

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**Telecommunications Division
Public Programs Branch**

**RESOLUTION T-17000
March 15, 2006**

R E S O L U T I O N

Resolution T-17000. Budget Phone, Inc. To designate Budget Phone Inc. as an Eligible Telecommunications Carrier (ETC) pursuant to Resolution T-16086.

Summary

This Resolution addresses the request of Budget Phone Inc. (Budget Phone) for designation as an Eligible Telecommunications Carrier (ETC) in certain exchanges of Verizon and SBC as shown in Appendices A & B of this Resolution.

Although Budget Phone has satisfied most of the requirements for ETC designation as identified in Resolution T-16086, the Commission finds that Budget Phone's submission lacks adherence to certain requirements. Therefore, this resolution grants conditional approval of Budget Phone's request subject to submission of a letter to the Director of TD, within 15 days from the adoption of this Resolution, attesting, under penalty of perjury, that it will comply with the following requirements:

1. Comply with all of the requirements applicable to competitive local exchange carriers (CLCs) as indicated in Appendix B of Decision (D.) 02-05-031;
2. Update its website to include a list of services offered in California;
3. Update its website to include a list or a map of areas served in California;
4. Revise its tariffs to include toll limitation as an offered service; and
5. Expand its advertisement to other media of general circulation such as newspapers of general distribution, radio, website, annual bill inserts, white page directories, and other means in accordance with the Federal Communications Commission's (FCC) Report and Order (FCC 97-157) in the matter of Federal-State Joint Board on Universal Service (CC Docket No.96-45)

This resolution likewise grants authority to the Director of TD to issue a letter to Budget Phone granting final approval to Budget Phone's request for designation as an ETC after TD has verified that the aforementioned requirements have been met.

It is stressed that Budget Phone is obligated to provide all the designated services for federal universal service support in the areas for which it is designated an ETC.

Background

Pursuant to FCC 97-157, only ETCs designated by state commissions will be eligible to receive federal high cost, low income, and most rural health care universal service support beginning January 1, 1998.¹ In compliance with this FCC order, the Commission adopted Resolution T-16086 requiring carriers seeking ETC designation to provide the following to comply with ETC eligibility and service requirements:

1. self-certification letters indicating their compliance with the ETC eligibility requirements;
 - a. the service areas for which the carrier is requesting ETC designation;
 - b. an itemized list of the designated services to be provided;
 - c. a list of any services which the carrier proposes not to provide and for which the carrier is requesting an extension of time;
 - d. an indication of whether the carrier plans to apply for a waiver of the requirement that an ETC not disconnect Lifeline service for non-payment of toll charges;
 - e. a description of the carrier's advertising plan, indicating the advertising media to be used, and an explanation of how its plan meets the advertising requirement in section 214(e) of the Telecommunications Act.²
2. advice letters to implement any necessary tariff changes consistent with the ETC service requirements and
3. requests for additional time to complete network upgrades needed to provide single-party, E-911, or toll limitation services.³
 - a. a justification for the extension request;
 - b. an indication of the length of time for which the extension is being sought;

¹ 47 C.F.R. §54.201 (a) (1).

² *Id.*, O. P. 3.

³ Resolution T-16086, O. P. 1 & 2.

- c. an implementation plan for the network upgrades necessary to provide any of the above services; and
- d. an estimate of the cost of undertaking the network upgrades.

Furthermore, carriers seeking a waiver of the prohibition to disconnect Lifeline service for non-payment of toll charges were directed to apply such a waiver to the Commission. The waiver application must demonstrate that:

1. the carrier would incur substantial costs in complying with this requirement;
2. the carrier offers toll limitation to qualifying low-income customers without charge;
3. the telephone subscribership among low-income customers in its area is greater than or equal to the national subscribership rate for low-income consumers.

Notice/Protests

Notice of Filing of the petition by Budget Phone, to be designated as an ETC for purposes of federal universal service support was published in the Commission Daily Calendar of January 5, 2006. No protest to this letter request has been received.

Discussion

Budget Phone, a FCC licensed and CPUC certificated CLC, submitted a letter to TD on December 30, 2005 requesting for ETC designation. This Resolution addresses Budget Phone's request for its compliance with Resolution T-16086.

A. Compliance with ETC Eligibility and Service Requirements

Budget Phone states that it will provide all of the following designated services:

- 1) Voice-grade access to the public switched network;
- 2) Local Usage;
- 3) Dual tone multi-frequency (DMTF) 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; and
- 9) Toll limitation.

Budget Phone likewise states that upon designation as an ETC, Budget Phone will participate in, and offer, LifeLine and Link-Up programs to qualifying low-income customers and publicize the availability of Lifeline and Link-Up services in a manner reasonably designed to reach those likely to qualify for those services, as required by FCC Rules. Budget phone likewise states that it will advertise the availability of these services in the Designated Areas using media of general distribution, as required by FCC Rules, including but not limited to, point of sale marketing materials at targeted retail locations, television and print ads.

Although a Certificate of Public Convenience and Necessity (CPCN) was granted to Budget Phone in Decision (D) 02-05-021, Budget Phone has not strictly and consistently complied with the terms and conditions set forth in Appendix B of this order. Furthermore, a check of Budget Phone's website disclosed that their advertisement is primarily centered on prepaid home phone service, prepaid long distance calling cards and wireless phones. While the advertisement states that it operates in 45 states, Budget Phone did not identify the areas it serves in California. Therefore, Budget Phone should complete the following requirements as a condition for its designation as an ETC:

1. Comply with all of the requirements applicable to competitive local exchange carriers (CLCs) as indicated in Appendix B of D. 02-05-031;
2. Update its website to include a list of services offered in California;
3. Update its website to include a list or a map of areas served in California;
4. Revise its tariffs to include toll limitation as an offered service; and
5. Expand its advertisement to other media of general circulation such as newspapers of general distribution, radio, website, annual bill inserts, white page directories, and other means in accordance with FCC Report and Order 97-157 in the matter of Federal-State Joint Board on Universal Service (CC Docket No.96-45)

Budget Phone should, within 15 days from the effective date of this resolution, send a letter to the TD Director, attesting, under penalty of perjury, that it will comply with the abovementioned requirements.

The TD Director will, after TD has verified that the above requirements have been met, send a letter to Budget Phone, granting final approval of its request for ETC designation.

B. Certification Requirements to be submitted to the FCC

After final approval as an ETC is issued by the TD Director, Budget Phone, should file information with the federal universal service administrator, the Universal Service Administrative Company (USAC), pursuant to 47 C. F. R. § 54.401 (d), demonstrating that its Lifeline service meets the FCC requirements, and stating the number of qualifying low-income customers and the amount of state assistance. Budget Phone shall provide the USAC an estimated amount of state assistance (if any) based on current ULTS rates, net of the expected amount of federal support. A Copy of Budget Phone's filing with the USAC shall be provided to the TD Director.

C. Reimbursements from the ULTS Fund

As an ETC, Budget Phone is eligible to obtain federal Lifeline and Link Up support. In accordance with General Order (GO) 153, Procedures for the Administration of the Universal Lifeline Telephone Service (ULTS), Budget Phone's claims from the ULTS Fund is reduced by amounts received under the federal ETC program.

Comments

In compliance with PU Code § 311 (g), a Notice of Availability was e-mailed on February 10, 2006, to every incumbent Local Exchange Carrier, facilities-based Competitive Local Carriers and facilities-based broadband Commercial Mobile Radio Service Carrier advising parties that this draft resolution is available on the Commission website at: <http://www.cpuc.ca.gov/static/documents/index.htm> and is available for public comments. In addition, TD informed these parties of the availability of the conformed resolution, when adopted by the Commission, at the same website.

TD received no comments on this resolution.

Findings

1. Resolution T-16086 established a procedure for California telecommunications carriers to request designation as eligible telecommunications carriers (ETC).
2. Budget Phone, Inc. (Budget Phone) is a Federal Communications Commission (FCC) licensed, California Public Utilities Commission (CPUC) certificated competitive local exchange carrier.

3. On December 30, 2005, Budget Phone submitted a letter requesting designation as ETC in certain exchanges areas of Verizon and SBC as shown in Appendices A & B of this Resolution.
4. Budget Phone's filing was published in the Commission Daily Calendar of January 5, 2006.
5. No protests were received on Budget Phone's request for ETC designation.
6. Budget Phone states that it will provide the following services: Voice-grade access to the public switched network; Local Usage; Dual tone multi-frequency (DMTF) signaling or its functional equivalent; Single-party service or its functional equivalent; Access to emergency services; Access to operator services; Access to interexchange service; Access to directory assistance; and Toll limitation.
7. Although a Certificate of Public Convenience and Necessity (CPCN) was granted to Budget Phone in Decision (D.) 02-05-021, Budget Phone has not strictly and consistently complied with the terms and conditions set forth in Appendix B of this order.
8. Although Budget Phone has substantially complied with the guidelines set in Resolution T-16086, it lacks adherence to certain requirements.
9. Within 15 days from the effective date of this resolution, Budget Phone should send a letter to the Director of Telecommunications Division (TD) attesting, under penalty of perjury, that it will comply with the following requirements:
 - a. Comply with all of the requirements applicable to competitive local exchange carriers (CLCs) as indicated in Appendix B of D. 02-05-031;
 - b. Update its website to include a list of services offered in California;
 - c. Update its website to include a list or a map of areas served in California;
 - d. Revise its tariffs to include toll limitation as an offered service; and
 - e. Expand its advertisement to other media of general circulation such as newspapers of general distribution, radio, website, annual bill inserts, white page directories, and other means in accordance with FCC Report and Order 97-157 in the matter of Federal-State Joint Board on Universal Service (CC Docket No.96-45)

10. TD should verify that the above requirements have been met.
11. The Director of TD should be given authority to send a final approval letter to Budget Phone designating Budget Phone, Inc. as an ETC after the aforementioned requirements have been met.
12. After final approval is issued by the Director of TD, Budget Phone, as an ETC, should file information with the federal universal service administrator, the Universal Service Administrative Company (USAC). A Copy of Budget Phone's filing with the USAC should be provided to the TD Director.
13. A Notice of Availability was e-mailed on February 10, 2006 to every Local Exchange Carrier, all facilities-based Competitive Local Carrier, and all facilities-based broadband Commercial Mobile Radio Service Carrier, advising parties that the draft resolution is available on the Commission website at <http://www.cpuc.ca.gov/static/documents/index.htm> and is available for public comments. In addition, TD informed these parties of the availability of the conformed resolution, when adopted by the Commission, at the same website.
14. TD received no comments on this resolution.

THEREFORE, IT IS ORDERED that:

1. Budget Phone, Inc. (Budget Phone) is granted conditional approval as an Eligible Telecommunications Carrier (ETC) in exchanges served by Verizon and SBC as shown in Appendices A & B of this Resolution.
2. As a condition for being designated as an ETC, Budget Phone shall, within 15 days from the effective date of this resolution, submit an attestation letter to the Telecommunications Division (TD) Director certifying, under penalty of perjury, that it will:
 - a. Comply with all of the requirements applicable to competitive local exchange carriers (CLCs) as indicated in Appendix B of Decision 02-05-031;
 - b. Update its website to include a list of services offered in California;
 - c. Update its website to include a list or a map of areas served in California;
 - d. Revise its tariffs to include toll limitation as an offered service; and

- e. Expand its advertisement to other media of general circulation such as newspapers of general distribution, radio, website, annual bill inserts, white page directories, and other means in accordance with the Federal Communications Commission's (FCC) Report and Order (FCC 97-157) in the matter of Federal-State Joint Board on Universal Service (CC Docket No.96-45)
3. The TD Director is granted the authority to send a final approval letter to Budget Phone designating Budget Phone, Inc. as an ETC after the aforementioned requirements have been met.
4. As a designated ETC, Budget Phone shall file information with the federal universal service administrator, the Universal Service Administrative Company (USAC). A Copy of Budget Phone's filing with the USAC shall be provided to the TD Director.

This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on March 15, 2006. The following Commissioners approved it:

/s/ STEVE LARSON

STEVE LARSON
Executive Director

MICHAEL R. PEEVEY
President
GEOFFREY F. BROWN
DIAN M. GRUENEICH
JOHN A. BOHN
RACHELLE B. CHONG
Commissioners

APPENDIX A
LIST OF EXCHANGES

Verizon California Inc. serving territory:

Alamitos	Alpaugh	Alpine	Apple Valley D.A.
Arrowhead	Azusa-Glendora	Badger	Banning-Beaumont
Barstow -Barstow D.A.	Benton Station	Berrenda Mesa	Big Bear City
Big Bear Lake	Big Pine	Bishop	Blythe
Boron	Bridgeport	BRSW YERM	Buttonwillow
California City	California Hot Springs	Calimesa	Camarillo
Carpinteria	Cazadero	Chino	Claremont-San San Dimas
Clements	Coleville	Colfax - Colfax D.A.	Colfax - Wemr
Conejo	Corcoran	Covelo	Covina-Baldwin Baldwin Park
Crescent City	Crestline	Crowley Lake	Cuyama
Desert Center	Desert Hot Springs	Diamond Bar	Dos Palos
Downey	Dunlap	Eagle Mountain	Earp
El Mirage	El Rio	Elsinore	Etiwanda
Exeter	Farmington	Fort Irwin	Fowler
Garberville	Gaviota	Gilroy	Glennville
Granada Hills D.A.	Grant Grove	Guadalupe	Havas Lake
Hayfork	Hemet -Anza D.A.	Hemet D.A.	Hesperia D.A.
Hi Vista	Homeland D.A.	Homestead Valley	Hoopa
Huntington Beach	Idyllwild	Independence	Indio
Inyokern	Joshua Tree	June Lake	Kenwood
Kernville	Klamath	Knights Landing	La Habra
La Puente	Laguna Beach	Lake Hughes	Lake Isabella
Lakeview - Nuevo	Lakewood	Lancaster	Laytonville -
Lee Vining	Leggett	Lemon Cove	Lenwood
Linden	Lindsay	Lompoc	Lone Pine
Long Beach	Los Alamos	Los Gatos	Lost Hills
Lucerne Valley	Mad River	Malibu	Mammoth Lakes
Manteca	Mar Vista D.A.	Marshall	McFarland
McKittrick	Mentone	Miramonte - Pinehurst	Monrovia
Moreno	Morgan Hill	Morongo Valley	Murrieta
Newberry	Newbury Park	Norwalk	Novato
Olancho	Ontario	Orick	Orleans
Oxnard	Pacoima D.A.	Palm Desert	Palm Springs
Palo Verde	Parker Dam	Parkfield	Perris
Pico Rivera	Piercy	Pine Creek	Pinyon
Point Mugu	Pomona	Randsburg	Redlands
Redondo	Reedley	Ridgecrest	Ripon

Robbins	Running Springs	Sage D.A.	Salton City
San Bernardino	San Fernando - San Fernando D.A.	San Gabriel Canyon	San Jacinto D.A.
San Joaquin	San Miguel	Sanger	Santa Barbara
Santa Maria	Santa Monica-Santa Monica D.A.	Santa Paula	Santa Ynez
Sepulveda D.A.	Sherwood Ranch D.A.	Sierra Madre	Smith River
Snelling	Somis	Squaw Valley	Summit Valley
Sun City	Sunland - Tujunga	Taft	Temecula
Thousand Oaks	Timbercove - Sea Ranch D.A.	Timbercove D.A	Tivy Valley
Trona	Twenty-nine Palms	Upland	Victorville - Adelanto D.A.
Victorville D.A.	Weaverville	Weimar D.A.	Weldon
West Los Angeles	Westminster	Whitethorn	Whittier
Willow Creek	Wrightwood	Wrightwood - Phelan D.A.	Yermo D.A.
Yucca Valley			

SBC Exchanges (CA PUC A5)

Agoura	Alhambra	Alleghany	Alta
Anaheim	Anderson	Angels Camp	Annapolis
Antioch	Aptos	Arcadia	Arcata
Arlington	Arroyo Grande	Arvin	Atascadero
Atwater	Auburn	Avalon	Avenal
Baker	Bakersfield	Bangor	Belvedere
Ben Lomond	Benicia	Beverly Hills	Big Butte
Big Sur	Biggs	Bishop Ranch	Blairsden
Blue Lake	Bodega Bay	Boonville	Borrego
Boulder Creek	Bradley	Brawley	Brea
Bridgeville	Buena Park	Burbank	Burrel
Butte City	Cactus City	Calexico	Calipatria
Calistoga	Cambria	Campbell	Campo
Camptonville	Canoga Park	Capistrano Valley	Carmel
Carmel Valley	Carrisa Plains	Caruthers	Castroville
Cayucos	Challenge	Chico	Chiriaco Summit
Chowchilla	Chualar	Chula Vista	Clayton
Clearlake Oaks	Cloverdale	Clovis	Coalinga
Cobb Mountain	Colton	Compton	Concord
Coming	Corona	Coronado	Corte Madera
Cottonwood	Coulterville	Crockett	Crows Landing
Culver City	Cypress	Danville	Davis
Death Valley	Del Mar	Del Rey	Delano
Dinuba	Dixon	DOWNIEVILLE	DUBLIN-SAN RAMON
DULZURA	DUNNIGAN	DUNSMUIR	EARLIMART GLENDALE
EAST BAY	EAST CONTRA COSTA	EDWARDS	EL CAJON
EL CENTRO	EL MONTE	EL SEGUNDO	EL SOBRANTE- PINOLE(N)
ELK	ELK CREEK	ENCINITAS	ESCALON
ESCONDIDO	ESPARTO	EUREKA	FAIR OAKS
FAIRFIELD- SUISUN	FALLBROOK	FELTON	FILLMORE
FIREBAUGH	FOLSOM	FONTANA	FORESTVILLE
FORT BRAGG	FORTUNA	FREMONT- NEWARK	FRENCH GULCH
FRESNO	FULLERT	GALT	GARDEN
GAZELLE	GEORGETOWN	GERBER	GEYSERVILLE
GONZALES	GRASS VALLEY	GREENFIELD	GRENADA
GRIDLEY	GROVE JACUMBA	GROVELAND	GUALALA

GUERNEVILLE	GUSTINE	HALF MOON BAY	HANFORD
HARBISON-ALPINE	HAWTHORNE	HEALDSBURG	HERALD
HERCULES-RODEO	HIGHLAND	HOLLISTER	HOLTVILLE
HOMEWOOD	HOPLAND	HORNBROOK	HUGHSON
HURON	HYDESVILLE	IGNACIO	IMPERIAL
INGLEWOOD	INVERNESS	IONE	IRVINE
JACKSON	JAMESTOWN	JULIAN	KELSEYVILLE
KING CITY	KINGSBURG	KNIGHTS FERRY	LA CRESCENTA
LA HONDA	LA JOLLA	LA MESA	LAFAYETTE
LAKE BERRYESSA	LAKEPORT	LATON	LE GRAND
LEBEC	LEWISTON	LINCOLN	LIVE OAK
LIVERMORE	LOCKEFORD	LODI	LOLETA
LOMITA	LOS ALTOS	LOS ANGELES	LOS BANOS
LOS MOLINOS	LOWER LAKE	LOYALTON	Madera
Martinez	Marysville	Mendocino	Mendota
Merced	Meridian	Michigan Bar	Middletown
Mill Valley	Millbrae	Milton	Mira Loma
Miranda	Moccasin	Modesto	Mojave
Mokelumne Hill	Montague	Monte Rio	Montebello
Monterey	Moorpark	Moraga	Morro Bay
Moss Beach	Mount Gleason	Mount Shasta	Mountain Pass
Mountain View	Napa	National City	Nevada City
Newman	Newport Beach	Nicasio	Nice
Nicolaus	Nipomo	North Hollywood	North San Juan
North Tahoe	North Yuba	Northridge	Oakdale
Oakview	Occidental	Oceanside	Ocotillo
Ocotillo Gardens	Ojai	ON	Orange
Orange Cove	Orinda	Orland	Oroville
Pacifica	Pahrump	Palmdale	Palo Alto
Paradise	Parlier	Pasadena	Paskenta
Paso Robles	Pauma Valley	Pepperwood	Pescadero
Petaluma	Pine Valley	Pinecrest	Piru
Pismo Beach	Pittsburg	Pittsburg-West	Pixley
Placentia	Placerville	Planada	Pleasant Grove
Pleasanton	Plymouth	Point Arena	Point Reyes
Porterville	Portola	Potter Valley	Poway
Quincy	Ramona	Rancho Bernardo	Rancho Penasquitos
Rancho Santa Fe	Rancho Viejo	Red Bluff	Redding
Redwood City	Reseda	Rialto	Richmond
Richvale	Rio Dell	Rio Linda	Riverbank
Riverdale	Riverside	Rosamond	Sacramento
Saddleback Valley	Saint Helena	Salinas	San Andreas

San Ardo	San Carlos-Belmont	San Diego	San Francisco
San Jose	San Juan	San Lucas	San Luis Obispo
San Marcos	San Martin	San Mateo	San Pedro
San Rafael	Sandy Valley	Santa Ana	Santa Clarita
Santa Cruz	Santa Margarita	Santa Rosa	Saratoga
Saticoy	Sausalito	Sebastopol	Selma
Sequoia	Shafter	Shasta Lake	Shingle Springs
Shoshone	Sierraville	Silverado	Simi Valley
Smartsville	Soda Springs	Soledad	Sonoma
Sonora	South Placer	South San Francisco	South Tahoe
Springville	Stinson Beach-Bolinas	Stockton	Stonyford
Stratford	Sunnyvale	Sunol	Sutter Creek
TEHACHAPI	TEMESCAL CANYON	TERRA BELLA	THORNTON
THREE RIVERS	TIPTON	TOMALES	TORRANCE
TRABUCO	TRACY	TRES PINOS	TRINIDAD
TRUCKEE	TULARE	TURLOCK	UKIAH
UPPER LAKE	VACAVILLE	VALLEJO	VALLEY CENTER
VALLEY FORD	VALLEY SPRINGS	VAN NUYS	VENTURA CENTRAL
VENTURA EAST	VERDI	VINA	VISALIA
VISTA	WALKER BASIN	WALLACE	WALNUT CREEK
WARNER SPRINGS	WASCO	WATERFORD	WATSONVILLE
WEED	WEOTT	WHEATLAND	WILLITS
WILLOWS	WINDSOR	WINTERS	WOODCREST
WOODLAKE	WOODLAND	WOODSIDE	YORBA LINDA
YOSEMITE	YOUNTVILLE	YREKA	

APPENDIX B
SERVICE MAP

- Map showing designated service area by census block group

