

**BEFORE THE
WASHINGTON UTILITIES & TRANSPORTATION COMMISSION**

In the Matter of

Petition of Nexus Communications, Inc. for
Designation as an Eligible
Telecommunications Carrier in the State of
Washington for the Limited Purpose of
Offering Wireless Lifeline and Link Up
Service to Qualified Households

Docket No. UT-110518

**FIRST AMENDED PETITION OF NEXUS COMMUNICATIONS, INC.
FOR DESIGNATION AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER IN
THE STATE OF WASHINGTON FOR THE LIMITED PURPOSE OF OFFERING
WIRELESS LIFELINE SERVICE TO QUALIFIED HOUSEHOLDS, AND FOR
WAIVER OF WAC 480-123-030(1)(d), (f) AND (g), PARTIAL WAIVER OF
WAC 480-123-030(1)(b), AND WAIVER OF WAC 480-123-070(2) AND (6)**

Nexus Communications, Inc. (“Nexus” or the “Company”) respectfully submits this First Amended Petition pursuant to 47 U.S.C. § 214(e) of the Communications Act of 1934, as amended (the “Act”), and the rules¹ of the Washington Utilities and Transportation Commission (“Commission”) for designation as an Eligible Telecommunications Carrier (“ETC”) throughout the non-rural rate centers identified in Exhibit A (the “Designated Service Area”). Nexus seeks ETC designation solely for the purpose of receiving federal Lifeline support.² Nexus does not seek either high-cost funds or funds from the Washington Telephone Assistance Program (“WTAP”).

This First Amended Petition (“Petition”) supersedes Nexus’ original petition, which was filed on March 21, 2011. Since that time, the Federal Communications Commission (“FCC”)

¹ See, e.g., Washington Administrative Code (“WAC”) §§ 480-123-020 through 040.

² The FCC’s Lifeline Reform Order limited Link Up to ETCs receiving High Cost support on Tribal Lands, and accordingly Nexus no longer seeks designation for Link Up support.

has altered and clarified the requirements for ETC designation. The Petition describes how Nexus meets the current requirements for ETC designation in light of recent orders by the FCC, including the November 18, 2011 *Connect America Fund Order*³, the February 6, 2012 *Lifeline Reform Order*,⁴ as well as the FCC Wireline Competition Bureau's clarifications in the February 29, 2012 *Public Notice*.⁵

Granting this Petition would serve the public interest and advance the goals of universal service by enabling Nexus to provide vital wireless telecommunications service to low-income subscribers in Washington. In support of this Petition, Nexus states as follows:

I. INTRODUCTION TO NEXUS COMMUNICATIONS, INC.

Nexus Communications, Inc. is a wireless telecommunications carrier serving the specific communications needs of low-income consumers. Nexus is a privately held company that is organized under Ohio law and headquartered in Columbus, Ohio. It has no holding company and no affiliates that provide telecommunications services.⁶ Nexus provides Commercial Mobile Radio Services ("CMRS") to qualifying low-income consumers in 26 states,⁷ operating its wireless business under the name "ReachOut Wireless."⁸ Nexus is authorized to do business in Washington,⁹ and now proposes to serve the wireless needs of low-income subscribers in Washington.

Nexus' address and telephone number are set forth below:

³ *In the Matter of Connect America Fund, et al.*, CC Docket No. 96-45 *et al.*, Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 17663 (FCC rel. Nov. 18, 2011) ("*Connect America Fund Order*").

⁴ *In Re Lifeline and Link Up Reform and Modernization, et al.*, WC Docket No. 11-42 *et al.*, Report and Order and Further Notice of Proposed Rulemaking, 27 FCC Rcd 6656 (FCC rel. Feb. 6, 2012) ("*Lifeline Reform Order*").

⁵ *Wireline Competition Bureau Provides Guidance for the Submission of Compliance Plans Pursuant to the Lifeline Reform Order*, Public Notice, DA 12-314 (WCB rel. Feb. 29, 2012) ("*Public Notice*").

⁶ Nexus owns 100% of Telecom Services, Inc., but that company does not provide telecommunications services.

⁷ Nexus has been designated an ETC in the following states: Alabama, Arkansas, California, Florida, Georgia, Illinois, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Michigan, Mississippi, Missouri, Nevada, New Jersey, North Carolina, Ohio, Oklahoma, Rhode Island, South Carolina, Tennessee, Texas, West Virginia and Wisconsin.

⁸ Nexus operates its wireline business under the names TSI and TSI Telephone Company.

⁹ Nexus has been registered with the Washington Secretary of State since 2008, UBI No. 602735629.

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II. NEXUS MEETS THE STATUTORY AND REGULATORY REQUIREMENTS FOR ETC DESIGNATION

Nexus commits to meeting all applicable requirements for ETC designation as established under federal law and rules of the FCC, including 47 U.S.C. § 214(e) and 47 C.F.R. § 54.201, and commits to meet the Commission's rules set forth in WAC 480-123-030, excepting WAC 480-123-030(1)(d), (f) and (g), which Nexus requests be waived for good cause as explained below, and WAC 480-123-030(1)(b), which Nexus asks be waived in part.

In particular, Nexus:

- is a common carrier (*see* 47 U.S.C. § 214(e)(1); 47 C.F.R. § 54.201(d));
- will offer the services supported by federal universal service support mechanisms as defined in 47 C.F.R. § 54.101(a) (*see also* 47 U.S.C. § 214(e)(1)(A); 47 C.F.R. § 54.201(d)(1));

- will make available Lifeline service to qualifying low-income consumers (47 C.F.R. § 54.405);
- seeks designation in the non-rural exchanges described in **Exhibit A** (WAC 480-123-030(a));
- will provide the supported services throughout the designated service area (47 U.S.C. § 214(e)(1); 47 C.F.R. § 54.201(d); WAC 480-123-030(b));
- has filed a compliance plan for forbearance from the “own facilities” requirement of 47 U.S.C. § 214(e)(1)(A) (included as **Exhibit C**), and in light of an FCC order approving that compliance plan (included as **Exhibit D**) and thus granting forbearance from the federal “own facilities” requirement, asks the Commission to waive the “own facilities” limitation in WAC 480-123-030(1)(b);
- will provide each supported service as described herein (WAC 480-123-030(c));
- asks the Commission to waive WAC 480-123-030(1)(d), which requires a substantive investment plan, because like other carriers for whom the Commission has waived the investment plan requirement, Nexus seeks only Lifeline support for provide discounted service to low-income subscribers, not high-cost support for network infrastructure investment;
- will advertise the availability of its universal service offerings and charges for such offerings using media of general distribution (47 U.S.C. § 214(e)(1)(B); 47 C.F.R. § 54.201(d)(2)) and in a manner reasonably calculated to reach qualified low-income consumers not receiving discounts, such as the sample advertising materials included as **Exhibit B** (WAC 480-123-030(e));
- asks the Commission to waive WAC 480-123-030(1)(f), which requires wireless ETC petitioners to provide a digital map of existing and planned cell sites and signals, as the Commission has done for other carriers like Nexus that resell wireless service rather than by constructing and operating cell sites, and which therefore lack access to the data needed for such a map;
- asks the Commission to waive WAC 480-123-030(1)(g), concerning ability to remain functional in emergencies, as the Commission has recently done for other Lifeline-only ETCs, on the basis that Nexus’ services will be provided over the reliable network of Verizon Wireless, and that compliance with FCC forbearance conditions concerning public safety are addressed in Nexus’ approved compliance plan;
- will abide by all applicable provisions of the CTIA’s Consumer Code for Wireless Service, as described herein (WAC 480-123-030(1)(h)); and
- includes herein, as **Exhibit E**, the supporting Declaration of Steven Fenker certifying the information in this Petition (WAC 480-123-030(2)).

A. Nexus Is a Common Carrier

Nexus will provide CMRS throughout its requested Designated Service Area, and as a CMRS provider, Nexus is regulated as a common carrier (47 C.F.R. § 20.9), subject to all applicable regulations, and therefore meets the ETC requirement of being a common carrier.

B. Nexus Offers the Services Supported by Federal Universal Service Support Mechanisms

Upon ETC designation, Nexus will provide the services supported by federal Lifeline universal service support mechanism, as defined in 47 C.F.R. § 54.101(a), which as revised by the FCC's recent *Connect America Fund Order* reads as follows:

Services designated for support. Voice telephony services shall be supported by federal universal support mechanisms. Eligible voice telephony service must provide voice grade access to the public switched network or its functional equivalent; minutes of use for local service provided at no additional charge to end users; access to emergency services provided by local government or other public safety organizations, such as 911 and enhanced 911, to the extent the local government in an eligible telecommunications carrier's service area has implemented 911 or enhanced 911 systems; and toll limitation for qualifying low-income consumers (as described in subpart E of this part).¹⁰

Nexus complies with the revised version of 47 C.F.R. § 54.101(a) and provides the services designated for support, as set forth below:

- Voice Grade Access to the Public Switched Network: Voice grade access permits a telecommunications user to transmit and receive voice communications with a minimum bandwidth of 300 to 3,000 Hertz. Nexus will meet this requirement through its provision of mobile voice communications service and interconnection to the public switched telephone network.

¹⁰ 47 C.F.R. § 54.101(a); see *Connect America Fund Order* at 62.

- Minutes of Use for Local Service at No Additional Charge. Local usage is an amount of minutes of use provided free of charge. Nexus will meet this requirement by providing a nationwide local calling area, permitting subscribers to call throughout the United States without toll charges.
- Access to Emergency Services. Access to emergency services includes both access to 911 and E911 services, to the extent the local government has implemented such services. Nexus currently: (1) provides its Lifeline subscribers with 911/E911 access at the time Lifeline service is initiated, regardless of activation status and availability of minutes, and (2) provides its Lifeline subscribers with E911-compliant handsets, and replaces, at no additional charge to the subscriber, noncompliant handsets of Lifeline-eligible subscribers who obtain Lifeline-supported services.
- Toll Limitation Service for Qualifying Low-Income Consumers. Toll limitation means both toll blocking and toll control, or, if a carrier is not capable of providing both toll blocking and toll control, then toll limitation is defined as either toll blocking or toll control.¹¹ Nexus will meet the requirement to provide toll limitation to Lifeline subscribers by offering service on a prepaid basis, as well as toll blocking for international calls. As the FCC found in its grant of ETC designation to Virgin Mobile, “the prepaid nature of [a prepaid wireless carrier’s] service offering works as an effective toll control.”¹² Moreover, Nexus will provide traditional toll blocking for international calls to qualifying low-income consumers at no additional charge. Nexus also provides its users with the ability to monitor their minute usage and balance as an additional means of controlling their communications budget.

¹¹ 47 C.F.R. § 54.400(d).

¹² *Virgin Mobile USA, L.P. Petition for Forbearance from 47 U.S.C. § 214(e)(1)(A)*, Order, 24 FCC Rcd 3381, 3394 at 34 (FCC rel. Mar. 4, 2009).

C. Nexus Will Provide the Supported Services Throughout Its Designated Service Area

Nexus commits to provide the supported services throughout its Designated Service Area, consistent with all applicable requirements. If a potential subscriber requests service within Nexus' Designated Service Area, but outside its anticipated network coverage, Nexus will, in cooperation with its carrier vendor, and to the extent necessary, follow the process specified in 47 C.F.R. § 54.202(a)(1)(i).

D. Nexus Will Advertise the Availability of Its Universal Service Offerings and Charges for Such Offerings Using Media of General Distribution

Nexus commits to advertise the availability of, and charges for, the supported services using media of general distribution. This advertising will occur through some combination of media channels, such as television and radio, newspaper, magazine and other print advertisements, outdoor advertising, direct marketing, and the Internet. In addition, Nexus will use appropriate media outlets to advertise its universal service offerings in a manner consistent with applicable requirements. Nexus provides a sample Lifeline advertisement as **Exhibit B**.

E. Nexus Will Make Available Lifeline Service to Qualifying Low-Income Consumers

Upon designation as an ETC, Nexus will make available to qualified low-income consumers a discounted service offering that meets all applicable Lifeline requirements. Consumers increasingly rely on their mobile phones for their communications needs and qualifying low-income consumers are no exception. Low-income consumers would be the primary beneficiaries of Nexus' Lifeline service offering. Nexus intends to offer the following prepaid wireless service plans to Lifeline subscribers in Washington:

- 250 Minute Plan (non-rollover): Minutes are “anytime” minutes and can be used for domestic calls, including local or intrastate/interstate long distance calls.

Unused minutes or domestic Short Message Service (“SMS”) text messages do not carry over to the following month. SMS text messaging is available at a rate of one text per minute of airtime.

- 125 Minute Plan (rollover): Minutes are “anytime” minutes and can be used for domestic calls, including local or intrastate/interstate long distance calls. Unused minutes or domestic SMS text messages carry over to the following month. SMS text messaging is available at a rate of one text per minute of airtime.
- 68 Minute Plan (rollover): Minutes are “anytime” minutes and can be used for domestic calls, including local or intrastate/interstate long distance calls. Unused minutes or domestic SMS text messages carry over to the following month. Domestic SMS text messaging is available at a rate of two text messages per each minute of airtime. Note that Nexus does not actively market the 68 Minute Plan and, it is selected only by a few subscribers who infrequently use voice service and more frequently send text messages.

All plans include at no extra charge: free E911-compliant handset; and “anytime” nationwide minutes that can be used for domestic calls, including local or intrastate/interstate long distance calls.

Lifeline subscribers may purchase additional minutes on a prepaid basis in denominations of \$3.00 (20 minutes), \$5.00 (40 minutes), \$10.00 (120 minutes), \$20.00 (300 minutes), \$30.00 (500 minutes), and \$50.00 (950 minutes). Nexus also offers an unlimited talk and text additional airtime card. This card provides unlimited local and domestic long distance calling, and unlimited text messaging for thirty (30) calendar days. The cost to Lifeline subscribers is \$26.50.

International SMS text messaging is available at a rate of \$0.20 for each international text sent or received. The rate for directory assistance calls is \$1.50 per request. Nexus permits Lifeline subscribers to block international calls at no additional charge. There is no deduction of minutes for calls to 911 or Nexus' subscriber service department.

Calls from the handset checking or retrieving voicemails count against the voice minutes provided by the plan. Calls from a source other than the handset checking or retrieving voicemail messages and incoming calls that leave a voicemail message are free to the Nexus end user. Calls to 911 emergency services are always free, and may be made regardless of service activation or availability of minutes.

F. Satisfaction of Applicable Consumer Protection and Service Quality Standards

Nexus will comply with all applicable state and federal consumer protection and service quality standards. If designated as an ETC, Nexus will continue to provide service on a timely basis to requesting subscribers within the Designated Service Area. Further, Nexus will abide by the CTIA's Consumer Code for Wireless Service ("CTIA Code"). Nexus has already adopted the CTIA Code and is committed to compliance with the CTIA Code throughout its service areas, including in those areas where it is seeking designation as an ETC.

G. Forbearance from the Facilities Requirement of Section 214(e)(1)(A)

In its recent *Lifeline Reform Order*, the FCC granted conditional forbearance for Lifeline ETCs, provided that these ETCs receive FCC approval of a compliance plan.¹³ On

¹³ *In Re Lifeline and Link Up Reform and Modernization, et al.*, WC Docket No. 11-42 *et al.*, Report and Order and Further Notice of Proposed Rulemaking, FCC 12-11 (FCC rel. Feb. 6, 2012) ("*2012 Lifeline Order*") at 368.

December 26, 2012, the FCC approved Nexus' compliance plan, thereby granting Nexus forbearance from the "own facilities" requirement of 47 U.S.C. § 214(e)(1)(A).¹⁴

H. Nexus Is Financially and Technically Capable of Providing Lifeline Service.

Pursuant to the requirements of the *2012 Lifeline Order*, Nexus offers this description of its financial and technical capability to provide Lifeline service.¹⁵ Nexus has been in business since 2000. Nexus became a competitive local exchange carrier in 2001 and received its first ETC designation in June 2006. Nexus now focuses on providing service to low-income consumers. Nexus initially began providing its services over wireline technology, and has responded to strong consumer demand by offering wireless technology as well. Nexus was one of the first telecommunications providers to recognize the low-income market segment as a business opportunity rather than a regulatory burden. Its success in the market is based on its willingness to tailor its services to the specific needs of low-income consumers, including the budget management tools and mobility that prepaid wireless services provide.

Nexus has been designated as an ETC in 26 states.¹⁶ It provides wireline service as an ETC in 13 states,¹⁷ and wireless service in 18 states.¹⁸ Nexus does not seek, and will not accept, High Cost support in any of those states. Nexus is successfully providing Lifeline-supported services in these states and has a steadily increasing subscriber base. Nexus' management has

¹⁴ *Lifeline and Link Up Reform and Modernization, Telecommunications Carriers Eligible to Receive Universal Service Support, et al.*, Third Amended Compliance Plan of Nexus Communications, Inc., WC Dockets 11-42 and 09-197 (filed December 5, 2012; approved December 26, 2012).

¹⁵ *Lifeline Reform Order* at 388.

¹⁶ Nexus has been designated an ETC in the following states: Alabama, Arkansas, California, Florida, Georgia, Illinois, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Michigan, Mississippi, Missouri, Nevada, New Jersey, North Carolina, Ohio, Oklahoma, Rhode Island, South Carolina, Tennessee, Texas, West Virginia and Wisconsin.

¹⁷ Those states are Alabama, Arkansas, Illinois, Kansas, Louisiana, Michigan, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas and Wisconsin. Although Nexus has been designated a wireline ETC in Florida and Kentucky, it currently only provides services on a resold basis in these states. In other words, Nexus resells the wireline services of an ILEC, which passes through a Lifeline discount on the wholesale line it sells to Nexus. Nexus does not file FCC Form 497s for its wireline operations in these states.

¹⁸ Those states are Arkansas, California, Georgia, Iowa, Illinois, Kansas, Louisiana, Maine, Maryland, Michigan, Mississippi, Missouri, Nevada, New Jersey, Ohio, Rhode Island, West Virginia and Wisconsin.

many years of experience in the telecommunications industry. Nexus' President Steven Fenker has held management positions in the telecommunications industry for 28 years. Also part of the Nexus senior management team is Mark Deek, who has 15 years of experience in the telecommunications industry, with particular expertise in intercarrier relations, and subscriber care and billing database management.

In order to provide Lifeline services, Nexus purchases wireless minutes from a national carrier, Verizon Wireless, which is widely-recognized for the quality and reliability of its wireless network. Nexus supplements this robust wireless network with its own network facilities, back-office and operations support systems, which Nexus operates and which are ideally suited to serve lower revenue subscribers. Nexus has made a significant financial investment to evaluate, design, develop and integrate these systems. With respect to this network investment, Nexus owns and operates its own switching and other facilities located in Ohio, which are housed in a Tier IV co-location facility.

Nexus has good relationships with the commissions in the states in which it operates. Moreover, Nexus is financially stable and fully capable of honoring its service obligations to subscribers and federal and state regulatory obligations. Although Nexus currently derives the majority of its revenue from the sale of prepaid wireless services, Nexus does not rely exclusively on disbursements from the Lifeline program to operate. For example, Nexus derives additional revenue from the sale of wireline and wireless services to non-Lifeline subscribers, and the sale of optional replenishment airtime and text minutes.

I. Nexus Meets Applicable Requirements Established by the Commission for ETC Designation

Nexus meets the requirements of the Commission's rules, set forth in WAC 480-123-030, that properly apply to wireless carriers seeking only low-income Lifeline support, such as Nexus.

Pursuant to WAC 480-123-030(a), Nexus has described the Designated Service Area as the non-rural rate centers listed in Exhibit A, which consists primarily of rate centers of the state's largest incumbent local exchange carriers ("ILECs") (*i.e.*, Qwest Corporation d/b/a CenturyLink; Frontier Communications Northwest, Inc.; CenturyTel of Washington Inc. d/b/a CenturyLink and United Telephone Northwest d/b/a CenturyLink), but also includes non-rural rate centers of certain smaller ILECs.

With respect to WAC 480-123-030(b), the FCC has approved Nexus' compliance plan, thereby granting Nexus forbearance from the "own facilities" requirement of 47 U.S.C. § 214(e)(1)(A). Accordingly, consistent with the FCC forbearance from the federal "own facilities" requirement, Nexus asks the Commission to waive the Commission's "own facilities" requirement.

Nexus has satisfied WAC 480-123-030(c) by describing, in Section B, *supra*, how it will provide each supported service as defined in recently revised 47 C.F.R. § 54.101(a).

WAC 480-123-030(d) states that ETC petitions must include a "substantive plan of the investments to be made with initial federal support during the first two years in which support is received," and "a substantive description of how those expenditures will benefit customers." WAC 480-123-030(d). The clear purpose of this requirement is to track investment of high-cost support in network infrastructure. *See* WAC 480-123-020 (providing examples of pertinent information, including how service quality, signal coverage, or network capacity will be maintained or improved; and how many customers are or will be benefited). That purpose would not be served by applying this requirement to Nexus, which seeks only Lifeline support that can be used only to provide discounted service to low-income subscribers, and cannot be utilized for

network infrastructure. Accordingly, Nexus requests a waiver from WAC 480-123-030(d), as the Commission has recently granted to other low-income only ETCs.¹⁹

In compliance with the Commission's rule WAC 480-123-030, and as discussed in Section D, *supra*, Nexus is committed to advertising the availability of services supported by federal universal service mechanisms, specifically including Nexus' Lifeline offerings. Nexus' advertisements will be reasonably calculated to reach qualified low-income consumers not receiving discounts. Both the content of Nexus' advertisements and the modes of advertising selected will be designed to reach qualifying subscribers that would benefit from Lifeline service. A sample advertisement for Nexus' Lifeline offerings is provided as **Exhibit B**.

Nexus seeks a waiver of requirement in WAC 480-123-030(f) to provide "a map in .shp format of proposed service areas (exchanges) with existing and planned locations of cell sites and shading to indicate where the carrier provides and plans to provide commercial mobile radio service signals." This requirement appears to be aimed at recipients of high-cost support planning expansion of facilities. However, as explained above, although Nexus operates certain facilities of its own, Nexus will act as a Mobile Virtual Network Operator ("MVNO") in Washington State, providing wireless service by reselling the services of Verizon Wireless. Nexus will not be operating or constructing its own cell sites, for which it lacks licensed

¹⁹ See *In the Matter of the Petition of Cricket Communications, Inc., for an Exemption from WAC 480-123-030(1)(d) and Designation as an Eligible Telecommunications Carrier*, Docket UT-111534, Order 01, Order Granting the Petition for Exemption from Provisions of WAC 480-123-030(1)(d) and Designation as an Eligible Telecommunications Carrier ("Cricket ETC Order") (May 10, 2012) (noting that granting a waiver is "consistent with the public interest, the purposes underlying regulation, and applicable statutes"); *In the Matter of the Petition of TracFone Wireless, Inc., for Exemption from WAC 480-123-030(1)(d), (f) and (g); and Designation as an Eligible Telecommunications Carrier for the Purpose of Receiving Lifeline Support from the Federal Universal Service Fund*, Docket UT-093012, Order 03, Final Order Adopting Settlement Agreement; Granting, on Condition, Designation as an Eligible Telecommunications Carrier and Exemption from Provisions of WAC 480-123-030; Granting WITA's Petition to Withdraw Intervention (June 24, 2010) ("TracFone ETC Order") ¶¶ 58, 81; *In the matter of the Petition of YourTel America, Inc. For an Exemption from WAC 480-123-030(1)(d), (f) and (g) and Designation as an Eligible Telecommunications Carrier*, Order No. 1, Docket UT-1423 (April 21, 2011) ("YourTel Order"), at ¶ 24; *In the matter of the Petition of Budget Prepay, Inc. For an Exemption from WAC 480-123-030(1)(d), (f) and (g); and Designation as an Eligible Telecommunications Carrier*, Order No. 1, Docket UT-111570 (August 7, 2012) ("Budget Order"), at ¶ 24.

spectrum. Nexus does not control Verizon's infrastructure development, and lacks unfettered access to Verizon's cell site locations – including information on planned locations that is highly confidential and proprietary to Verizon. In light of Nexus' role as a reseller, and its lack of access to the plans of its underlying carrier, Nexus requests a waiver of WAC 480-123-030(f). The Commission recently waived this requirement for other carriers providing service through resale.²⁰ Nexus' underlying carrier is expected to provide sufficient coverage throughout the Designated Service Area, as indicated on its publicly available coverage maps.²¹

Although the Commission's rules require that wireless ETC petitioners demonstrate “at least four hours of back up battery power at each cell site, back up generators at each microwave hub, and at least five hours back up battery power and back up generators at each switch” (WAC 480-123-030(g)), that requirement appears to be directed towards facilities-based carriers. Because Nexus has no cell sites, switches, or microwave hubs in Washington State, and will provide services by reselling services of a large national carrier, this requirement is inapt for Nexus. Nexus believes that the networks of those carriers are designed, maintained and operated in a manner that ensures the ability to function in emergency conditions, and that those carriers designated as ETC have either met WAC 480-123-030(g) or received a waiver from the Commission. Accordingly, Nexus requests a waiver from WAC 480-123-030(g), in light of the recent approval of Nexus' compliance plan, similar to the waiver recently granted to other carriers providing service through resale.²²

The Commission requires wireless ETC petitioners to commit to comply with the CTIA Code. WAC 480-123-030(h). Nexus already abides by the CTIA Consumer Code for Wireless Service, and commits to continuing to do so.

²⁰ See *TracFone ETC Order* ¶¶ 58, 81; *YourTel Order*, at ¶ 24; *Budget Order*, at ¶ 24.

²¹ See <http://www.verizonwireless.com/b2c/support/coverage-locator>.

²² See *TracFone ETC Order* ¶¶ 58, 81; *YourTel Order*, at ¶ 24; *Budget Order*, at ¶ 24.

Finally, except as explained below, Nexus will fully comply with the annual certification requirements adopted by the Commission.²³ However, Nexus does request a waiver of WAC 480-123-070(6), concerning annual certification of the ability to remain functioning in an emergency, for the same reasons that Nexus has requested a waiver of the analogous initial certification requirement, WAC 480-123-030(1)(g). Nexus additionally requests a waiver of the annual outage reporting requirements of WAC 480-123-070(2), because as a reseller of wireless service, Nexus does not have free access to the outage data of its underlying carrier, Verizon Wireless.

III. DESIGNATION OF NEXUS AS AN ETC IS IN THE PUBLIC INTEREST

Pursuant to WAC 480-123-040, the Commission “will approve a petition for designation as an ETC if the petition meets the requirements of WAC 480-123-030, the designation will advance some or all of the purposes of universal service found in 47 U.S.C. § 254, and the designation is in the public interest.” Nexus meets all of the requirements for designation as an ETC by providing the supported services, committing to serve all consumers throughout its Designated Service Area, offering a Lifeline service consistent with all applicable requirements, advertising the availability of its universal service offerings, and furthering the goals of the universal service program.²⁴ Moreover, designation of Nexus as an ETC is in the public interest because eligible consumers will benefit from competitive pricing and new services, such as

²³ WAC 480-123-060, 070.

²⁴ Because Nexus seeks designation only for the Lifeline program, and because it seeks designation only in non-rural areas, no cream-skimming analysis will apply to this petition. See *In the Matter of Virgin Mobile USA, L.P. Petition for Forbearance from 47 U.S.C. § 214(e)(1)(A)*, CC Docket No. 96-45, Order 09-18, ¶ 39 n. 101 (March 5, 2009) (explaining that “we need not perform a creamskimming analysis because Virgin Mobile is seeking eligibility for Lifeline support only”) (hereinafter “Virgin Mobile Order”); *In the Matter of Federal-State Joint Board of Universal Service*, Report and Order, 20 FCC Rcd 6371, CC Docket No. 96-45, Order 05-46, (March 17, 2005) (hereinafter “ETC Requirements Order”), at ¶ 52 (finding that cream-skimming is a concern in rural areas but that the analysis is “unnecessary” in non-rural service areas because of the different cost model).

Nexus' Lifeline plan. As Nexus extends its service offerings to Washington, consumers will benefit from a high level of service quality and more service options.

Access to wireless services is no longer a luxury, but a necessity for many economically disadvantaged Americans. Low-income consumers are mobile and transient, often balancing multiple jobs and moving far more frequently than consumers with higher incomes, making wireless telecommunications the only technology that truly suits their needs in most cases. Because low-income consumers spend less time during the day at a fixed location, and even less time at a fixed location with a phone available for their use, access to wireless telecommunications is of crucial importance to low-income consumers.

Nexus fulfills a critical role in the marketplace by ensuring that these low-income consumers, who cannot afford the services provided by other wireless providers, can still access these important services. Nexus' designation as an ETC will result in low-income consumers having greater access to wireless telecommunications services in Washington, thereby advancing the basic goal of preserving and advancing universal service.²⁵ Indeed, Nexus will pass through to its Lifeline eligible subscribers the entirety of the federal Lifeline discount. Designating Nexus as an ETC will improve its ability to serve these subscribers, and thus will serve the public interest.

IV. CERTIFICATION FOR USE OF UNIVERSAL SERVICE FUNDS

Nexus certifies that it will use federal low-income universal service support only for the provision, maintenance, and upgrading of facilities and services for which the support is intended, in accordance with 47 U.S.C. § 254(e).

²⁵ See 47 U.S.C. § 254(b).

V. CONCLUSION

For the reasons stated herein, Nexus respectfully requests designation as an ETC for the Designated Service Area for the purpose of receiving federal Lifeline universal service support, and requests waiver of WAC 480-123-030(1)(d), (f) and (g), partial waiver of WAC 480-123-030(1)(b), and waiver of recertification requirements WAC 480-123-070(2) and (6).

Dated this 31st day of December, 2012.

Respectfully submitted,

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LIST OF EXHIBITS

EXHIBIT A – DESIGNATED SERVICE AREA

EXHIBIT B – SAMPLE LIFELINE ADVERTISING

EXHIBIT C – NEXUS’ FCC-APPROVED COMPLIANCE PLAN

EXHIBIT D – FCC ORDER APPROVING NEXUS’ COMPLIANCE PLAN

EXHIBIT E – DECLARATION OF STEVEN FENKER

EXHIBIT A

DESIGNATED SERVICE AREA

RATE CENTER	OCN	TYPE	RURAL STATUS	COMPANY
AMES LAKE	2408	ILEC	Nonrural	CenturyTel of Washington Inc. dba CenturyLink
ARLETTA	2408	ILEC	Nonrural	CenturyTel of Washington Inc. dba CenturyLink
CHENEY	2408	ILEC	Nonrural	CenturyTel of Washington Inc. dba CenturyLink
CONNELL	2408	ILEC	Nonrural	CenturyTel of Washington Inc. dba CenturyLink
ELMA	2408	ILEC	Nonrural	CenturyTel of Washington Inc. dba CenturyLink
FALL CITY	2408	ILEC	Nonrural	CenturyTel of Washington Inc. dba CenturyLink
FORKS	2408	ILEC	Nonrural	CenturyTel of Washington Inc. dba CenturyLink
FOX ISLAND	2408	ILEC	Nonrural	CenturyTel of Washington Inc. dba CenturyLink
GIG HARBOR	2408	ILEC	Nonrural	CenturyTel of Washington Inc. dba CenturyLink
KINGSTON	2408	ILEC	Nonrural	CenturyTel of Washington Inc. dba CenturyLink
LAKEBAY	2408	ILEC	Nonrural	CenturyTel of Washington Inc. dba CenturyLink
LONG BEACH	2408	ILEC	Nonrural	CenturyTel of Washington Inc. dba CenturyLink
MEDICAL LK	2408	ILEC	Nonrural	CenturyTel of Washington Inc. dba CenturyLink
MONTESANO	2408	ILEC	Nonrural	CenturyTel of Washington Inc. dba CenturyLink
NORTH BEND	2408	ILEC	Nonrural	CenturyTel of Washington Inc. dba CenturyLink
ORTING	2408	ILEC	Nonrural	CenturyTel of Washington Inc. dba CenturyLink
SOUTH PRAIRIE	2408	ILEC	Nonrural	CenturyTel of Washington Inc. dba CenturyLink
SOUTH BEND	2408	ILEC	Nonrural	CenturyTel of Washington Inc. dba CenturyLink
VASHON	2408	ILEC	Nonrural	CenturyTel of Washington Inc. dba CenturyLink
ELLENSBURG	2412	ILEC	Nonrural	Ellensburg Telephone Company
SELAH	2412	ILEC	Nonrural	Ellensburg Telephone Company
BENTONCITY	4324	ILEC	Nonrural	Frontier Communications Northwest Inc. - WA
BOTHELL	4324	ILEC	Nonrural	Frontier Communications Northwest Inc. - WA
CAMAS	4324	ILEC	Nonrural	Frontier Communications Northwest Inc. - WA
EVERETT	4324	ILEC	Nonrural	Frontier Communications Northwest Inc. - WA
HALL LAKE	4324	ILEC	Nonrural	Frontier Communications Northwest Inc. - WA
KENNEWICK	4324	ILEC	Nonrural	Frontier Communications Northwest Inc. - WA
KIRKLAND	4324	ILEC	Nonrural	Frontier Communications Northwest Inc. - WA
MARYSVILLE	4324	ILEC	Nonrural	Frontier Communications Northwest Inc. - WA
OAK HARBOR	4324	ILEC	Nonrural	Frontier Communications Northwest Inc. - WA
PULLMAN	4324	ILEC	Nonrural	Frontier Communications Northwest Inc. - WA
QUINCY	4324	ILEC	Nonrural	Frontier Communications Northwest Inc. - WA
RICHLAND	4324	ILEC	Nonrural	Frontier Communications Northwest Inc. - WA
RICHMND BCH	4324	ILEC	Nonrural	Frontier Communications Northwest Inc. - WA
SILVER LAKE	4324	ILEC	Nonrural	Frontier Communications Northwest Inc. - WA
SNOHOMISH	4324	ILEC	Nonrural	Frontier Communications Northwest Inc. - WA
SNOHOMISH	4324	ILEC	Nonrural	Frontier Communications Northwest Inc. - WA

WENATCHEE	4324	ILEC	Nonrural	Frontier Communications Northwest Inc. - WA
WOODLAND	4324	ILEC	Nonrural	Frontier Communications Northwest Inc. - WA
MT VERNON	4423	ILEC	Nonrural	Frontier Communications Northwest Inc. - WA
ABERDEEN	9638	RBOC	Nonrural	Qwest Corporation
AUBURN	9638	RBOC	Nonrural	Qwest Corporation
BAINBDG IS	9638	RBOC	Nonrural	Qwest Corporation
BATTLEGRND	9638	RBOC	Nonrural	Qwest Corporation
BELLEVUE	9638	RBOC	Nonrural	Qwest Corporation
BLACKDIMND	9638	RBOC	Nonrural	Qwest Corporation
BREMERTON	9638	RBOC	Nonrural	Qwest Corporation
BUCKLEY	9638	RBOC	Nonrural	Qwest Corporation
CENTRALIA	9638	RBOC	Nonrural	Qwest Corporation
CHEHALIS	9638	RBOC	Nonrural	Qwest Corporation
CLARKSTON	9638	RBOC	Nonrural	Qwest Corporation
CLE ELUM	9638	RBOC	Nonrural	Qwest Corporation
COLFAX	9638	RBOC	Nonrural	Qwest Corporation
COLVILLE	9638	RBOC	Nonrural	Qwest Corporation
COPALIS	9638	RBOC	Nonrural	Qwest Corporation
DAYTON	9638	RBOC	Nonrural	Qwest Corporation
DEER PARK	9638	RBOC	Nonrural	Qwest Corporation
DES MOINES	9638	RBOC	Nonrural	Qwest Corporation
ENUMCLAW	9638	RBOC	Nonrural	Qwest Corporation
EPHRATA	9638	RBOC	Nonrural	Qwest Corporation
GRAHAM	9638	RBOC	Nonrural	Qwest Corporation
ISSAQUAH	9638	RBOC	Nonrural	Qwest Corporation
KENT	9638	RBOC	Nonrural	Qwest Corporation
LIBERTY LK	9638	RBOC	Nonrural	Qwest Corporation
LONGVIEW	9638	RBOC	Nonrural	Qwest Corporation
MAPLE VLY	9638	RBOC	Nonrural	Qwest Corporation
MOSES LAKE	9638	RBOC	Nonrural	Qwest Corporation
NEWMAN LAKE	9638	RBOC	Nonrural	Qwest Corporation
OLYMPIA	9638	RBOC	Nonrural	Qwest Corporation
OMAK	9638	RBOC	Nonrural	Qwest Corporation
OTHELLO	9638	RBOC	Nonrural	Qwest Corporation
PASCO	9638	RBOC	Nonrural	Qwest Corporation
PORT ORCH	9638	RBOC	Nonrural	Qwest Corporation
PT ANGELES	9638	RBOC	Nonrural	Qwest Corporation
PTTOWNSEND	9638	RBOC	Nonrural	Qwest Corporation
PUYALLUP	9638	RBOC	Nonrural	Qwest Corporation
RENTON	9638	RBOC	Nonrural	Qwest Corporation
RIDGEFIELD	9638	RBOC	Nonrural	Qwest Corporation
ROCHESTER	9638	RBOC	Nonrural	Qwest Corporation
ROY	9638	RBOC	Nonrural	Qwest Corporation

SEATTLE	9638	RBOC	Nonrural	Qwest Corporation
SHELTON	9638	RBOC	Nonrural	Qwest Corporation
SILVERDALE	9638	RBOC	Nonrural	Qwest Corporation
SPOKANE	9638	RBOC	Nonrural	Qwest Corporation
SUMNER	9638	RBOC	Nonrural	Qwest Corporation
TACOMA	9638	RBOC	Nonrural	Qwest Corporation
TACOMAWVL Y	9638	RBOC	Nonrural	Qwest Corporation
VANCOUVER	9638	RBOC	Nonrural	Qwest Corporation
WALLAWALL A	9638	RBOC	Nonrural	Qwest Corporation
WHATCOMCT Y	9638	RBOC	Nonrural	Qwest Corporation
YAKIMA	9638	RBOC	Nonrural	Qwest Corporation
DALLESFORT	4521	ILEC	Nonrural	United Telephone - Northwest dba CenturyLink - WA
GOLDENDALE	4521	ILEC	Nonrural	United Telephone - Northwest dba CenturyLink - WA
GRANDVIEW	4521	ILEC	Nonrural	United Telephone - Northwest dba CenturyLink - WA
MABTON	4521	ILEC	Nonrural	United Telephone - Northwest dba CenturyLink - WA
MATTAWA	4521	ILEC	Nonrural	United Telephone - Northwest dba CenturyLink - WA
POULSBO	4521	ILEC	Nonrural	United Telephone - Northwest dba CenturyLink - WA
PROSSER	4521	ILEC	Nonrural	United Telephone - Northwest dba CenturyLink - WA
SUNNYSIDE	4521	ILEC	Nonrural	United Telephone - Northwest dba CenturyLink - WA
TOPPENISH	4521	ILEC	Nonrural	United Telephone - Northwest dba CenturyLink - WA
WAPATO	4521	ILEC	Nonrural	United Telephone - Northwest dba CenturyLink - WA
WH SALMON	4521	ILEC	Nonrural	United Telephone - Northwest dba CenturyLink - WA
YELM	2453	ILEC	Nonrural	Ycom Networks Inc.

EXHIBIT B

SAMPLE LIFELINE ADVERTISING

FREE

CELLULAR PHONE
FREE MINUTES & TEXTS

250

anytime minutes
every month!

Receive a **FREE Cell Phone** and **250 Minutes** a month for **ALL** qualifying customers!



1-877-870-9444
www.ReachOutWireless.com

ReachOut
wireless

Complaints concerning Lifeline/Linkup service can be directed to the XXXXX Public Service Commission's Commissions Affairs Unit at XXX-XXX-XXXX.

FREE

CELLULAR PHONE
FREE MINUTES & TEXTS

125

anytime **ROLLOVER** minutes
every month!

**All unused minutes rollover
to the next month!**

Receive a **FREE Cell Phone** and **125 ROLLOVER Minutes** a month for **ALL** qualifying customers!



1-877-870-9444
www.ReachOutWireless.com

ReachOut
wireless

Complaints concerning Lifeline/Linkup service can be directed to the XXXXX Public Service Commission's Commissions Affairs Unit at XXX-XXX-XXXX.



IMPORTANT INFORMATION concerning Lifeline wireless service

Lifeline is a government assistance program. **Only one Lifeline service is available per household.** A violation of the one per household limitation constitutes a violation of the Federal Communication Commissions rules and will result in your de-enrollment from the program. **Your household is not permitted to receive multiple Lifeline benefits whether they be from one or multiple companies.** This includes wireline and wireless service. **Lifeline is a non-transferable benefit.** You may not transfer your benefit to any other person. **You must activate your service. You must use your phone to continue to receive service.** Should you not use your service for 60 days you will be de-enrolled. **Lifeline is a Federal benefit.** Willingly making false statements to obtain the benefit can result in fines, imprisonment, de-enrollment or being barred from the program. **Proof of eligibility is required and only eligible customers may enroll.** Proof may consist of eligible program card or statement benefits.

Nexus Communications Inc.

EXHIBIT C

NEXUS' FCC-APPROVED COMPLIANCE PLAN



Suite 800
1919 Pennsylvania Avenue NW
Washington, D.C. 20006-3401

Danielle Frappier
202.973.4242 tel.
daniellefrappier@dwf.com

VIA ECFS

December 4, 2012

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

**Re: WC Dockets 09-197 and 11-42
Third Amended Compliance Plan of Nexus Communications, Inc.**

Dear Secretary Dortch:

Pursuant to the Commission's *Lifeline Reform Order*,¹ please find attached the Third Amended Compliance Plan of Nexus Communications, Inc. ("Nexus").

The only edits made to the plan in this third amendment were made on page 12. Specifically, Nexus added the word "Nexus" in the first full sentence on that page, and it also added footnote 21, which reads "[a]ll third-party representatives are accountable to Nexus for purposes of compliance with state and federal Lifeline rules."

Nexus respectfully requests expedited approval of its Amended Compliance Plan. Please contact me if you have any questions regarding this filing.

Respectfully submitted,

A handwritten signature in blue ink that reads "Danielle Frappier".

Danielle Frappier

¹ *Lifeline and Link Up Reform and Modernization et al.*, WC Docket No. 11-42 *et al.*, Report and Order and Further Notice of Proposed Rulemaking, FCC 12-11 (rel. Feb. 6, 2012); *Wireline Competition Bureau Provides Guidance for the Submission of Compliance Plans Pursuant to the Lifeline Reform Order*, Public Notice, DA 12-314 (WCB rel. Feb. 29, 2012).

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of

Lifeline and Link Up Reform and
Modernization

Telecommunications Carriers Eligible to
Receive Universal Service Support

Nexus Communications, Inc. Petition for
Designation as an Eligible Telecommunications
Carrier for Low Income Support Only

WC Docket No. 11-42

WC Docket No. 09-197

THIRD AMENDED COMPLIANCE PLAN OF NEXUS COMMUNICATIONS, INC.

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Counsel to Nexus Communications, Inc.

December 4, 2012

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SUMMARY

Nexus Communications, Inc. (“Nexus”) hereby seeks to avail itself of the Commission’s grant of forbearance from the “own facilities” requirement by submission of this Amended Compliance Plan. Nexus is submitting simultaneously with this Amended Compliance Plan a Second Amendment to its pending Petitions for designation as an ETC. Nexus fully complies with all conditions of the recently-amended Lifeline rules and all pertinent conditions in the *Lifeline Reform Order*.

Nexus is technically and financially qualified to provide Lifeline service. Nexus became a CLEC in 2001 and received its first ETC designation in 2006. Nexus is designated as an ETC in 26 states and provides wireline service as an ETC in 13 states, and wireless service in 18 states. Nexus is successfully providing Lifeline-supported services and has a steadily increasing subscriber base. Nexus is financially stable and is fully capable of honoring its service obligations. Nexus offers Lifeline subscribers multiple wireless calling plans to choose from, which are detailed herein.

Nexus complies with the requirements pertaining to consumer qualifications for Lifeline set forth in new 47 C.F.R. § 54.409 and any state-specific requirements. More specifically, unless otherwise required under applicable state law, Nexus requires all subscribers to demonstrate eligibility based at least on: (1) household income at or below 135% of the Federal Poverty Guidelines; or (2) the household’s participation in one of the federal assistance programs listed in the Commission’s rules. Nexus confirms that neither the subscriber nor anyone else in the subscriber’s household is subscribed to a Lifeline service. This Amended Compliance Plan describes the procedures by which Nexus: (1) analyzes the eligibility of applicants to obtain Lifeline service; (2) obtains proof of eligibility from applicants; (3) certifies the eligibility of applicants; (4) collects the necessary information from applicants; (5) requires applicants to

certify as to their eligibility to receive Lifeline benefits; and (6) annually re-certifies all Lifeline subscribers. Nexus has included as an exhibit its Lifeline applications forms for wireline and wireless services.

Nexus' practices comply with the 911/E911 access conditions set forth in the *Lifeline Reform Order*. Specifically, Nexus provides its Lifeline subscribers with 911/E911 access at the time Lifeline service is initiated – regardless of activation status and availability of minutes – and provides its Lifeline subscribers with E911-compliant handsets. Nexus' practices provide access to 911/E911 services to the extent these services have been deployed by its underlying carrier. Nexus commits to continue these practices going forward.

Nexus has incorporated in its marketing materials for its Lifeline services, in clear, easily understood language, the various disclosures required by 47 C.F.R. § 54.405. Nexus has attached a representative sample of its marketing materials incorporating these disclosures.

Nexus shares the Commission's commitment to minimize waste, fraud and abuse of Lifeline benefits. Accordingly, Nexus has implemented procedures intended to prevent duplicate Lifeline benefits from being awarded to the same household or individual. These measures include practices intended to: (1) prevent duplicates within Nexus' subscriber base; (2) avoid reimbursement for any subscriber until the subscriber activates service; (3) ceasing reimbursement for subscribers who fail to use the service for a 60-day period; and (4) ensuring that Nexus provides only one Lifeline service per household.

As detailed below, Nexus' practices and procedures comply with the Commission's applicable Lifeline regulations and orders, and Nexus commits to continuing these practices going forward. Accordingly, Nexus respectfully requests expeditious approval of its pending Petitions and this Amended Compliance Plan.

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of

Lifeline and Link Up Reform and
Modernization

Telecommunications Carriers Eligible to
Receive Universal Service Support

Nexus Communications, Inc. Petition for
Designation as an Eligible Telecommunications
Carrier for Low Income Support Only

WC Docket No. 11-42

WC Docket No. 09-197

AMENDED COMPLIANCE PLAN OF NEXUS COMMUNICATIONS, INC.

Nexus Communications, Inc. (“Nexus”), through its undersigned counsel, hereby seeks to avail itself of the Federal Communications Commission’s (“Commission”) grant of forbearance from the “own facilities” requirement set forth in 47 U.S.C. § 214(e)(1)(A) by submission of this Amended Compliance Plan. Nexus’ Amended Compliance Plan is filed in accordance with the procedures established in the *Lifeline Reform Order*¹ and clarified the *Public Notice* issued by the Wireline Competition Bureau on February 29, 2012.² Nexus is submitting simultaneously

¹ *Lifeline and Link Up Reform and Modernization et al.*, WC Dockets No. 11-42 *et al.*, Report and Order and Further Notice of Proposed Rulemaking, FCC 12-11 (FCC, rel. Feb. 6, 2012) (“*Lifeline Reform Order*”). Nexus believes that there may still exist a good faith basis for it to continue to operate as a facilities-based carrier. Under the Commission’s recently amended regulations governing the Lifeline program, however, it appears that retaining its facilities-based status no longer provides any material benefits to Nexus or its subscribers. Should this change in the future, Nexus reserves the right to seek relief from the Commission to reinstate its status as a facilities-based carrier under applicable federal law. Nonetheless, Nexus acknowledges that its Amended Compliance Plan, once approved by the Commission, will apply in all states even if Nexus is deemed to operate as a facilities-based carrier in certain state(s).

² *Wireline Competition Bureau Provides Guidance for the Submission of Compliance Plans Pursuant to the Lifeline Reform Order*, Public Notice, DA 12-314 (WCB, rel. Feb. 29, 2012) (“*Public Notice*”).

with this Amendment Compliance Plan a Second Amendment³ to its pending Petitions for designation as an eligible telecommunications carrier (“ETC”).⁴

Nexus respectfully requests expeditious approval of its Petitions and its Amended Compliance Plan so it may continue to provide essential Lifeline service to eligible low-income subscribers in states where it currently operates and may provide eligible low-income consumers Lifeline wireless service options in additional states in the future. Nexus also requests expeditious approval of its Amended Compliance Plan because the company has filed an application to participate in the Commission’s Lifeline Broadband Pilot Program.

As set forth below, Nexus fully complies with all conditions set forth in the Commission’s recently-amended Lifeline rules and with all pertinent conditions set forth in the *Lifeline Reform Order*. This Amended Compliance Plan describes the measures Nexus has implemented in order to achieve full compliance with the Commission’s Lifeline rules and policies, and Nexus commits to continuing these practices going forward. For the convenience of the Commission, this Amended Compliance Plan follows the format established by the Wireline Competition Bureau in the *Public Notice*.

I. INFORMATION ABOUT NEXUS AND THE LIFELINE PLANS IT OFFERS

A. Company Information

Nexus is 100% owned by Steven Fenker, Nexus’ President. It is organized under Ohio law and is headquartered in Columbus, Ohio. Nexus has no holding company. Nexus owns

³ *Nexus Communications, Inc. Petition for Designation as an Eligible Telecommunications Carrier for Low Income Support Only*, Second Amendment to Petitions, WC Docket No. 09-197 (filed August 3, 2012).

⁴ *Petition of Nexus Communications, Inc. for Designation as an Eligible Telecommunications Carrier for Low Income Support Only*, Petition, WC Docket No. 09-197 (filed April 5, 2011; amended April 24, 2012 and further amended August 3, 2012); *Petition of Nexus Communications, Inc. for Designation as an Eligible Telecommunications Carrier for Low Income Support Only*, Petition, WC Docket No. 09-197 (filed June 3, 2011; amended April 24, 2012 and further amended August 3, 2012).

100% of Telecom Services, Inc., but that company does not provide telecommunications services.

Nexus operates its wireline business under the names TSI and TSI Telephone Company, and operates its wireless business under the name ReachOut Wireless.⁵

B. Nexus' Financial and Technical Capabilities to Provide Lifeline Service

Nexus has been in business since 2000. Nexus became a competitive local exchange carrier in 2001 and received its first ETC designation in June 2006. Nexus now focuses on providing service to low-income consumers. Nexus initially began providing its services over wireline technology, and has responded to strong subscriber demand by offering wireless technology as well. Nexus was one of the first telecommunications providers to recognize the low-income market segment as a business opportunity rather than a regulatory burden. Its success in the market is based on its willingness to tailor its services to the specific needs of low-income consumers, including the budget management tools and mobility that prepaid wireless services provide.

Nexus has been designated as an ETC in a total of 26 states.⁶ It provides wireline service as an ETC in 13 states,⁷ and wireless service as an ETC in 18 states.⁸ Nexus does not seek, and

⁵ Nexus' wireline facilities differ from its wireless operations and Nexus believes that its wireline facilities continue to meet the "own facilities" requirements of 47 U.S.C. § 214(e)(1)(A) even after the recent Commission orders and amendments to the statute implementing regulation found at 47 C.F.R. § 54.101. Nevertheless, there is now little practical difference between having facilities-based and forbearance status. In light of the foregoing and the fact that Nexus is a single entity with both wireline and wireless operations, Nexus has determined that for purposes of its own administrative convenience, it seeks forbearance for all of Nexus' operations—both wireline and wireless.

⁶ Those states are Alabama, Arkansas, California, Florida, Georgia, Illinois, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Michigan, Mississippi, Missouri, Nevada, New Jersey, North Carolina, Ohio, Oklahoma, Rhode Island, South Carolina, Tennessee, Texas, West Virginia and Wisconsin.

⁷ Those states are Alabama, Arkansas, Illinois, Kansas, Louisiana, Michigan, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas and Wisconsin. Although Nexus has been designated a wireline ETC in Florida and Kentucky, it currently only provides services on a resold basis in these states. In other words, Nexus resells the wireline services of an ILEC, which passes through a Lifeline discount on the wholesale line it sells to Nexus. Nexus does not file FCC Form 497s for its

will not accept, High Cost support in any of those states. Nexus is successfully providing Lifeline supported services in these states and has a steadily increasing subscriber base. Nexus' management has many years of experience in the telecommunications industry. Nexus' President Steven Fenker has held management positions in the telecommunications industry for 28 years. Also part of the Nexus' senior management team is Mark Deek, who has 15 years of experience in the telecommunications industry, with particular expertise in intercarrier relations, and subscriber care and billing database management.

In order to provide wireless Lifeline services, Nexus purchases wireless minutes from a national carrier (Verizon Wireless) that is widely-recognized for the quality and reliability of its wireless network. Nexus supplements this robust wireless network with its own network facilities, back-office and operations support systems, which Nexus operates and are ideally suited to serve lower revenue subscribers. Nexus has made a significant financial investment to evaluate, design, develop and integrate these systems. With respect to this network investment, Nexus owns and operates its own switching and other facilities located in the state of Ohio, which are housed in a Tier IV co-location facility.⁹

Nexus has good relationships with the commissions in the states in which it operates. Moreover, Nexus is financially stable and fully capable of honoring its service obligations to subscribers and federal and state regulatory obligations. Although Nexus currently derives the

wireline operations in these states. Nevertheless, Nexus seeks forbearance for its ETC designations in Florida and Kentucky.

⁸ Those states are Arkansas, California, Georgia, Iowa, Illinois, Kansas, Louisiana, Maine, Maryland, Michigan, Mississippi, Missouri, Nevada, New Jersey, Ohio, Rhode Island, West Virginia and Wisconsin.

⁹ Because Nexus owns and operates its own network facilities, Nexus reserves the right to demonstrate to a state public utilities commission that it provides service using its own facilities in a state for purposes of a state-level universal service funding under state program rules and requirements. Nonetheless, as explained in note 1, Nexus acknowledges that its Amended Compliance Plan, once approved by the Commission, will apply in all states even if Nexus is deemed to operate as a facilities-based carrier in certain state(s).

majority of its revenue from the sale of prepaid wireless services, Nexus does not rely exclusively on disbursements from the Lifeline program to operate. For example, Nexus derives additional revenue from the sale of wireline and wireless services to non-Lifeline subscribers, and the sale of optional replenishment airtime and text minutes.

C. Geographic Area of Nexus' Service Offerings

Nexus first began providing wireline ETC service in the second quarter of 2006 and the company now provides this service in the following states: Alabama, Arkansas, Illinois, Kansas, Louisiana, Michigan, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas and Wisconsin. Further, it provides wireline Lifeline service on a resold basis in Florida and Kentucky.¹⁰

In the second quarter of 2009, Nexus began to offer wireless services in recognition of the high demand for such services in the communities it services. Consumers indicated a strong preference for mobile wireless services and Nexus has worked to satisfy this demand by growing and investing in wireless technology. Nexus' wireless offerings have been very successful with low-income consumers and the company now provides prepaid wireless ETC service in the following states: Arkansas, California, Georgia, Iowa, Illinois, Kansas, Louisiana, Maine, Maryland, Michigan, Mississippi, Missouri, Nevada, New Jersey, Ohio, Rhode Island, West Virginia and Wisconsin.¹¹

D. Nexus' Lifeline Service Plans

Nexus offers the following prepaid wireless service plans for its Lifeline subscribers:

¹⁰ See *supra* note 7. Nexus will comply with the requirements listed at the newly-revised 47 C.F.R. § 54.417(c) for resellers for its resale operations in Florida and Kentucky. To the extent that Nexus avails itself of its ETC status in these states, it will comply with all applicable Commission rules.

¹¹ Nexus received wireless ETC authority in Oklahoma on March 21, 2012. However, Nexus does not intend to launch wireless service in Oklahoma until it has secured approval of its Amended Compliance Plan from the Commission.

250 Minute Plan (non-rollover) (all states except California): Minutes are “anytime” minutes and can be used for domestic calls, including local or intrastate/interstate long distance calls. Unused minutes or domestic Short Message Service (“SMS”) text messages do not carry over to the following month. SMS text messaging is available at a rate of one text per minute of airtime.

125 Minute Plan (rollover) (all states except California): Minutes are “anytime” minutes and can be used for domestic calls, including local or intrastate/interstate long distance calls. Unused minutes or domestic SMS text messages carry over to the following month. SMS text messaging is available at a rate of one text per minute of airtime.

68 Minute Plan (rollover) (all states except California): Minutes are “anytime” minutes and can be used for domestic calls, including local or intrastate/interstate long distance calls. Unused minutes or domestic SMS text messages carry over to the following month. Domestic SMS text messaging is available at a rate of two text messages per each minute of airtime. Nexus does not actively market the 68 Minute Plan and, although technically still available to subscribers because it was part of the offerings approved by the relevant state commissions, it is rarely selected except by a few subscribers who infrequently use voice service and more frequently send text messages,

California 250 Minute Plan: Minutes are “anytime” minutes and can be used for domestic calls, including local or intrastate/interstate long distance calls. Unused minutes or SMS text messages do not carry over to the following month. Domestic SMS text messaging is available at a rate of one text message per each minute of airtime. There is a minimum out-of-pocket charge of \$2.50 per month.

California 500 Minute Plan: Minutes are “anytime” minutes and can be used for domestic calls, including local or intrastate/interstate long distance calls. Unused minutes or SMS text messages do not carry over to the following month. Domestic SMS text messaging is available at a rate of one text message per each minute of airtime. There is a minimum out-of-pocket charge of \$5.00 per month.

California 1000 Minute Plan: Minutes are “anytime” minutes and can be used for domestic calls, including local or intrastate/interstate long distance calls. Unused minutes or SMS text messages do not carry over to the following month. Domestic SMS text messaging is available at a rate of one text message per each minute of airtime. There is a minimum out-of-pocket charge of \$20.00 per month.

All plans include at no extra charge one E911-compliant handset and “anytime” nationwide minutes that can be used for domestic calls, including local or intrastate/interstate long distance calls.

Nexus’ Lifeline subscribers in states other than California may purchase additional minutes on a prepaid basis in denominations of \$3.00 (20 minutes), \$5.00 (40 minutes), \$10.00

(120 minutes), \$20.00 (300 minutes), \$30.00 (500 minutes) and \$50.00 (950 minutes). Nexus also offers an unlimited talk and text additional airtime card. This card provides unlimited local and domestic long distance calling, and unlimited text messaging for thirty (30) calendar days. The cost to Lifeline subscribers is \$26.50.

Nexus' California subscribers may purchase additional minutes on a prepaid basis in denominations of \$3.00 (91 minutes), \$5.00 (152 minutes), \$10.00 (304 minutes), \$20.00 (607 minutes), \$30.00 (910 minutes) and \$50.00 (1,516 minutes), all billed at \$0.033 per minute. All minutes are valid for 30 days from date of replenishment. Nexus' California subscribers may also purchase the unlimited talk and text additional airtime card.

International SMS text messaging is available at a rate of \$0.20 for each international text sent or received. The rate for directory assistance calls is \$1.50 per request. Nexus permits Lifeline subscribers to block international calls at no additional charge. There is no deduction of minutes for calls to 911 or Nexus' subscriber service department.

Calls from the handset for checking or retrieving voicemails count against the voice minutes provided by the plan. Calls from a source other than the handset checking or retrieving voicemail messages and incoming calls that leave a voicemail message are free to Nexus subscribers. Calls to 911 emergency services are always free, and may be made regardless of service activation or availability of minutes.

E. Other Certifications Required by 47 C.F.R. § 54.202

The *Public Notice* requires carriers to include certifications required under recently amended 47 C.F.R. § 54.202. Nexus hereby certifies that it does and will continue to comply with the service requirements applicable to the support it receives.¹² Specifically, Nexus' Lifeline services: (i) include voice telephony services that provide voice grade access to the

¹² 47 C.F.R. § 54.202(a)(1).

public switched network or its functional equivalent; (ii) provide subscribers with a defined number of minutes of usage for local service at no additional charges, as described above in Section I(D); (iii) provide subscribers with access to the emergency services provided by local government or other public safety organizations, such as 911/E911 to the extent the local government in Nexus' service area has implemented 911/E911 systems, as described below in Section III; and (iv) toll limitation for qualifying low-income consumers.¹³

II. NEXUS' COMPLIANCE WITH NEW COMMISSION RULES RELATING TO DETERMINATIONS OF SUBSCRIBER ELIGIBILITY FOR LIFELINE SERVICES

Nexus complies with the requirements pertaining to consumer qualifications for Lifeline set forth in section 54.409 of the Commission's rules¹⁴ and any state-specific requirements in the various states in which Nexus has been (or will be) designated an ETC. More specifically, Nexus requires all subscribers to demonstrate eligibility based at least on: (1) household income at or below 135% of the Federal Poverty Guidelines for a household of that size; or (2) the household's participation in one of the federal assistance programs listed in 47 C.F.R. § 54.409(a)(2) or 47 C.F.R. § 54.409(a)(3). Nexus also confirms that the subscriber is not already receiving a Lifeline service and that no one else in the subscriber's household is subscribed to a Lifeline service.¹⁵

¹³ Toll limitation means both toll blocking and toll control, or, if a carrier is not capable of providing both toll blocking and toll control, then toll limitation is defined as either toll blocking or toll control. Nexus will meet the requirement to provide toll limitation to Lifeline subscribers by offering service on a prepaid, or pay-as-you-go, basis, as well as toll blocking for international calls. As the Commission found in its grant of ETC designation to Virgin Mobile, "the prepaid nature of [a prepaid wireless carrier's] service offering works as an effective toll control." *Virgin Mobile USA, L.P. Petition for Forbearance from 47 U.S.C. § 214(e)(1)(A)*, Order, 24 FCC Rcd 3381, 3394 at ¶ 34 (2009). Moreover, Nexus will provide traditional toll blocking for international calls to qualifying low-income consumers at no additional charge. Nexus also provides its users with the ability to monitor their minute usage and balance as an additional means of controlling their communications budget.

¹⁴ 47 C.F.R. § 54.509.

¹⁵ 47 C.F.R. § 54.409(c).

Nexus uses a variety of outreach programs for its Lifeline supported services, which include direct mail, Internet advertising, and radio and television advertising. Nexus also reaches potential subscribers through retail marketing, including kiosks and point-of-sale promotional materials located in third-party retail establishments, as well as one retail establishment owned by Nexus. Each channel is intended to induce potential subscribers to contact Nexus either in person, over the Internet or by telephone. Although the logistics of the enrollment process varies somewhat for each channel as is further described below, in all cases, Lifeline applicants are thoroughly screened to ensure that they are qualified before a handset is delivered.

A. Nexus' Procedures to Determine Consumer Eligibility for the Lifeline Program

Analysis of Lifeline Eligibility. If Nexus cannot determine an applicant's eligibility for Lifeline by accessing income or program eligibility databases, Nexus personnel (either employees, third-party subscriber service representatives or authorized agents in third-party retail establishments) review documents to establish eligibility in accordance with the criteria set forth in 47 C.F.R. § 54.409. All Nexus personnel who interact with existing Lifeline subscribers or Lifeline applicants have been fully trained in assisting Lifeline applicants with Lifeline eligibility. All Nexus personnel and authorized third-party representatives have been trained to answer questions about Lifeline requirements, and how to review required documentation to determine whether it satisfies the *Lifeline Reform Order* and state-specific eligibility requirements using state specific checklists. That being said, the final review and determination of the sufficiency of documentation is conducted by Nexus employees or authorized agents directly trained by Nexus employees. All Nexus personnel and authorized third-party representatives involved in enrolling Lifeline applicants have been trained on the Commission's

revised Lifeline eligibility rules and Nexus' practices and policies designed to implement these new rules.

Proof of Lifeline Eligibility. Nexus follows the Commission's requirements pertaining to acceptable documentation to establish eligibility based either on income level or participation in a qualified government assistance program. Specifically, acceptable documentation of program eligibility includes: (1) the current or prior year's statement of benefits from a qualifying state, federal or Tribal program; (2) a notice letter of participation in a qualifying state, federal or Tribal program; (3) program participation documents (*e.g.*, the consumer's Supplemental Nutrition Assistance Program ("SNAP") electronic benefit transfer card or Medicaid participation card (or copy thereof); or (4) another official document evidencing the consumer's participation in a qualifying state, federal or Tribal program.¹⁶ Acceptable documentation of income eligibility includes: (1) the prior year's state, federal, or Tribal tax return; (2) current income statement from an employer or paycheck stub; (3) a Social Security statement of benefits; (4) a Veterans Administration statement of benefits; (5) a retirement/pension statement of benefits; (6) an Unemployment/Workers' Compensation statement of benefit; (7) federal or Tribal notice letter of participation in General Assistance; (8) or a divorce decree, child support award, or other official document containing income information. If the applicant presents Nexus with documentation of income that does not cover a full year, the applicant must present the same type of documentation covering three consecutive months within the previous twelve months.¹⁷

Nexus subscribers may provide the documentation in person, via fax or e-mail, or they may mail copies to Nexus. Nexus maintains detailed, accurate records identifying the data

¹⁶ *Lifeline Reform Order* at ¶ 101.

¹⁷ 47 C.F.R. § 54.410(b)(1)(i)(B).

source used to determine a subscriber's eligibility or the documentation the subscriber provided to demonstrate eligibility for Lifeline. The specifically-trained personnel in charge of reviewing all incoming Lifeline applications examine and electronically record in its subscriber service and billing database the type of documentation presented by each prospective Lifeline subscriber,¹⁸ including the date of review, the identity of the documentation, the type of media (e.g., paper, electronic card, etc.), and the issuance and/or expiration date of the documentation. Nexus' database includes separate data entry fields for this information, eliciting a response for each type of information, and will reject the order if any such field is not completed. If an applicant is unable to provide documentary proof of eligibility based on either household income level or current participation in a qualified program, Nexus denies that application.

B. Nexus' Procedures for Subscriber Certifications

In the *Lifeline Reform Order*, the Commission established a path for a transition to a national, governmental database that will be used to confirm the initial and continued eligibility of a Lifeline applicant or subscriber.¹⁹ Nexus will utilize that database when it becomes operational.²⁰ Until that time, however, Nexus will continue to adhere to the following procedures for enrolling prospective subscribers into the Lifeline program.

Nexus has implemented certification procedures that enable prospective subscribers to demonstrate their eligibility by contacting Nexus either in person or by telephone, facsimile, over the Internet, or other electronic transmission. The personnel involved in enrolling Lifeline applicants verbally recite the certifications to Lifeline applicants where when enrolling in person

¹⁸ 47 C.F.R. § 54.410(b)(1)(ii) - (iii); 47 C.F.R. § 54.410(c)(1)(ii)-(iii).

¹⁹ *See Lifeline Reform Order* at ¶ 403.

²⁰ On its new certification forms that were revised to encompass the requirements of the Commission's *Lifeline Reform Order*, Nexus obtains consent from each applicant to provide "any records required" for the administration of the Lifeline program including so that such information may be used in a Lifeline database. In order to ensure that it has the same consent from subscribers that applied using prior Nexus forms, Nexus has included nearly identical language on its annual re-certification forms and scripts.

or over the phone. In any retail locations (except those with kiosks), Nexus' authorized third-party representatives²¹ initially examine the qualifying documentation in person (which documentation will be forwarded to Nexus personal specifically trained in reviewing Lifeline qualifying documentation for further review) or, if the applicant does not have the documentation at the time, direct the applicant to supply the documentation via fax, mail or email. All applicants who do not have the requisite documentation at the time are informed that their Lifeline application will not be processed until the applicant provides the required documentary proof of eligibility. Prospective subscribers who do not complete Nexus' Lifeline Application in person must return the signed document and eligibility documentation to Nexus by mail, facsimile, electronic mail or other electronic transmission. Nexus accepts electronic signatures that meet the requirements of the Electronic Signatures in Global and National Commerce Act, 15 U.S.C. §§ 7001-7006 and any applicable state laws.²²

Each prospective subscriber is required to complete and sign Nexus' "Lifeline Application." Samples of this document are provided as Exhibit 1. Nexus has modified its Lifeline Application as necessary for use in certain states that have specific requirements, such as additional qualifying programs, but the operative language of Exhibit 1 will remain constant. Nexus's Lifeline Application conforms to the requirements of the *Lifeline Reform Order*, 47 C.F.R. § 54.410(d) and 47 C.F.R. § 54.405.

Information Collected. Nexus collects the following information from prospective subscriber in its Lifeline Application form: (1) the subscriber's full name; (2) the subscriber's full residential address (P.O. Boxes are not permitted); (3) whether the residential address is permanent or temporary; (4) the subscriber's billing address, if different; (5) the subscriber's date

²¹ All third-party representatives are accountable to Nexus for purposes of compliance with state and federal Lifeline rules.

²² See *Lifeline Reform Order* at ¶ 168; 47 C.F.R. § 54.419.

of birth; (6) the last four digits of the subscriber's Social Security number (or Tribal identification number if the subscriber is a member of a Tribal nation and does not have a Social Security number²³); (7) if the subscriber is seeking to qualify for Lifeline under the program-based criteria, the name of the qualifying assistance program from which the subscriber, or his or her dependents, or his or her household receives benefits; and (8) if the subscriber is seeking to qualify for Lifeline under the income-based criterion, the number of individuals in his or her household.²⁴

Applicant Certifications. In accordance with 47 C.F.R. § 54.410(d), in its Lifeline Application, Nexus requires all Lifeline applicants to certify, under penalty of perjury, that: (1) the subscriber meets the income- or program-based eligibility criteria for receiving Lifeline; (2) the subscriber will notify Nexus within 30 days if, for any reason, he or she no longer satisfies the criteria for receiving Lifeline including, as relevant, if the applicant no longer meets the income- or program-based criteria for receiving Lifeline support, the subscriber is receiving more than one Lifeline benefit, or another member of the subscriber's household is receiving a Lifeline benefit; (3) if the subscriber is seeking to qualify for Lifeline as an eligible resident of Tribal lands, that he or she lives on Tribal lands;²⁵ (4) if the subscriber moves to a new address, that he or she will provide that new address to Nexus within 30 days; (5) if the subscriber provided a temporary residential address to Nexus, the subscriber will be required to verify his or her temporary residential address every 90 days; (6) the subscriber's household will receive only one Lifeline service and, to the best of the applicant's knowledge, the subscriber's household is not already receiving a Lifeline service; (7) the information contained in the subscriber's

²³ Nexus will only include language regarding a Tribal identification number on forms used in states with Tribal areas.

²⁴ 47 C.F.R. § 54.410(d)(2).

²⁵ Because Nexus' designated service includes only two states with Tribal lands (Oklahoma and Rhode Island), only Nexus' Lifeline Application specifically for those states include this certification.

application/certification form is true and correct to the best of the subscriber's knowledge; (8) the subscriber acknowledges that providing false or fraudulent information to receive Lifeline benefits is punishable by law; and (9) the subscriber acknowledges that he or she may be required to re-certify his or her continued eligibility for Lifeline at any time, and that his or her failure to re-certify as to continued eligibility will result in de-enrollment and the termination of the subscriber's Lifeline benefits, and (10) that the applicant authorizes Nexus to access any state or federal records or database to verify his or her eligibility, and authorizes Nexus to release any records required for administration of the program, including to USAC to be used in the national Lifeline database and that failure to so authorize Nexus will result in a denial of Lifeline benefits.²⁶ The Lifeline Application also describes the information that is transmitted, that the information is being transmitted to USAC to ensure the proper administration of the Lifeline program and that failure to provide consent will result in the applicant being denied the Lifeline service. Prospective applicants must affirmatively certify to each of these certifications in order for the application process to move forward, including those applying online. For those applying online, Nexus' website does not permit the applicant to submit the application unless all certifications have been completed. Subscribers also may certify via interactive voice response ("IVR"), which is then saved as a recorded file and saved in the subscriber's account in Nexus' subscriber care and billing system.

In accordance with 47 C.F.R. § 54.410(d)(1), Nexus' Lifeline Application discloses the following information: (1) Lifeline is a federal benefit and willfully making false statements to obtain the benefit can result in fines, imprisonment, de-enrollment or being barred from the program; (2) only one Lifeline service is available per household; (3) a household is defined, for purposes of the Lifeline program, as any individual or group of individuals who live together at

²⁶ See Exhibit 1.

the same address and share income and expenses; (4) a household is not permitted to receive Lifeline benefits from multiple providers; (5) violation of the one-per-household limitation constitutes a violation of the Commission's rules and will result in the subscriber's de-enrollment from the program; and (6) Lifeline is a non-transferable benefit and the subscriber may not transfer his or her benefit to any other person.²⁷

Finally, in accordance with 47 C.F.R. § 54.405(c), Nexus' Lifeline Application indicates, using easily understood language, (1) that the service is a Lifeline service; (2) that Lifeline is a government assistance program; (3) that the service is non-transferrable; (4) that only eligible consumers may enroll in the program; and (5) that the program is limited to one discount per household.²⁸

C. Nexus' Procedures for Annual Re-certification of Lifeline Subscribers

In accordance with the requirements of the *Lifeline Reform Order* and 47 C.F.R. § 54.410(f), Nexus annually recertifies all of its Lifeline subscribers by either (1) querying the appropriate eligibility or income databases, confirming that the subscriber continues to meet the program- or income-based eligibility requirements for Lifeline and documenting the results of that review, or (2) obtaining a signed certification from the subscriber that meets the certification requirements set forth in 47 C.F.R. § 54.410(d). Nexus' annual re-certification form includes a confirmation from the subscriber that the applicant's household receives only one Lifeline benefit and, to the best of the subscriber's knowledge, the subscriber's household is receiving no more than one Lifeline benefit. Additionally, Nexus' re-certification materials inform the subscriber that he or she is being contacted to re-certify his or her continuing eligibility for Lifeline and if the subscriber fails to respond, he or she will be de-enrolled in the program.

²⁷ *Id.*

²⁸ *Id.*

For 2012, Nexus began re-certifying the eligibility of its Lifeline subscriber base on June 1, 2012 on a rolling basis. Nexus will complete this process by the end of 2012 and will report the results to USAC by January 31, 2012.²⁹ Nexus will notify its subscribers in writing that a failure to respond to the re-certification request will result in de-enrollment in the Lifeline program.³⁰ Nexus will de-enroll subscribers who do not respond to the annual re-certification or fail to provide proof of continued eligibility in accordance with the procedures set forth in 47 C.F.R. § 54.405(e)(4).

III. NEXUS' COMPLIANCE WITH THE FORBEARANCE CONDITIONS RELATING TO PUBLIC SAFETY AND 911/E911 ACCESS

Nexus' practices comply with the 911/E911 access conditions set forth in paragraph 373 of the *Lifeline Reform Order*. Specifically, Nexus: (1) provides its Lifeline subscribers with 911/E911 access at the time Lifeline service is initiated, regardless of activation status and availability of minutes, and (2) provides its Lifeline subscribers with E911-compliant handsets and replaces, at no additional charge to the subscriber, noncompliant handsets of Lifeline-eligible subscribers who obtain Lifeline-supported services. Nexus' practices provide access to 911/E911 services to the extent that these services have been deployed by its underlying wireless carrier. Nexus commits to continue these practices going forward.

Nexus will provide its Lifeline subscribers with access to 911/E911 services immediately upon activation of service. The Commission and consumers are assured that all Nexus subscribers will have available access to emergency calling services at the time that Lifeline service is initiated, and that such 911/E911 access will be available from Nexus handsets even if the account associated with the handset has no minutes remaining.

²⁹ *Lifeline Reform Order* at ¶ 130.

³⁰ *Id.* at ¶ 142.

Nexus' existing practices currently provide access to 911/E911 services for all subscribers. Nexus uses Verizon Wireless as its underlying network carrier. Verizon Wireless routes 911 calls from Nexus' subscribers in the same manner as 911 calls from Verizon Wireless' own retail subscribers. To the extent that Verizon Wireless is certified in a given PSAP territory, this 911 capability functions in the same manner for Nexus and its subscribers. Nexus also currently enables 911 emergency calling services for all properly activated handsets regardless of whether the account associated with the handset is active or suspended.

Nexus will ensure that all handsets used in connection with its Lifeline service offering will be E911-compliant. Indeed, Nexus' handsets have always been E911-compliant. All Nexus handsets undergo a thorough quality inspection by Nexus prior to being distributed to subscribers. All Nexus handsets are required to meet Nexus' handset specifications, which ensure that the handset models meet all E911 requirements. As a result, any existing Nexus subscriber that qualifies for and subsequently elects Lifeline service will already have an E911-compliant handset provided by Nexus. Additionally, any new subscriber that qualifies for and enrolls in Nexus' Lifeline program is assured of receiving an E911-compliant handset as well, free of charge.

IV. NEXUS' COMPLIANCE WITH THE COMMISSION'S MARKETING AND DISCLOSURE REQUIREMENTS FOR PARTICIPATION IN THE LIFELINE PROGRAM

Nexus has incorporated into its marketing materials for its Lifeline services, in clear, easily understood language: (1) that the service and supported by Lifeline, a government program; (2) that only eligible consumers may enroll in the program; (3) what documentation is necessary for enrollment; (4) that the benefit is limited to one per household and is non-transferrable; (5) that consumers who willfully make false statements in order to obtain the

benefit can be punished by fine or imprisonment or can be barred from the program.³¹ Nexus also discloses its name (the ETC) on all marketing materials.³² A representative sample of Nexus' revised marketing materials incorporating these disclosures is attached as Exhibit 2.

V. NEXUS' PROCEDURES AND EFFORTS TO PREVENT WASTE, FRAUD AND ABUSE IN CONNECTION WITH LIFELINE FUNDS

Nexus shares the Commission's commitment to minimize waste, fraud and abuse of Lifeline benefits. According, Nexus has implemented a variety of measures and procedures intended to prevent duplicate Lifeline benefits from being awarded to the same household or individual.

Prevention of Duplicates within Nexus' Subscriber Base. Lifeline applications to Nexus that are preliminarily deemed eligible are submitted to a data entry process, including verifying the address against the United States Postal Service database file of valid U.S. addresses. A Lifeline applicant's address, name, and the last four digits of his or her social security number are then queried against all of Nexus' active Lifeline subscribers (both wireline and wireless), in all states in which Nexus operates. If it is found that Nexus is already providing Lifeline service to the same subscriber or household, the application is rejected. Nexus commits to continuing these practices going forward.

Service Activation. Nexus ships handsets to qualified subscribers using FedEx's SmartPost delivery service and retains written confirmation that delivery was completed. Nexus does not seek reimbursement for Lifeline service for any subscriber until the subscriber activates the service, which may be done by taking such actions as dialing an outbound call.³³ Nexus will use the date of this first completed outbound call from its call records as the subscriber's

³¹ *Lifeline Reform Order* at ¶ 275; 47 C.F.R. § 54.405(c).

³² *Lifeline Reform Order* at ¶ 275; 47 C.F.R. § 54.405(d).

³³ Currently, the only form of activation that Nexus accepts is the placement of an outbound call.

effective start date for the purposes of determining the subscriber's enrollment date in the Lifeline program.

Non-Usage Policy. From the beginning of its wireless operations in 2009, Nexus voluntarily adopted a policy whereby a subscriber who has not used his or her handset within 60 days is de-enrolled from the Lifeline program (after a 30-day notice period). Upon de-enrollment, Nexus ceases seeking Lifeline reimbursements for that subscriber. Nexus' non-usage policy ensures that only subscribers who actually utilize their wireless service continue to receive Lifeline-subsidized service, and that Nexus only receives Lifeline support for those subscribers who remain enrolled in the program. Nexus commits to continuing this practice in conformance with the requirements of 47 C.F.R. § 54.405(e)(3).

Specifically, after 60 days of non-use,³⁴ Nexus provides notice to the subscriber that failure to use the Lifeline service or provide other confirmation to Nexus that the subscriber wishes to retain his or her Lifeline service within 30 days from the date of the de-enrollment notice will result in de-enrollment from the Lifeline program.³⁵ Nexus will not request further Lifeline reimbursement for any de-enrolled subscriber and Nexus will report annually to the Commission the number of subscribers de-enrolled for non-usage by month.³⁶

De-Enrollment and Disconnection. Nexus subscribers may easily de-enroll from Lifeline or disconnect their service altogether. There is a link on the home page of Nexus' website www.reachoutmobile.com for de-enrollments and disconnections. This link permits subscribers to de-enroll from Lifeline and either subscribe to a non-Lifeline service or cancel

³⁴ Subscribers can "use" the service by: (1) completing an outbound call; (2) purchasing minutes from Nexus to add to the subscriber's plan; (3) answering an incoming call from a party other than Nexus; or (4) responding to a direct contact from Nexus confirming that the subscriber wants to continue receiving the service. 47 C.F.R. § 54.407(c)(2).

³⁵ 47 C.F.R. § 54.405(e)(3).

³⁶ 47 C.F.R. § 54.405(e)(3).

their service altogether. Subscribers may also de-enroll or disconnect their service by calling Nexus' customer service call center.

One Per Household Rule. Nexus has implemented policies and practices in accordance with the Commission's rules and the *Lifeline Reform Order* to ensure that it provides only one Lifeline service per household. As described above, Nexus has already implemented procedures to ensure that Nexus itself only provides one Lifeline service per household. When the National Lifeline Accountability Database becomes available, Nexus will fully comply with the requirements of 47 C.F.R. § 54.404 and utilize the database to determine if an applicant is currently receiving Lifeline benefits from another carrier or if another person residing at the applicant's residential address is receiving Lifeline benefits. Nexus also will retain the following data: the date Nexus queried the duplicates database; the date and information Nexus transmitted to the database; the date of transmission of updated subscriber information to the database; the date of transmission of subscriber de-enrollment to the database; the date and database upon which Nexus determined income-based eligibility; state Lifeline administrator documentation of subscriber eligibility, and subscriber's certification of eligibility; the notice of program-certification and subscriber self-certification, when performed by a state agency or state Lifeline administrator.

Nexus has also instructed its customer service representatives to explain the one-per-household requirement to prospective and existing subscribers, including explaining that the brands Safelink Wireless, Assurance Wireless, i-wireless, Stand-Up Wireless, Budget Mobile and TAG Mobile are Lifeline services. If Nexus has a reasonable basis to believe that one of its Lifeline subscribers no longer meets the eligibility criteria, for example, due to a violation of the one-per-household rule, Nexus initiates its termination process in accordance with the procedures

set forth in 47 C.F.R. § 54.405(e)(1). Nexus will also maintain the results of each state administrator's certification efforts for each subscriber in that state where a state administrator or agency is responsible for re-certification and where a state has been unable to re-certify a subscriber, Nexus will keep the record and comply with the relevant de-enrollment procedures.

VI. CONCLUSION

Nexus submits that the foregoing Amended Compliance Plan fully satisfies the conditions set forth in the *Lifeline Reform Order*, the *Public Notice* and in the Commission's rules pertaining to Lifeline. Accordingly, Nexus respectfully requests expeditious approval of its pending ETC Petitions and this Amended Compliance Plan so that Nexus may continue to provide essential Lifeline service to eligible low-income subscribers in states where it currently operates and may provide eligible consumers Lifeline wireless service options in additional states. Nexus also requests expeditious approval of its Amended Compliance Plan because the company has filed an application to participate in the Commission's Lifeline Broadband Pilot Program.

Respectfully submitted,



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Counsel to Nexus Communications, Inc.

December 4, 2012

Exhibit 1

Lifeline Applications

Fax to: 1-877-870-9333 **Email to:** enroll@reachoutmobile.com or
Mail to: ReachOut Wireless, PO Box 247168, Columbus, OH 43224-7168



___ **125 FREE Rollover Minutes** ___ **250 FREE Non-Rollover Minutes**

I certify that my household income is at or below 135% of the Federal Poverty Guidelines as indicated below:

Eligibility for Lifeline may apply if your household income is at or below 135% of the Federal Poverty Guidelines for a household of that size. Indicate which income range applies to you in the chart. You must provide proof of eligibility based on income, which can include: <ul style="list-style-type: none"> Last year's federal or state tax return Current income statement from an employer or paycheck stub (must cover 3 consecutive months within the previous 12 months) A Social Security statement of benefits A retirement/pension statement of benefits An Unemployment/Workers' Compensation statement of benefit Federal notice letter of participation in General Assistance Divorce decree, child support award or other official document containing income information 	Check or Complete	Persons in Household	Annual Income	Monthly Income
	<input type="checkbox"/>	1	\$15,080	\$1,257
<input type="checkbox"/>	2	\$20,426	\$1,702	
<input type="checkbox"/>	3	\$25,772	\$2,148	
<input type="checkbox"/>	4	\$31,118	\$2,593	
<input type="checkbox"/>	5	\$36,464	\$3,039	
<input type="checkbox"/>	6	\$41,810	\$3,484	
<input type="checkbox"/>	7	\$47,156	\$3,930	
<input type="checkbox"/>	8	\$52,502	\$4,375	
<input type="checkbox"/> # in household	For each add'l person, add:	\$5,346	\$446	

Last Name: _____ First Name: _____ Middle Initial: _____

Last 4 digits of Soc. Security #: _____ Date of Birth: _____

Residential Address: _____ Apt. _____ City: _____ State: _____ Zip: _____

(no P.O. Box for res. address) This is my (check one): _____ Permanent Address _____ Temporary Address

If you move, you must update your residential address with ReachOut Wireless within 30 days.

Billing Address (if different): _____ Apt. _____ City: _____ State: _____ Zip: _____

I certify that:

- ___ I acknowledge that Lifeline is a government assistance program and that willfully making false statements to obtain the benefit can result in fines, imprisonment, de enrollment or being barred from the program.
- ___ I acknowledge that only Lifeline eligible consumers may enroll in the Lifeline Program.
- ___ I acknowledge that only one Lifeline service is available per household, and that, to the best of my knowledge, no other person in my household is receiving a Lifeline service. (For purposes of Lifeline, a "household" is any individual or group of individuals who live together at the same address and share income and expenses.)
- ___ I acknowledge that a household is not permitted to receive Lifeline benefits from multiple providers and that violation of this limitation constitutes a violation of the rules of the Federal Communications Commission and will result in de-enrollment from the Lifeline program. If I am participating in another Lifeline program at the time I apply for ReachOut Wireless Lifeline service, I agree to cancel that Lifeline service with any other provider.
- ___ I acknowledge that Lifeline is non-transferable and that I may not transfer my benefit to any other person.
- ___ I acknowledge that providing false or fraudulent information to receive Lifeline benefits is punishable by law.
- ___ I will notify ReachOut Wireless within 30 days if for any reason I no longer satisfy the criteria for receiving Lifeline services, such as no longer meeting the income levels, or if I or a member of my household receives another Lifeline benefit.
- ___ I acknowledge that I may be required to re-certify to my continued eligibility for Lifeline at any time, and that my failure to re-certify will result in de-enrollment and termination of my Lifeline benefits.
- ___ If I move to a new address, I will provide the new address to ReachOut Wireless within 30 days.
- ___ If I provided a temporary address, I will be required to verify my temporary address every 90 days. If I do not provide verification within 30 days, I will be de-enrolled from the Lifeline program.
- ___ I authorize Reachout Wireless to access any governmental state or federal records or database located anywhere required to verify my statements herein and to confirm my continued eligibility for Lifeline and authorize social service agency representatives to discuss with and/or provide information to ReachOut Wireless verifying my participation in programs that qualify me for Lifeline. I also authorize ReachOut Wireless to release any records required for the administration of ReachOut Wireless's Lifeline program, including to the Universal Service Administrative Company (USAC) to be used in a Lifeline Program Database. I understand that the records are required to ensure the proper administration of the Lifeline program and that failure to provide consent will result in the applicant being denied the Lifeline service.
- ___ I certify **penalty of perjury** that the information contained in this certification is true and correct to the best of my knowledge.

Applicant's Signature: _____

Date _____



Fax to: 1-800-700-1176 Email to: enroll@tsihomehone.com or
Mail to: TSI Home Phone, PO Box 247168, Columbus, OH 43224-7168

WIRELINE LIFELINE APPLICATION – PROGRAM BASED

I certify that I participate in one of the following programs (check one):

- ___ Food Stamps (SNAP) ___ Medicaid
___ Federal Public Housing Assistance (Section 8) ___ Temporary Assistance to Needy Families (TANF)
___ National School Lunch Free Lunch Program ___ Supplemental Social Security (SSI)
___ Low-Income Home Energy Assistance Program (LIHEAP) If you wish to qualify based on income, a different form is required.

You must provide documentation demonstrating your current participation in the program checked above.

Last Name: _____ First Name: _____ Middle Initial: _____

Last 4 digits of Soc. Security #: _____ Date of Birth: _____

Residential Address: _____ Apt. _____ City: _____ State: ___ Zip: _____

(no P.O. Box for res. address) This is my (check one): ___ Permanent Address ___ Temporary Address

If you move, you must update your residential address with TSI Home Phone within 30 days

Billing Address (if different): _____ Apt. _____ City: _____ State: ___ Zip: _____

I certify that:

- ___ I acknowledge that Lifeline is a government assistance program and that willfully making false statements to obtain the benefit can result in fines, imprisonment, de-enrollment or being barred from the program.
___ I acknowledge that only Lifeline eligible consumers may enroll in the Lifeline Program.
___ I acknowledge that only one Lifeline service is available per household, and that, to the best of my knowledge, no other person in my household is receiving a Lifeline service. (For purposes of Lifeline, a "household" is any individual or group of individuals who live together at the same address and share income and expenses.)
___ I acknowledge that a household is not permitted to receive Lifeline benefits from multiple providers and that violation of this limitation constitutes a violation of the rules of the Federal Communications Commission and will result in de-enrollment from the Lifeline program. If I am participating in another Lifeline program at the time I apply for TSI Home Phone Lifeline service, I agree to cancel that Lifeline service with any other provider.
___ I acknowledge that Lifeline is non-transferable and that I may not transfer my benefit to any other person.
___ I acknowledge that providing false or fraudulent information to receive Lifeline benefits is punishable by law.
___ I will notify TSI Home Phone within 30 days if for any reason I no longer satisfy the criteria for receiving Lifeline services, such as no longer participating in any of qualifying program, or if I or a member of my household receives another Lifeline benefit.
___ I acknowledge that I may be required to re-certify to my continued eligibility for Lifeline at any time, and that my failure to re-certify will result in de-enrollment and termination of my Lifeline benefits.
___ If I move to a new address, I will provide the new address to TSI Home Phone within 30 days.
___ If I provided a temporary address, I will be required to verify my temporary address every 90 days. If I do not provide verification within 30 days, I will be de-enrolled from the Lifeline program.
___ I authorize TSI Home Phone to access any governmental state or federal records or database located anywhere required to verify my statements herein and to confirm my continued eligibility for Lifeline and authorize social service agency representatives to discuss with and/or provide information to TSI Home Phone verifying my participation in programs that qualify me for Lifeline. I also authorize TSI Home Phone to release any records required for the administration of TSI Home Phone's Lifeline program, including to the Universal Service Administrative Company (USAC) to be used in a Lifeline Program Database. I understand that the records are required to ensure the proper administration of the Lifeline program and that failure to provide consent will result in the applicant being denied the Lifeline service.
___ I certify penalty of perjury that the information contained in this certification is true and correct to the best of my knowledge.

Applicant's Signature: _____

Date: _____



Fax to: 1-800-700-176 **Email to:** enroll@tsihomephone.com or
Mail to: TSI Home Phone, PO Box 247168, Columbus, OH 43224-7168

WIRELINE LIFELINE APPLICATION – INCOME BASED

I certify that my household income is at or below 135% of the Federal Poverty Guidelines as indicated below:

Eligibility for Lifeline may apply if your household income is at or below 135% of the Federal Poverty Guidelines for a household of that size. Indicate which income range applies to you in the chart. You must provide proof of eligibility based on income, which can include:	Check or Complete	Persons in Household	Annual Income	Monthly Income
<ul style="list-style-type: none"> • Last year's federal or state tax return • Current income statement from an employer or paycheck stub (must cover 3 consecutive months within the previous 12 months) • A Social Security statement of benefits • A retirement/pension statement of benefits • An Unemployment/Workers' Compensation statement of benefit • Federal notice letter of participation in General Assistance • Divorce decree, child support award or other official document containing income information 	<input type="checkbox"/>	1	\$15,080	\$1,257
	<input type="checkbox"/>	2	\$20,426	\$1,702
	<input type="checkbox"/>	3	\$25,772	\$2,148
	<input type="checkbox"/>	4	\$31,118	\$2,593
	<input type="checkbox"/>	5	\$36,464	\$3,039
	<input type="checkbox"/>	6	\$41,810	\$3,484
	<input type="checkbox"/>	7	\$47,156	\$3,930
	<input type="checkbox"/>	8	\$52,502	\$4,375
	<input type="checkbox"/>	# in household	For each add'l person, add:	\$5,346

Last Name: _____ First Name: _____ Middle Initial: _____

Last 4 digits of Soc. Security #: _____ Date of Birth: _____

Residential Address: _____ Apt. _____ City: _____ State: _____ Zip: _____

(no P.O. Box for res. address) This is my (check one): _____ Permanent Address _____ Temporary Address

If you move, you must update your residential address with TSI Home Phone within 30 days

Billing Address (if different): _____ Apt. _____ City: _____ State: _____ Zip: _____

I certify that:

- _____ I acknowledge that Lifeline is a government assistance program and that willfully making false statements to obtain the benefit can result in fines, imprisonment, de-enrollment or being barred from the program.
- _____ I acknowledge that only Lifeline eligible consumers may enroll in the Lifeline Program.
- _____ I acknowledge that only one Lifeline service is available per household, and that, to the best of my knowledge, no other person in my household is receiving a Lifeline service. (For purposes of Lifeline, a "household" is any individual or group of individuals who live together at the same address and share income and expenses.)
- _____ I acknowledge that a household is not permitted to receive Lifeline benefits from multiple providers and that violation of this limitation constitutes a violation of the rules of the Federal Communications Commission and will result in de-enrollment from the Lifeline program. If I am participating in another Lifeline program at the time I apply for TSI Home Phone Lifeline service, I agree to cancel that Lifeline service with any other provider.
- _____ I acknowledge that Lifeline is non-transferable and that I may not transfer my benefit to any other person.
- _____ I acknowledge that providing false or fraudulent information to receive Lifeline benefits is punishable by law.
- _____ I will notify TSI Home Phone within 30 days if for any reason I no longer satisfy the criteria for receiving Lifeline services, such as no longer meeting the income levels, or if I or a member of my household receives another Lifeline benefit.
- _____ I acknowledge that I may be required to re-certify to my continued eligibility for Lifeline at any time, and that my failure to re-certify will result in de-enrollment and termination of my Lifeline benefits.
- _____ If I move to a new address, I will provide the new address to TSI Home Phone within 30 days.
- _____ If I provided a temporary address, I will be required to verify my temporary address every 90 days. If I do not provide verification within 30 days, I will be de-enrolled from the Lifeline program.
- _____ I authorize TSI Home Phone to access any governmental state or federal records or database located anywhere required to verify my statements herein and to confirm my continued eligibility for Lifeline and authorize social service agency representatives to discuss with and/or provide information to TSI Home Phone verifying my participation in programs that qualify me for Lifeline. I also authorize TSI Home Phone to release any records required for the administration of TSI Home Phone's Lifeline program, including to the Universal Service Administrative Company (USAC) to be used in a Lifeline Program Database. I understand that the records are required to ensure the proper administration of the Lifeline program and that failure to provide consent will result in the applicant being denied the Lifeline service.
- _____ I certify **penalty of perjury** that the information contained in this certification is true and correct to the best of my knowledge.

Applicant's Signature: _____

Date _____

Exhibit 2
Sample Marketing Material

FREE

CELLULAR PHONE
FREE MINUTES & TEXTS

250

anytime minutes
every month!

Receive a **FREE Cell Phone** and **250 Minutes** a month for **ALL** qualifying customers!



1-877-870-9444

ReachOut wireless

www.ReachOutWireless.com
Complaints concerning Lifeline/Linkup service can be directed to the XXXXX Public Service Commission's Commissions Affairs Unit at XXX-XXX-XXXX

FREE

CELLULAR PHONE
FREE MINUTES & TEXTS

125

anytime **ROLLOVER** minutes
every month!

All unused minutes rollover to the next month!

Receive a **FREE Cell Phone** and **125 ROLLOVER Minutes** a month for **ALL** qualifying customers!



1-877-870-9444

ReachOut wireless

www.ReachOutWireless.com
Complaints concerning Lifeline/Linkup service can be directed to the XXXXX Public Service Commission's Commissions Affairs Unit at XXX-XXX-XXXX



FREE

CELLULAR PHONE
FREE MINUTES & TEXTS

ReachOut wireless

1-877-870-9444

www.ReachOutWireless.com

IMPORTANT INFORMATION concerning Lifeline wireless service

Lifeline is a government assistance program. Only one Lifeline service is available per household. A violation of the one per household limitation constitutes a violation of the Federal Communication Commissions rules and will result in your de-enrollment from the program. Your household is not permitted to receive multiple Lifeline benefits whether they be from one or multiple companies. This includes wireline and wireless service. Lifeline is a non-transferable benefit. You may not transfer your benefit to any other person. You must activate your service. You must use your phone to continue to receive service. Should you not use your service for 60 days you will be de-enrolled. Lifeline is a Federal benefit. Willingly making false statements to obtain the benefit can result in fines, imprisonment, de-enrollment or being barred from the program. Proof of eligibility is required and only eligible customers may enroll. Proof may consist of eligible program card or statement benefits.

Nexus Communications Inc.

EXHIBIT D

FCC ORDER APPROVING NEXUS' COMPLIANCE PLAN



PUBLIC NOTICE

Federal Communications Commission
445 12th St., S.W.
Washington, D.C. 20554

News Media Information 202 / 418-0500
Internet: <http://www.fcc.gov>
TTY: 1-888-835-5322

DA 12-2063
Release Date: December 26, 2012

WIRELINE COMPETITION BUREAU APPROVES THE COMPLIANCE PLANS OF AIRVOICE WIRELESS, AMERIMEX COMMUNICATIONS, BLUE JAY WIRELESS, MILLENNIUM 2000, NEXUS COMMUNICATIONS, PLATINUMTEL COMMUNICATIONS, SAGE TELECOM, TELRITE AND TELSCAPE COMMUNICATIONS

WC Docket Nos. 09-197 and 11-42

The Wireline Competition Bureau (Bureau) approves the compliance plans of nine carriers: AirVoice Wireless, LLC (AirVoice); AmeriMex Communications Corp. (AmeriMex); Blue Jay Wireless, LLC (Blue Jay); Millennium 2000, Inc. (Millennium 2000); Nexus Communications, Inc. (Nexus); PlatinumTel Communications, LLC (PlatinumTel); Sage Telecom, Inc. (Sage); Telrite Corporation (Telrite); and Telscape Communications, Inc. d/b/a Telscape Wireless (Telscape). The compliance plans were filed pursuant to the *Lifeline Reform Order* as a condition of obtaining forbearance from the facilities requirement of the Communications Act of 1934, as amended (the Act), for the provision of Lifeline service.¹

The Act provides that in order to be designated as an eligible telecommunications carrier (ETC) for the purpose of universal service support, a carrier must “offer the services that are supported by Federal universal service support mechanisms . . . either using its own facilities or a combination of its own facilities and resale of another carrier’s services”² The Commission amended its rules to define voice telephony as the supported service and removed directory assistance and operator services, among other things, from the list of supported services.³ As a result of these amendments, many Lifeline-only ETCs that previously met the facilities requirement by providing operator services, directory assistance or other previously supported services no longer meet the facilities requirement of the Act.⁴ In the *Lifeline Reform Order*, the Commission found that a grant of blanket forbearance of the facilities requirement,

¹ See *Lifeline and Link Up Reform and Modernization et al*, WC Docket No.11-42 *et al.*, Report and Order and Further Notice of Proposed Rulemaking, 27 FCC Rcd 6656, 6816-17, paras. 379-380 (2012) (*Lifeline Reform Order*). A list of the compliance plans approved through this Public Notice can be found in the Appendix to this Public Notice.

² 47 U.S.C. § 214(e)(1)(A).

³ See *Lifeline Reform Order*, 27 FCC Rcd at 6678, para. 47; see also 47 C.F.R. § 54.101(a).

⁴ See *Lifeline Reform Order*, 27 FCC Rcd at 6812, para. 366, App. A; *Connect America Fund et al*, WC Docket 10-90, Order on Reconsideration, 26 FCC Rcd 17633, 17634-35, para. 4 (2011) (*USF/ICC Transformation Order on Reconsideration*). Some ETCs have included language in their compliance plans indicating that they have facilities or plan to acquire facilities in the future. See, e.g., Blanket Forbearance Compliance Plan, WC Docket Nos. 09-197 and 11-42, Q Link Wireless, LLC’s Third Amended Compliance Plan at 4 n. 2 (filed July 30, 2012). To the extent ETCs seek to avail themselves of the conditional forbearance relief established in the *Lifeline Reform Order*, we presume they lack facilities to provide the supported service under sections 54.101 and 54.401 of the Commission’s rules. See 47 C.F.R. §§ 54.101 and 54.401. Such ETCs must comply with the compliance plan approved herein in each state or territory where they are designated as an ETC, regardless of their claim of facilities for other purposes, such as eligibility for state universal service funding.

subject to certain public safety and compliance obligations, is appropriate for carriers seeking to provide Lifeline-only service.⁵ Therefore, in the *Lifeline Reform Order*, the Commission conditionally granted forbearance from the Act's facilities requirement to all telecommunications carriers seeking Lifeline-only ETC designation, subject to the following conditions: (1) compliance with certain 911 and enhanced 911 public safety requirements; and (2) Bureau approval of a compliance plan providing specific information regarding the carrier and its service offerings and outlining the measures the carrier will take to implement the obligations contained in the *Order*.⁶

The Bureau has reviewed the nine plans listed in the Appendix for compliance with the conditions of the *Lifeline Reform Order* and now approves those nine compliance plans.⁷

Filings, including the Compliance Plans identified in the Appendix, and comments are available for public inspection and copying during regular business hours at the FCC Reference Information Center, Portals II, 445 12th Street, S.W., Room CY-A257, Washington, D.C. 20554. They may also be purchased from the Commission's duplicating contractor, Best Copy and Printing, Inc., Portals II, 445 12th Street, S.W., Room CY-B402, Washington, D.C. 20554, telephone: (202) 488-5300, fax: (202) 448-5563, or via email www.bcpiweb.com.

People with Disabilities: To request materials in accessible formats for people with disabilities (Braille, large print, electronic files, audio format), send an email to fcc504@fcc.gov or call the Consumer & Governmental Affairs Bureau at (202) 418-7400 or TTY (202) 418-0484.

For further information, please contact Michelle Schaefer, Telecommunications Access Policy Division, Wireline Competition Bureau at (202) 418-7400 or TTY (202) 418-0484.

- FCC -

⁵ See *Lifeline Reform Order*, 27 FCC Rcd at 6813-6817, paras. 368-381.

⁶ See *id.*, 27 FCC Rcd at 6814, 6819, paras. 373, 389. Subsequently, the Bureau provided guidance for carriers submitting compliance plans pursuant to the *Lifeline Reform Order*. *Wireline Competition Bureau Provides Guidance for the Submission of Compliance Plans Pursuant to the Lifeline Reform Order*, WC Docket Nos. 09-197 and 11-42, Public Notice, 27 FCC Rcd 2186 (Wireline Comp. Bur. 2012).

⁷ The Commission has not acted on any pending ETC petitions filed by these carriers, and this Public Notice only approves the compliance plans of the carriers listed above. While these compliance plans contain information on each carrier's Lifeline offering, we leave it to the designating authority to determine whether or not the carrier's Lifeline offerings are sufficient to serve consumers. See *Lifeline Reform Order*, 27 FCC Rcd at 6679-80, 6818-19, paras. 50, 387.

APPENDIX

Petitioner	Compliance Plans As Captioned by Petitioner	Date of Filing	Docket Numbers
AirVoice Wireless, LLC	AirVoice Wireless, LLC's Amended Compliance Plan	December 7, 2012	09-197; 11-42
AmeriMex Communications Corp.	AmeriMex Communications Corp. Revised Compliance Plan	December 6, 2012	09-197; 11-42
Blue Jay Wireless, LLC	Blue Jay Wireless, LLC Compliance Plan	November 30, 2012	09-197; 11-42
Millennium 2000 Inc.	Amended Compliance Plan of Millennium 2000 Inc.	December 18, 2012	09-197; 11-42
Nexus Communications, Inc.	Third Amended Compliance Plan of Nexus Communications, Inc.	December 4, 2012	09-197; 11-42
PlatinumTel Communications, LLC	PlatinumTel Communications LLC's Revised Compliance Plan	December 19, 2012	09-197; 11-42
Sage Telecom, Inc.	Revised Compliance Plan of Sage Telecom, Inc.	December 19, 2012	09-197; 11-42
Telrite Corporation	Telrite Corporation Compliance Plan	November 29, 2012	09-197; 11-42
Telscape Communications Inc. d/b/a Telscape Wireless	Revised Compliance Plan of Telscape Communications, Inc.	December 19, 2012	09-197; 11-42

EXHIBIT E

DECLARATION OF STEVEN FENKER

**BEFORE THE
WASHINGTON UTILITIES & TRANSPORTATION COMMISSION**

In the Matter of

Docket No. UT-110518

Petition of Nexus Communications, Inc. for
Designation as an Eligible
Telecommunications Carrier in the State of
Washington for the Limited Purpose of
Offering Wireless Lifeline and Link Up
Service to Qualified Households

DECLARATION OF STEVEN FENKER

I, the undersigned, Steven Fenker, do hereby declare under penalty of perjury as follows:

1. I serve as President of Nexus Communications, Inc. ("Nexus"), an Ohio corporation with its headquarters at 3629 Cleveland Ave., Suite C, Columbus, OH 43224.
2. This Declaration is submitted in support of the Petition of Nexus Communications, Inc. for Designation as an Eligible Telecommunications Carrier in the above-captioned matter (the "Petition").
3. I have reviewed the Petition and that the facts stated therein are true and correct to the best of my knowledge.
4. To the best of my knowledge, Nexus, including all officers, directors, or persons holding five percent or more of the outstanding stock or shares (voting or non-voting) of the Company are not subject to denial of federal benefits, including FCC benefits, pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 862.
5. I further declare that the federal universal service fund support received by Nexus will be used only for the purposes for which the support is intended.

I certify under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct.

Executed at Columbus, Ohio on December 28 2012
(city) (state)



Steven Fenker