

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

In the Matter of the Application)
of Nexus Communications, Inc.)
for Designation as an Eligible)
Telecommunications Carrier)
For Low Income Support Only)

D.T.C. 11-7

**RESPONSE OF NEXUS COMMUNICATIONS, INC.
TO DEPARTMENT RECORD REQUESTS**

RR 1 Please: (a) provide the Company's Terms and Conditions for international calls; (b) state whether a list of countries is provided to subscribers; (c) provide a list of the countries; and (d) provide the rates for each country.

RESPONSE

(a) Nexus' terms and conditions for international calls are as follows:

International Long Distance: You may use your ReachOut Wireless™ phone to make international calls to landlines (including some cellular phones in some countries) but additional per minute rates apply. The actual rates and the available countries are subject to change without prior notice. (See www.Reachoutmobile.com for available countries and details). Airtime deductions for international calls begin the moment the International Long Distance ("ILD") access number is dialed and also applies to dropped calls, misdialled numbers and busy destination numbers. When making international calls, you may experience connection failures more frequently than calls made within the United States. ReachOut Wireless™ reserves the right to block calls to any international location without notice, and to suspend or terminate international calling capability without notice. Call Forwarding is blocked to all international locations. ReachOut Wireless™ reserves the right to require subscribers, in order to complete an international call, to first dial a toll free number; or enter a "pound code," "short code" or "star code" in order to complete the call.

(b) Upon request, Nexus provides subscribers a list of countries to which international calling is available via e-mail or facsimile.

(c) Please see **Exhibit 1**.

(d) Please see **Exhibit 1**.

RESPONSIBLE PERSON: Steven Fenker, President, Nexus Communications, Inc.

DATE: May 6, 2013

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**RESPONSE OF NEXUS COMMUNICATIONS, INC.
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RR 2 Provide an updated map accurately reflecting Nexus' proposed Designated Service Area.

RESPONSE

As discussed by Mr. Fenker in his testimony, Nexus would prefer to serve all rate centers in the Commonwealth, including the rural rate centers. Accordingly, Nexus sent letters to the Granby Telephone & Telegraph Co., Taconic Telephone Corp. and Richmond Telephone Co. (collectively, the “RLECs”) advising the carriers of Nexus’ desire to provide Lifeline-supported services in their service territories. The letters asked each RLEC to state no later than May 8, 2013 whether it intends to exercise any rural LEC exemption rights it may have.

Depending upon the responses received by Nexus, it will either: (1) notify the Department that there is no change in its proposed Designated Service Area or (2) move to amend its Application to modify the proposed Designated Service Area to include rural rate centers of any RLEC that has not affirmatively indicated that it will exercise any rural LEC exemption rights it may have. If the Company moves to amend its proposed Designated Service Area, it will submit a revised list of wire centers comprising the Designated Service Area.

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RR 3 Provide the Company's operating company number ("OCN").

RESPONSE

Nexus' OCN is 5655.

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**RESPONSE OF NEXUS COMMUNICATIONS, INC.
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RR 4 Provide an updated income-based Lifeline Application form with 2013 income levels.

RESPONSE

Please see **Exhibit 2**, Nexus' updated income-based Lifeline Application and Annual Certification form.

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**RESPONSE OF NEXUS COMMUNICATIONS, INC.
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RR 5 Provide all materials sent to subscribers with recertification forms.

RESPONSE

No additional documents were sent to subscribers with the recertification forms. However, Nexus sent text messages to inform and remind subscribers about the need to recertify.

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**RESPONSE OF NEXUS COMMUNICATIONS, INC.
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RR 6 Provide the separate income-based recertification form and all related materials provided to the subscriber.

RESPONSE

Please see **Exhibit 2**, Nexus' updated income-based Lifeline Application and Annual Certification form. Please note, however, that Nexus and other ETCs are awaiting guidance from the FCC about recertification requirements for 2013 and beyond. Nexus may need to modify its form for use in the recertification process based on that FCC guidance.

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RESPONSE OF NEXUS COMMUNICATIONS, INC. TO DEPARTMENT RECORD REQUESTS

RR 7 Provide more details regarding the Company's Lifeline Broadband Pilot Program, including: (a) the states involved; (b) the services being provided; (c) specific plans being offered; (d) the types and amounts of subsidies; and (e) how broadband adoption will be measured.

RESPONSE

Nexus' broadband pilot project will study the effects of varying subsidy amounts, usage limits and access to digital literacy. Nexus, in partnership with Connect Ohio, will test the effect of subsidy amounts and digital literacy on adoption by giving one group of subscribers a \$15 subsidy, a second group \$20 and a third no subsidy (groups are offered plans based on zip code). These subsidies will lower the offered price by the subsidy amount for a menu of plans, which are varied based on usage limits. By allowing subscribers to select their usage limits, Nexus will be able to report subscribers' willingness to pay for data limit increases and also learn if subscribers were satisfied retrospectively with their choice. Lifeline support for this project will not exceed \$2,800,000, with no reimbursement for non-recurring fees. Please see **Exhibit 3**, Nexus Application (including two supplements) to participate in the FCC's Lifeline Broadband Pilot Program, as well as the FCC Public Notice announcing the selected applications.

Nexus' responses to the specific questions are as follows:

- a. Nexus will provide service under its broadband pilot program project in California, Iowa, Louisiana, Michigan, Mississippi, Nevada, New Jersey and Ohio.
- b. Nexus subscribers participating in its pilot will access the wireless broadband service on a personal computer, laptop, tablet or similar devices. Nexus' pilot program CMRS service will use a 3G (1xEVDO Rev. A) technology that enables average download speeds of 500 kbps – 1.4 Mbps and average upload speeds of 500 – 800 kbps.

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RESPONSE TO RR 7 (continued)

c. Nexus will offer the following monthly service plans in the pilot program:

Plan	Data Allowance	Non-Discounted Rates (Control Group)	Discounted Rates (Test Group 1 -- \$15 Pilot Subsidy)	Discounted Rates (Test Group 2 -- \$20 Pilot Subsidy)
Basic	200 MB	\$24.99	\$10.00	\$5.00
Intermediate	500 MB	\$29.99	\$15.00	\$10.00
Medium	1 GB	\$39.99	\$25.00	\$20.00
Large	2 GB	\$49.99	\$35.00	\$30.00

d. Please see the response to question (c) for the types and amounts of subsidies.

e. Nexus will measure broadband adoption by dividing the anticipated 100,000 - 300,000 subscribers who will receive solicitations into seven geographic test service areas and, within each, into one of three test groups (control group and test groups I and II). Each group will be able to choose from one of four usage plans. The project will test adoption hypotheses regarding the relative success of each of these groups by the type of digital literacy training offered and received, whether the new subscriber needed (and therefore elected) a discounted computer, and the varying Lifeline discounts offered (or lack thereof). A detailed explanation of this process is set forth in Section I(E) of **Exhibit 3**, Nexus' Lifeline Broadband Pilot Program Application.

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RR 8 Provide a summary of recertification results submitted to the FCC in January 2013. Include: (a) the number of subscribers to be recertified; (b) how many subscribers were contacted directly and reviewed for income eligibility; (c) how many subscribers were de-enrolled and the reasons for de-enrollment; and (d) provide the above information by state, if possible.

RESPONSE

Please see **Confidential Exhibit 4**, which constitutes confidential, competitively sensitive information, and is being provided under seal only to the Hearing Officer. Nexus has concurrently filed a Motion for a Protective Order with regard to this information.

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RR 9 Refer to the confidential response to DTC 2-5(b) and DTC 2-5(c). Explain whether the subscriber counts listed by year are year-end figures or figures based upon a monthly average subscriber count or some other method.

RESPONSE

The subscriber counts listed are year-end figures.

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**RESPONSE OF NEXUS COMMUNICATIONS, INC.
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RR 10 Explain: (a) the reason(s) for the change in the number of subscribers from 2011 to 2012 and (b) the reason(s) for the change in Nexus' wireless Lifeline revenue from 2011 to 2012.

RESPONSE

The following answer contains confidential, competitively sensitive information, and is being provided under seal only to the Hearing Officer. Nexus has concurrently filed a Motion for a Protective Order with regard to this information.

CONTAINS CONFIDENTIAL INFORMATION

(a) The change in Nexus' number of Lifeline subscribers from 2011 to 2012 reflects a variety of factors, including: **[BEGIN CONFIDENTIAL]**_____ **[END CONFIDENTIAL]**

(b) The **[BEGIN CONFIDENTIAL]** _____ **[END CONFIDENTIAL]**

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RR 11 Refer to the confidential response to D.T.C. 2-5(c) and 2-5(e). Explain the change in the number of non-Lifeline wireline subscribers in relation to the change in annual revenues from non-Lifeline wireline subscribers from 2011 to 2012.

RESPONSE

The following answer contains confidential, competitively sensitive information, and is being provided under seal only to the Hearing Officer. Nexus has concurrently filed a Motion for a Protective Order with regard to this information.

CONTAINS CONFIDENTIAL INFORMATION

As noted in Nexus' response to D.T.C. 2-5(e), [BEGIN CONFIDENTIAL]_____
[END CONFIDENTIAL]. Nexus believes that the [BEGIN CONFIDENTIAL]
_____[END CONFIDENTIAL].

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RR 12 Provide the number of Nexus' full-time employees and the number of part-time employees.

RESPONSE

As of the date of this response, Nexus has approximately 98 full-time employees and three part-time employees.

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RR 13 Provide an explanation of what information is not available on a 24x7 basis to a subscriber calling Nexus customer service (*e.g.*, if a call is made outside of regular business hours regarding a service-affecting emergency).

To clarify Mr. Fenker’s testimony at the hearing, Nexus’ call centers are in operation 12 hours a day (from 9:00 AM to 9:00 PM Eastern time), six days a week (Monday through Saturday). During those times Nexus customer service representatives (“CSRs”) are available to answer subscriber questions via telephone or in “live chat” sessions. Nexus’ CSRs are trained to address a variety of potential subscriber issues, including technical support, taking service orders, upgrading handsets, purchasing additional minutes, changing service plans, billing inquiries, answering questions about qualification for the Lifeline benefits, etc. Outside of business hours, subscribers can leave detailed messages about the nature of their question or concern. These messages are addressed the next morning in priority of receipt.

DATE: May 6, 2013