay.com

I hereby certify, under penalty of perjury, that the foregoing statement is true to the best of my knowledge and belief.

Date 3/16/12 Signature 

Name/Title (typed or printed) David Donahue, CFO/Treasurer

There is a \$5 filing fee. Please issue a check made payable to the Comm of MA-DTC. **Do not** staple the check to the forms. Mail the original plus one (1) copy of the completed **Annual Return and Revenue Statement**, with the **\$5 check**, plus one (1) photocopy of the check to:

**MA Department of Telecommunication and Cable
Attn: Competition Division
1000 Washington Street, Suite 820
Boston, MA 02118-6500**

Budget PrePay, Inc.

DTC Docket No. 11-12

Responses to the Record Requests

October 17, 2012

Witness: David Donahue, Chief Financial Officer

Exhibit RR 10

Budget PrePay, Inc.
D.T.C. Docket No. 11-12
Responses to Mass. D.T.C. Record Requests
October 17, 2012
Witness: David Donahue, Chief Financial Officer

EXHIBIT RR 10

RR 10: Did the FCC have questions/issues/problems with initial versions of Budget's FCC Compliance Plan and what modifications did the FCC require in subsequent versions of the Compliance Plan?

RESPONSE:

Budget PrePay filed its initial Compliance Plan with the FCC on March 1, 2012. A sample certification and application form, and sample advertising materials, were filed as a supplement on March 29, 2012.

First Revised Compliance Plan

Following discussions with FCC staff, Budget PrePay filed a revised Compliance Plan on April 17, 2012. In the revised Compliance Plan, Budget PrePay made the following changes:

Application and Certification Form

Personal Information

Social Security #: instead of obtaining the customer's entire social security number, Budget PrePay now only obtains the last 4 (four) digits.

A new line was added under e-mail address:

___ I certify that I reside on a Federally recognized Tribal land. (For Tribal Residents Only)

Certifications

The italicized words were added to first line: PLEASE READ AND ACKNOWLEDGE YOU AGREE BY INITIALING EACH STATEMENT BELOW, *UNDER PENALTY OF PERJURY.*

Certification #4 (One per household): The following sentence was added at the end of the paragraph: "Any violation of the one phone line per household limitation will result in de-enrollment from the Lifeline program and may be punished by fine or imprisonment."

Certification #8 (Address changes): The following sentence was added at the end of the paragraph: "Failure to provide such notification or verification may result in de-enrollment from the program."

Budget PrePay, Inc.

D.T.C. Docket No. 11-12

Responses to Mass. D.T.C. Record Requests

October 17, 2012

Witness: David Donahue, Chief Financial Officer

Certification #9 (Authorized contacts): The following deletion was made: “I authorize Budget PrePay to contact me by interactive voice response (IVR), or other means, to notify me of ~~promotions~~, annual Lifeline re-verification and the company’s 60-day non-usage reminder.”

Marketing Material

The banner “Government Assisted Program” was modified to say “Free Mobile Phone Plus 250 Free Minutes Each Month.”

The third sentence of the text in the box was modified to say: “By law, the Lifeline program is limited to one phone per household”

Compliance Plan

The Compliance Plan was modified to reflect the changes, described above, to the application and certification form.

Budget PrePay revised a footnote (footnote 6 in the approved Compliance Plan) to add the following sentence: “Budget PrePay commits to comply with its Compliance Plan in all states where it is designated as a Lifeline-only ETC.”

Second Revised Compliance Plan

Following further discussions with FCC staff, Budget PrePay filed a second revised Compliance Plan on May 1, 2012. Budget PrePay’s second revised Compliance Plan was ultimately approved by the FCC. In the second revised Compliance Plan, Budget PrePay added a new Section entitled “Specific Customer Enrollment Procedures”, providing specific details describing its customer enrollment procedures for: (1) retail stores, (2) retail agents, and (3) inbound channel marketing.

Budget PrePay, Inc.

DTC Docket No. 11-12

Responses to the Record Requests

October 17, 2012

Witness: David Donahue, Chief Financial Officer

Confidential Exhibit RR 12

Budget PrePay, Inc.

DTC Docket No. 11-12

Responses to the Record Requests

October 17, 2012

Witness: David Donahue, Chief Financial Officer

**CONFIDENTIAL EXHIBIT RR 12
HAS BEEN REDACTED FOR PUBLIC INSPECTION**

Budget PrePay, Inc.

DTC Docket No. 11-12

Responses to the Record Requests

October 17, 2012

Witness: David Donahue, Chief Financial Officer

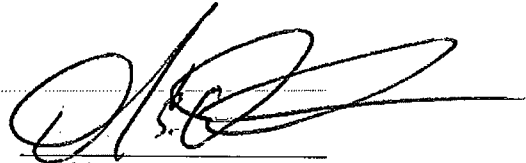
Certification

**BUDGET PREPAY, INC.
MASSACHUSETTS D.T.C DOCKET NO. 11-12
RESPONSES TO D.T.C RECORD REQUESTS**

AFFIDAVIT OF DAVID DONAHUE

I, David Donahue, do hereby declare under penalty of perjury as follows:

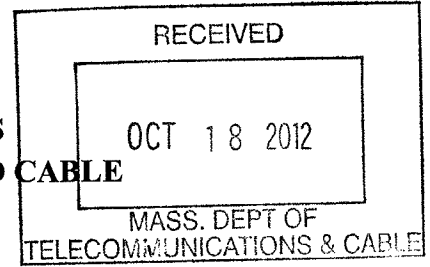
1. I am the Chief Financial Officer of Budget PrePay, Inc. ("Budget"), a Louisiana corporation with its principal place of business at 1325 Barksdale Blvd., Bossier City, Louisiana 71111.
2. I have read Budget's "Responses to Massachusetts D.T.C. Record Requests" and verify that I have personal knowledge of the information and that the information therein is true and correct to the best of my knowledge.
3. In addition, I hereby certify under penalty of perjury that Budget will comply with the Mass. D.T.C.'s Mass Migration requirements (Mass. D.T.C. Docket 02-28).



David Donahue
Chief Financial Officer
Budget PrePay, Inc.

Dated: October 17, 2012

**Before the
COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND CABLE**



**In the Matter of Budget PrePay, Inc.
Petition for Limited Designation as an
Eligible Telecommunications Carrier**

Docket No. 11-12

ORIGINAL

MOTION FOR CONFIDENTIAL TREATMENT

Budget PrePay, Inc. d/b/a Budget Mobile (“Budget” or the “Company”) hereby files with the Massachusetts Department of Telecommunications and Cable (the “Department”) this motion for confidential treatment (“the Motion”). The Motion seeks to protect from public disclosure certain confidential, sensitive, and proprietary information in accordance with G.L. c. 25, § 5D that is being filed in connection with the Company’s response to the Department’s Record Requests made during the September 25, 2012 hearing regarding Budget’s Petition for Limited Designation as an Eligible Telecommunications Carrier (“Petition”).

Specifically, the Motion requests confidential treatment for the following information requested by the Department:

- RR 4A and 4B: Provide a copy of the (A) Sprint and (B) Verizon Wireless resale agreements.
- RR 12: Describe the results of Budget’s IDV audits.

I. LEGAL STANDARD FOR CONFIDENTIALITY

The Department is authorized to protect trade secrets or other proprietary information from public disclosure in accordance with G.L. c. 25, § 5D, which states in part:

The [D]epartment may protect from public disclosure, trade secrets, confidential, competitively sensitive or other proprietary information provided in the course of proceedings conducted pursuant to this chapter. There shall be a presumption that the information for which such protection is sought is public information and the burden shall be on the proponent of such protection to prove the need for such protection. Where

the need has been found to exist, the [D]epartment shall protect only so much of the information as is necessary to meet such need.

General Laws c. 25, § 5D establishes a three-part standard for determining whether, and to what extent, information filed by a party in the course of a Department proceeding may be protected from public disclosure. First, the information for which protection is sought must constitute “trade secrets, confidential, competitively sensitive or other proprietary information”; second, the party seeking protection must overcome the statutory presumption that all such information is public information by “proving” the need for its non-disclosure; and third, even where a party proves such need, the Department may protect only so much of that information as is necessary to meet the established need and may limit the term or length of time such protection will be in effect. *See e.g., T-Mobile Northeast LLC Petition for Limited Designation as an Eligible Telecommunications Carrier for Purposes of Low Income Support Only*, Order Approving Petition, D.T.C. 12-4 (Aug. 30, 2012)(“*T-Mobile ETC Order*”); *YourTel America, Inc. Motion for Protection from Public Disclosure*, D.T.C. 11-1, Order (July 6, 2011).

II. JUSTIFICATION FOR CONFIDENTIAL TREATMENT

Budget has a legitimate need to maintain the confidentiality of certain information requested by the Department.

RR 4A and 4B: Provide a copy of the (A) Sprint and (B) Verizon Wireless resale agreements.

Upon grant of the Motion, Budget will provide a redacted copy of its resale agreement with Sprint and a redacted copy of its resale agreement with Verizon Wireless. Although the agreements are redacted, they nonetheless contain information that is competitively sensitive. These agreements set forth detailed information about the business relationship between the parties, including highly sensitive information regarding the provision of the underlying cellular service. Allowing Budget's competitors, and would-be competitors, to gain access to this

information would place Budget at a competitive disadvantage by unfairly providing its competitors with insight into the terms of Budget's commercial relationship with its underlying carriers, and specific information regarding the Company's business operations and costs of providing service. Disclosure would allow competitors to better understand Budget's day-to-day operations and expenses. Release of this information would substantially harm Budget's business position, particularly since Budget is a new entrant to Massachusetts. This highly competitive and sensitive information should be deemed confidential and protected from public disclosure pursuant to G.L. c. 25, § 5D.

Due to the highly competitive nature of the telecommunications marketplace, and the highly confidential nature of the information provided, release of this information could substantially harm Budget's business position. Budget currently takes measures to protect such information from public disclosure. Accordingly, this highly competitive and sensitive information should be deemed confidential and protected from public disclosure pursuant to G.L. c. 25, § 5D.

RR 12: Describe the results of Budget's IDV audits.

In its public filing, Budget has provided information regarding recent IDV audits conducted by the Universal Service Administrative Company (USAC). Budget seeks confidential treatment only for the number of subscribers that USAC has instructed Budget to de-enroll. Such information is not made public by USAC. This information is highly confidential and commercially sensitive to Budget as it provides insight into the number of customers that Budget has in several states and the Company's revenue stream, and could easily be used by competitors to the detriment of Budget in the marketplace. This information is currently protected from public disclosure by the Company.

This highly competitive and sensitive information should be deemed confidential and protected from public disclosure pursuant to G.L. c. 25, § 5D.

III. NARROW SCOPE OF PROTECTION

Budget is not seeking to make broad and unsupported assertions of confidentiality regarding the information submitted along with its Response. The Company has made every effort to provide a narrowly-tailored request to protect only the information that is proprietary and confidential, and for which disclosure would cause significant competitive harm to the Company. Budget limits its request for confidential treatment of the Sprint and Verizon resale agreements for an initial period of five years, and for the number of subscribers to be de-enrolled pursuant to the IDV audit for an initial period of three years, from the date the Department issues its final order in this docket. *See YourTel America, Inc. Motion for Protection from Public Disclosure*, Docket No. D.T.C. 11-1, Order (July 6, 2011)(finding YourTel's motion to be narrowly tailored because it was limited to only certain information request responses and it was limited to a five-year period). In each instance, non-disclosure serves a legitimate business purpose that is also in the public interest. Specifically, non-disclosure of the information outlined above serves to maintain effective competition in the telecommunications marketplace – a result that benefits consumers in Massachusetts, as well as Budget's ability to compete in the marketplace.

Accordingly, Budget has satisfied the Department's standard for determining whether information filed by a party in the course of a Department proceeding may be protected from public disclosure.

IV. CONCLUSION

WHEREFORE, for the reasons set forth herein the Company respectfully requests that the Department grant the Motion.

Respectfully submitted,



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