Budget PrePay INC.

August 3, 2011

Mr. David Foster, Chief
Utilities Division
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

11-00101

RE: Docket No: 10-00101; Rural Incumbent Local Exchange Carrier ETC Self-Certification of Eligibility of *Budget PrePay, Inc.* to receive Rural Universal Service Funds in Study area Code 299007 for Fiscal Year 2012.

Dear Mr. Foster,

Pursuant to 47 CFR 54.314, state commissions must file and annual certification with the Federal Communications Commission ("FCC") and the Universal Service Administrative Company ("USAC") stating that all federal high-cost support provided to rural incumbent local exchange carriers and/or eligible telecommunications carriers has been used only for the provision, maintenance, and upgrading of facilities and services for which the support beginning January 1 of each year, the Commission must file it annual certification on or before October 1 of the year before.

In accordance with 47 CFR 54.314, this letter is to request that the Tennessee Regulatory Authority Commission ("Commission") file a certification with the FCC and USAC, stating that all federal high-cost support, including high cost loop support, local switching support, high-cost support received pursuant to the purchase of exchanges, high-cost model support, and hold harmless support provided to *Budget PrePay, Inc.* has been used only for the provision, maintenance, and upgrading of facilities and services for with the support is intended, consistent with 47 U.S.C. § 254(e) of the Telecommunication Act of 1996. Competitive ETC designated for low income only are to use funds received as discounts or qualified consumers.

In support of this request, attached hereto as "Attachment 1" is affidavit, executed by an officer of *Budget PrePay, Inc.* attesting that the federal high-cost support, including high cost loop support, local switching support, high-cost support received pursuant to the purchase of
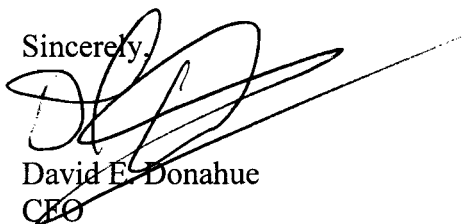
exchanges, high-cost model support, and hold harmless support provided to *Budget PrePay, Inc.* has been used only for the provision, maintenance, and upgrading of facilities and services for which the support is intended.

For the Fiscal 2010, the Company received the following amounts of support for each of the available High Cost Mechanisms for study Area Code 299007; $0 for High Cost Model, $0 for High Cost Loop Support, $0 for Safety Net Additive Support, $0 for Safety Valve Support, a ($81.00) for Intrastate Access Support, $0 for Local Switching Support, and $0 for Interstate Common Line Support. Also the Company received $1,585,669.00 from Low Income. As of 12/31/11 the Company had 96 UNE customers and 7,398 Resale customers.

The funds that were allocated for Interstate Access Support (IAS) is available to competitive carriers operating in the service areas of price-cap Incumbent carriers and designated as ETCs by the state commission or FCC. IAS helps to offset interstate access charges in order to reduce the cost of long distance charges incurred by end users and is targeted to zones with low customer density. Both AT&T of Tennessee and Budget are eligible to receive IAS on serving lines in areas where the companies are unable to recover permitted revenues from newly revised subscriber line charge.

In order for *Budget PrePay, Inc.* to receive support for the first, second, third, and fourth quarters of 2012, *Budget PrePay, Inc.* respectfully requests that the Commission notify the FCC and USAC no later than October 1, 2011, that all federal high-cost support, including high cost loop support, local switching support, high-cost support received pursuant to the purchase of exchanges, high-cost model support, and hold harmless support provided to *Budget PrePay, Inc.* has been used only for the provision, maintenance, and upgrading of facilities and services for which the support is intended.

Sincerely,

David E. Donahue
CEO