

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

Investigation by the Department on its)
Own Motion into the Implementation in)
Massachusetts of the Federal) D.T.C. 13-4
Communications Commission’s Order)
Reforming the Lifeline Program)

REPLY COMMENTS OF NEXUS COMMUNICATIONS, INC.

Nexus Communications, Inc. (“Nexus”), by its undersigned attorneys, hereby responds to the initial comments filed by other parties in the above-captioned proceeding. In particular, Nexus would like to respond to the suggestion of the National Consumer Law Center (“NCLC”) that the Department impose a minimum allotment of minutes at some level greater than 250 minutes per month.

Nexus has been in the business of providing affordable telecommunications services to low-income Americans since 2006, when the company received its first eligible telecommunications carrier (“ETC”) designation. To date, Nexus has been designated an ETC in a total of 30 states, providing both wireline and wireless commercial mobile radio (“CMRS”) services. The company has an application pending before the Department requesting designation as a wireless, Lifeline-only ETC (D.T.C. 11-7).

In its initial comments, NCLC states that the “current allowance of 250 minutes per month ... is no longer adequate to cover the basic needs of subscribers and should therefore be increased.”¹ Nexus believes the Department should refrain from establishing, by regulation or otherwise, a minimum service level that prepaid wireless carriers must offer Lifeline subscribers. Such a requirement would be counterproductive and, ultimately, disadvantageous for its intended

¹ D.T.C. 13-4, *Comments of National Consumer Law Center*, filed April 29, 2013 at 3 (“NCLC Comments”).

beneficiaries, low-income consumers. Low-income consumers in Massachusetts instead are better served by a fully competitive market for wireless Lifeline services – which the Department is in the process of creating – with ETCs competing on the basis of value and quality of service.

Nexus notes that in the *Lifeline Reform Order*,² the FCC (again) expressly declined to establish a minimum number of free minutes for Lifeline service, stating: “To the extent possible, service standards should be determined by the marketplace. Based on the record, the market is increasing the number of minutes that pre-paid wireless ETCs are providing.”³ As a wireless Lifeline provider since 2009, Nexus knows first-hand that the FCC’s determination is on target. While only a few years ago the typical allotment was 50 or 68 minutes per month, that amount rapidly has increased several times over, to 250 minutes per month. This rapid, dramatic increase is the result of increased competition among ETCs, technological advances and cost reductions in the provision of wireless service – and *not* as the result of regulatory intervention.

Moreover, an excessive minimum allotment of minutes may render it economically infeasible for ETCs to offer prepaid wireless Lifeline service in the Commonwealth at no out-of-pocket cost to subscribers, as is now the norm. As a result, ETCs may be forced for the first time to charge Lifeline subscribers an out-of-pocket fee, and because many Lifeline subscribers are “unbanked” – that is, they do not have a checking account or a credit or debit card – in order to remit a monthly fee, they would have to use inconvenient, costly money transfer services or money orders to make a monthly payment and maintain their vital Lifeline service. Indeed, at a certain threshold, a mandatory allotment of minutes likely would cause some ETCs to exit or

² *In the Matter of Lifeline and Link Up Reform and Modernization, et al.*, W.C. 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*”).

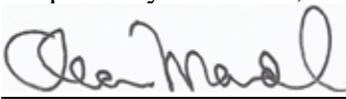
³ *Lifeline Reform Order* at ¶ 50.

never enter the marketplace in Massachusetts, leaving low-income consumers in the Commonwealth with fewer choices among ETCs or no “free” Lifeline service options altogether.

Finally, the Department should reject NCLC’s suggestion that the Department “track the number and percent of wireless Lifeline subscribers that add additional minutes, and the amount of minutes that are added.”⁴ Such a reporting requirement would be unduly burdensome for ETCs, and would require the reporting of extraordinarily sensitive competitive information.

For all of these reasons, Nexus respectfully asks the Department to refrain from imposing a minimum monthly allotment of minutes for wireless Lifeline service.

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⁴ NCLC Comments at 3.