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April 15, 2011

Luly Massaro
Commission Clerk
Rhode Island Public Utilities Commission
89 Jefferson Blvd.
Warwick, RI 02888

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

Dear Luly:

Enclosed please find for filing an original and nine (9) copies of the Petition of Nexus Communications, Inc. ("Nexus") for Designation as an Eligible Telecommunications Carrier for Low Income Support Only, attached exhibits, and the company's Certification. Copies are being provided to Leo Wold and Brian Kent. Please forward me a date stamped copy of this transmittal letter in the enclosed stamped self-addressed envelope.

Nexus plans to make a separate CMRS registration filing with the Commission.

Do not hesitate to contact me if the Commission has any questions concerning this filing.

Thank you for your assistance.

Sincerely yours,

Alan D. Mandl, Bar No. 6590

Enclosures
cc: Leo Wold
Brian Kent

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

PUBLIC UTILITIES COMMISSION

In the Matter of Petition for Designation of Nexus Communications, Inc. as an Eligible Telecommunications Carrier for Low Income Support Only in Rhode Island	Docket No. _____

PETITION FOR DESIGNATION OF NEXUS COMMUNICATIONS, INC. AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER FOR LOW INCOME SUPPORT ONLY IN RHODE ISLAND

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Counsel for Nexus Communications, Inc.

April 15, 2011

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PUBLIC UTILITIES COMMISSION

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PETITION FOR DESIGNATION OF NEXUS COMMUNICATIONS, INC. AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER FOR LOW INCOME SUPPORT ONLY IN RHODE ISLAND

Nexus Communications, Inc. ("Nexus") respectfully submits this petition for designation as an eligible telecommunications carrier ("ETC") in the State of Rhode Island pursuant to Section 214(e)(6) of the Communications Act of 1934, as amended ("Act"),[1] Section 54.201 *et seq.* of the Federal Communication Commission's ("FCC") rules, and the Commission's rules and regulations[2] for designation as an ETC throughout the State of Rhode Island. Nexus seeks ETC designation exclusively for Lifeline/Link Up ("Low Income") support in the State of Rhode Island (the "Designated Service Area"). Nexus does not seek, and will not accept, High Cost support in Rhode Island.

As explained below, Nexus offers each of the required nine services that are necessary to receive ETC designation, and otherwise meets the ETC requirements provided for under federal law and prior decisions of the Commission.

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[1] 47 U.S.C. § 214(e)(6).

[2] *Rules and Regulations Governing the Certification and Verification Procedures for Telecommunications Carriers Eligible to Receive Payments from the Federal Universal Service Fund and Certification and Verification Processes for Compliance with Providing Lifeline and Linkup Service,* adopted by the Commission, effective February 4, 2010 ("Commission ETC Regulations").

I. OVERVIEW OF NEXUS

Nexus[3] is a telecommunications carrier committed to serving the specific communications needs of low income Americans. Nexus has already received ETC designation in twenty states, pursuant to which it receives Low Income funding.[4] Nexus engages in extensive outreach efforts to fulfill the key objective of the Low Income program – providing the supported telecommunications and related services to low income Americans. Its efforts include a program, recently recognized by the Federal-State Joint Board on Universal Service,[5] in which its mobile information vehicles visit economically disadvantaged neighborhoods and provide information about the Low Income program. Nexus offers services that give low income consumers a simple and effective means of obtaining critically needed communications services while managing their family budgets and avoiding bill shock.[6] In the second quarter of 2009, after several years serving consumers, including low income consumers, via wireline technology, Nexus began to offer wireless services in recognition of the high demand for such services in the communities it serves. Consumers have indicated a strong preference for mobile wireless services and Nexus has worked to satisfy this demand by growing and investing in wireless technology. For example, Nexus holds licenses to PCS spectrum in Montana and has deployed facilities and continues to build out facilities with the goal of offering services using that

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[3] A copy of the Nexus' Articles of Incorporation is attached as **Exhibit A**.

[4] Nexus became a competitive local exchange carrier in 2000, and received its first ETC designation in June 2006. Nexus now focuses on providing service to low income consumers. It provides service to these consumers using wireline technology in Alabama, Florida, Kentucky, North Carolina, Oklahoma, South Carolina, Tennessee, and Texas. It serves consumers using both wireline and wireless technology to Low Income participants in Arkansas, Illinois, Kansas, Louisiana, Michigan, Mississippi, and Wisconsin. It uses only wireless technology to serve low income consumers in Georgia, Maryland, Missouri, New Jersey, and West Virginia. Although ETCs may receive funding from both the federal High Cost and Low Income programs, Nexus has declined all High Cost funding and therefore, only receives Low Income funding.

[5] *In Re Federal-State Joint Board on Universal Service; Lifeline and Link Up*, Recommended Decision, 2010 FCC LEXIS 6557, at ¶ 64 (Jt. Bd. rel. Nov. 4, 2010). Attached, as **Exhibit B,** is a photograph of one of Nexus' mobile outreach vehicles and campaigns.

[6] *In Re Empowering Consumers to Avoid Bill Shock Consumer Information and Disclosure*, Comments of Nexus Communications, Inc., CG Docket Nos. 10-207, 09-158 (filed Jan. 10, 2011).

spectrum and Nexus' network equipment.[7] Nexus has also deployed and continues to deploy additional infrastructure with a goal of providing supported services to Low Income consumers through use of this spectrum. Nexus' wireless offerings have been very successful with Low Income participants, and Nexus now provides wireless services to Low Income participants in twelve states.[8] This success in meeting the objectives of the Low Income program – getting phone service to this underserved population – is due in large part to prepaid wireless services' unique ability to meet the needs of Americans who are most at risk and most in need, providing a crucial link to jobs, healthcare services, education and other vital information.[9]

II. NEXUS MEETS THE REQUIREMENTS FOR ETC DESIGNATION

Nexus satisfies all of the statutory and regulatory requirements for designation as an ETC in the proposed Designated Service Area, and has provided below a discussion of each requirement below.

A. Nexus is a Common Carrier (47 U.S.C. § 214(e)(1) and Part III.a of Commission ETC Regulations)

A threshold requirement for designation as an ETC is that the applicant must be a common carrier. Nexus proposes to serve consumers in the Designated Service Area through wireless technology, *i.e.*, Commercial Mobile Radio Service ("CMRS"). Under Section 332(c)(1)(A) of the Act, an entity providing CMRS services is a common carrier.[10] Nexus will

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[7] Radio Station Authorization, Call Sign WQB1768, File No. 0004028462. Nexus has deployed and is currently deploying additional infrastructure for its non-Low Income subscribers with a goal of providing supported services to Low Income consumers through use of this spectrum.

[8] Nexus provides CMRS services as an ETC in Arkansas, Georgia, Illinois, Kansas, Louisiana, Maryland, Michigan, Mississippi, Missouri, New Jersey, West Virginia and Wisconsin. It also provides CMRS services in Montana.

[9] See attached, as **Exhibit C**, a white paper that more fully discusses the benefits of prepaid wireless services for the target demographic.

[10] 47 U.S.C. § 332(c)(1)(A).

be filing as soon as practicable, within 60 days of the date of this Petition, the CMRS registration required by the Commission.

B. Nexus Will Provide the Nine Supported Services Through a Combination of its Own Facilities and the Resale of Another Carrier's Services (47 U.S.C. § 214(e)(1)(A); 47 C.F.R. §§ 54.201(d)(1), 54.101; Part II of the Commission's ETC Regulations)

Nexus will provide the nine supported services through a combination of its own facilities and the resale of another carrier's services, consistent with the FCC's rules and orders.[11] Nexus certifies, as evidenced by the signature in the certification of its President, Steven Fenker, that the information in this section II.B of the present petition for certification is true to the best of its knowledge, information and belief.

1. Voice Grade Access to the Public Switched Network (47 C.F.R. § 54.101(a)(1); Part II. A. 2 of Commission ETC Regulations)

Voice grade access to the public switched network is the ability to transmit and receive voice communications with a minimum bandwidth of 300 to 3,000 Hertz. Nexus meets this requirement through its provision of mobile voice communications service that includes the ability to intercommunicate with the public switched telephone network.

2. Local Usage (47 C.F.R. § 54.101(a)(2))

Local usage refers to an amount of minutes of use provided free of additional charge to the end user, which can include plans with varying amounts of local usage. Nexus meets this requirement by providing calling plans that all offer a nationwide local calling area permitting customers to call anywhere in the United States with no toll charges.

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[11] *In Re Federal-State Joint Board on Universal Service*, Report and Order, 12 FCC Rcd 8776 (FCC rel. May 8, 1997) ("1997 Universal Service Order").

3. Dual Tone Multi-Frequency Signaling or Its Functional Equivalent (47 C.F.R. § 54.101(a)(3); Part II. A. 3 of Commission ETC Regulations)

Dual tone multi-frequency signaling is a method of signaling that facilitates the transportation of call set-up and call detail information. The FCC has recognized that, with respect to wireless carriers, it "is appropriate to support out-of-band signaling mechanisms as an alternative to DTMF signaling."[12] Nexus meets this requirement by providing out-of-band digital signaling and in-band multi-frequency signaling for call set-up and termination.

4. Single-Party Service or Its Functional Equivalent (47 C.F.R. § 54.101(a)(4); Part II. A. 1 of Commission ETC Regulations)

Single-party service is dedicated message path for the length of a user's particular transmission (47 C.F.R. § 54.101(a)(4)). With respect to wireless carriers, "single-party service" affords a user a dedicated message path for the length of a user's particular transmission. Each of Nexus' service offerings meets this requirement.

5. Access to Emergency Services (47 C.F.R. § 54.101(a)(5); Part II. A. 4 of Commission ETC Regulations)

ETCs are required to provide access to both 911 and E911 services to the extent the local government has implemented such services. Nexus meets this requirement by providing access to 911 service and meeting all requests for access to E911 service through local public service answering points ("PSAPs"), including forwarding automatic numbering information ("ANI") and automatic location information ("ALI") to PSAPs as appropriate.

6. Access to Operator Services (47 C.F.R. § 54.101(a)(6); Part II. A. 5 of Commission ETC Regulations)

Access to operator services refers to providing consumers access to automatic or live assistance to arrange for billing, completion, or both, of a telephone call. Nexus meets this

[12] 1997 Universal Service Order at ¶ 71.

requirement by providing access to operator services for billing, call completion, and other customer service requests.

7. Access to Interexchange Service (47 C.F.R. § 54.101(a)(7); Part II. A. 6 of Commission ETC Regulations)

Access to interexchange service entails the ability to make and receive calls using an interexchange carrier's network. Nexus meets this requirement by providing its customers with a service that enables them to make and receive calls over interexchange network facilities. The FCC has determined that wireless carriers are not required to provide equal access to interexchange service, but may be required to provide equal access in certain special situations.[13]

8. Access to Directory Assistance (47 C.F.R. § 54.101(a)(8); Part II. A. 7 of Commission ETC Regulations)

Access to directory assistance consists of making available to customers, among other services, access to information contained in directory listings. Nexus meets this requirement by providing all of its customers with access to directory listings.

9. Toll Limitation for Qualifying Low Income Consumers (47 C.F.R. § 54.101(a)(9); Part II. A. 8 of Commission ETC Regulations)

Nexus will meet this requirement by offering service on a prepaid, or pay-as-you-go, basis, as well as toll control for international calls. Nexus' calling plans do not distinguish between local or toll services for domestic calls (i.e., nationwide calling). 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."[14] Moreover, Nexus will provide traditional toll control for international calls to qualifying low income consumers at no additional charge. Nexus also

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[13] *Id.* at ¶ 78.

[14] *In Re Virgin Mobile USA, L.P. Petition for Forbearance from 47 U.S.C. § 214(e)(1)(A); etc.*, Order, 24 FCC Rcd 3381, 3394 at ¶ 34 (FCC rel. Mar. 5, 2009).

provides its users with the ability to monitor their minute usage and balance as an additional means of controlling their communications budget.

C. Nexus Will Participate in the Federal Link Up Program, the Rhode Island Linkup Program and Federal and State Lifeline Programs

Nexus will participate in the federal and Rhode Island Linkup and Lifeline programs and offer services that fully comply with federal and state requirements, as prescribed under Parts II.C and III.c of the Commission's ETC Regulations.

D. Nexus Will Advertise the Availability of the Supported Services and the Charges Therefore Through Media of General Distribution (47 U.S.C. § 214(e)(1)(B); 47 C.F.R. § 54.201(d)(2); Part III. b of Commission ETC Regulations)

Nexus commits to advertise the availability and cost of the supported services through media of general circulation. This advertising will appear in a combination of media outlets such as television, radio, newspaper, magazines, outdoor advertising, direct marketing, and the Internet. Nexus will also engage in extensive in-person outreach efforts to further advertise the availability of the services and the charges for these services.

E. Nexus Will Comply with Consumer Eligibility Certification and Verification Rules (47 C.F.R. §§ 54.410; 54.416)

Nexus will comply with the FCC's requirement to initially determine consumer eligibility to participate in the Lifeline and Link Up programs as well as annually verify customer eligibility as further described in 47 C.F.R. § 54.410.

F. Nexus Will Satisfy the Additional Commission Requirements for ETC Designation (Parts IV-VII of Commission ETC Regulations)

In compliance with Commission ETC Regulations, Nexus states as follows:

- **Eligibility for Lifeline Discounts**. Nexus will adhere to all eligibility for enrollment in and retention of lifeline discounts requirements set forth in Part IV of the Commission's ETC Regulations.

- **Initial Eligibility**. Nexus will comply with the enrollment and certification of initial eligibility requirements set forth in Part V of the Commission's ETC Regulations.

- **Continued Eligibility**. Nexus will comply with the verification of continued eligibility requirements set forth in Part VI of the Commission's ETC Regulations, including conducting an annual verification of continued eligibility of its customers in accordance with the verification process set forth therein.

- **Record Keeping.** Nexus will maintain records in accordance with the record keeping requirements set forth in Part VII of the Commission's ETC Regulations.

III. NEXUS' LIFELINE AND LINK UP OFFERING

In compliance with Part III.c of the Commission's ETC Regulations, Nexus will offer Lifeline and Link Up services that fully comply with the federal and state requirements. In particular, Nexus will offer a unique, easy to use, competitive and highly affordable wireless telecommunications service, which it will make available to qualified consumers either who have no other service alternatives or who choose a wireless prepaid solution in lieu of a more traditional wireline or wireless service. Qualified consumers will have the ability to acquire a wireless service that includes a free E911 compliant handset, local and domestic long distance calling, texting, and several other features, all without the requisite credit check, deposit, contract requirements, and monthly recurring service charges associated with more traditional wireline and wireless service providers.

IV. GRANTING THIS PETITION FOR CERTIFICATION WILL SERVE THE PUBLIC INTEREST

Among the principal goals of the Act, as amended by the Telecommunications Act of 1996, are "to secure lower prices and higher quality services for American Telecommunications consumers and encourage the rapid deployment of new telecommunications technologies" to all citizens, regardless of geographic location or income.[15] Designation of Nexus as an ETC will

[15] Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56.

serve the overall public interest, and will benefit low income customers in the non-jurisdictional states in particular.

Nexus has tailored its wireless service plans to provide the numerous benefits of mobile wireless telecommunications to underserved customers who have been left behind by other providers. Nexus offers voice service at affordable rates to economically disadvantaged customers who desire affordable wireless services. Nexus plays a critical role in the marketplace by ensuring that Americans who cannot qualify for or afford other carriers' services can still enjoy the benefits of wireless telecommunications.

For many years, Nexus' mission has been increasing access to basic telecommunications services for low income individuals that have been largely left behind by other carriers as evidenced by the historically low penetration rate among low income consumers. Nexus' customers are the many people who simply require affordable wireless service but cannot readily obtain it from other carriers who do not provide the discounted plans available to a certified ETC. With this petition for certification, Nexus seeks to make it easier for low income Americans to access basic telephone services, along with other features and functions, including text messaging. The primary purpose of universal service is to ensure that consumers, especially low income consumers, receive affordable and telecommunications services that are comparable to those enjoyed by the rest of the nation. Research has shown that these services are a vital economic resource for low income consumers, access to which leads to improved wage levels and personal safety.[16] Given this context, designating Nexus as an ETC would benefit consumers, especially the many low income customers eligible for Lifeline and Link Up services.

[16] *See* Sullivan, N.P., *Cell Phones Provide Significant Economic Gains for Low Income American Households: A Review of Literature and Data from Two New Surveys*, April 2008. Available at http://www.newmillenniumresearch.org/archive/Sullivan_Report_032608.pdf (last visited Oct. 11, 2010).

Designation of Nexus as an ETC would also promote competition. Nexus will bring the same entrepreneurial spirit that has reinvigorated the wireless industry in many states to Rhode Island which would help to redefine the wireless experience for many low income consumers. Other carriers, therefore, will have the incentive to improve their own service offerings and tailor their service plans to contain terms and features appealing to lower-income customers.

Nexus has emphasized customer service as a pillar of its business since it launched its first carrier services in 2000. As evidence of its commitment to high-quality service, Nexus has complied with the CTIA Code since it began offering wireless services and will continue to comply with the CTIA Code once designated as an ETC.

While Nexus has had success deploying wireless services to many low income consumers, some low income customers still intermittently discontinue service because of economic constraints. ETC designation in Rhode Island would enable Nexus to offer even more appealing and affordable service offerings to these customers and ensure that they are able to afford wireless services on a consistent and uninterrupted basis. Without question, wireless services have become essential for lower-income citizens, providing them with value for their money, access to emergency services on wireless devices, and reliable means of contact for prospective employers, social service agencies, or dependents.

Providing Nexus with the authority necessary to offer discounted Lifeline and Link Up services to those most in danger of losing wireless service altogether, undoubtedly promotes the public interest.[17]

[17] In support of this Nexus is including, as **Exhibit D,** letters from National Consumers League, Consumer Action, Community Action Partnership and Hispanic Federation in support of wireless Lifeline programs such as the programs proposed by Nexus in this Petition.

Respectfully submitted,

Alan David Mandl, Bar No. 6590
Smith & Duggan LLP
Lincoln North
55 Old Bedford Road
Lincoln, MA 01773
Phone: (617) 228-4464

Counsel for Nexus Communications, Inc.

List of Exhibits

Exhibit A – Articles of Incorporation

Exhibit B – Outreach Photograph

Exhibit C – White Paper on Benefits of Prepaid Wireless

Exhibit D – Letters of Support

Exhibit A
Articles of Incorporation

Doc ID --> 200025800014

DATE:	DOCUMENT ID	DESCRIPTION	FILING	EXPED	PENALTY	CERT	COPY
09/14/2000	200025800014	DOMESTIC ARTICLES/FOR PROFIT (ARF)	85.00	.00	.00	.00	.00

Receipt

This is not a bill. Please do not remit payment.

NATHANIEL HAWTHORNE
27600 CHAGRIN BLVD
NO. 260
CLEVELAND, OH 44122

STATE OF OHIO

Ohio Secretary of State, J. Kenneth Blackwell

1180608

It is hereby certified that the Secretary of State of Ohio has custody of the business records for

NEXUS COMMUNICATIONS, INC.

and, that said business records show the filing and recording of:

Document(s)	Document No(s):
DOMESTIC ARTICLES/FOR PROFIT	**200025800014**

United States of America
State of Ohio
Office of the Secretary of State

Witness my hand and the seal of the Secretary of State at Columbus, Ohio this 11th day of September, A.D. 2000.

J. Kenneth Blackwell
Ohio Secretary of State

Doc ID --> 200025800014

Prescribed by **J. Kenneth Blackwell**

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Central Ohio: (614)-466-3910 Toll Free: 1-877-SOS-FILE (1-877-767-3453)

Expedite this form
Yes ☐ Yes

ARTICLES OF INCORPORATION

(Under Chapter 1701 of the Ohio Revised Code)
Profit Corporation

The undersigned, desiring to form a corporation, for profit, under Sections 1701.01 et seq. of the Ohio Revised Code, do hereby state the following:

FIRST. The name of said corporation shall be:
Nexus Communications, Inc.

SECOND. The place in Ohio where its principal office is to be located is

Lewis Center, Franklin County, Ohio
(city, village or township)

THIRD. The purpose(s) for which this corporation is formed is:
To provide local and long distance telecommunications, internet access, cellular, paging and other telecommunications services.

FOURTH. The number of shares which the corporation is authorized to have outstanding is: 100
(Please state whether shares are common or preferred, and their par value, if any. Shares will be recorded as common with no par value unless otherwise indicated.)

IN WITNESS WHEREOF, we have hereunto subscribed our names, on September 10, 2000
(date)

Signature: Nathaniel Hawthorne, Incorporator
Name: Nathaniel Hawthorne

Signature: Paul Karas, Incorporator
Name: Paul Karas

Signature: Marcia Schmidt, Incorporator
Name: Marcia Schmidt

Doc ID --> 200025800014

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ORIGINAL APPOINTMENT OF STATUTORY AGENT

The undersigned, being at least a majority of the incorporators of Nexus Communications, Inc.

hereby appoint Nathaniel Hawthorne, to be statutory agent upon whom any process, notice or demand required or permitted by statute to be served upon the corporation may be served. The complete address of the agent is:

27600 Chagrin Blvd., Suite 260
(street name and number P.O. Boxes are not acceptable)

Cleveland, Ohio 44122
(city, village or township) (zip code)

Signature:
Name: Nathaniel Hawthorne

Signature: Paul Karas
Name: Paul Karas

Signature: Marcia Schmidt
Name: Marcia Schmidt

ACCEPTANCE OF APPOINTMENT

The undersigned, Nathaniel Hawthorne, named herein as the statutory agent for Nexus Communications, Inc., hereby acknowledges and accepts the appointment of statutory agent for said corporation.

Signature: Nathaniel Hawthorne
Statutory Agent

Exhibit B
Outreach Photograph


Link-Up

Exhibit C
White Paper on Benefits of Prepaid Wireless

Prepaid Wireless:
Exactly What's Needed For Universal Service

Prepared for Nexus Communications

Introduction

For over twenty-five years, the Federal Government has assisted low income Americans gain access to the telephone system that knits the nation together.[1] The modern Low Income program (Lifeline and Link Up) was created in 1996 as part of the formal, explicit Universal Service program established by the Telecommunications Act of 1996. It is intended to help ensure that "[q]uality services [will] be available at just, reasonable, and affordable rates" for ***all*** citizens.[2] In the years since passage of the 1996 Act, services supported by the Low Income program have grown more varied and sophisticated as technology has evolved. Much of this change has been driven by consumers themselves. Like everyone else, low income consumers look for new ways of communicating, new technologies, and new service offerings. And like everyone else, low income consumers know that they need wireless services to navigate in today's economy.

The goals of the Universal Service program remain undiminished today, but whereas 25 years ago all that was really at issue was plain old wired telephone service, today the program operates in a communications industry that continues to evolve at an ever-increasing pace. It is a testament to Congress's foresight – in declaring Universal Service to be an "evolving" standard, and one that is not bound to any particular technology – that the program has adapted and has

[1] The Lifelne program was created by the FCC in 1984. *MTS and WATS Market Structure, and Amendment of Part 67 of the Commission's Rules and Establishment of a Joint Board*, Recommended Decision, CC Docket nos. 78-72 and 80-286, 49 Fed. Reg. 48325 (rel. November 23, 1984) (recommending the adoption of federal Lifeline assistance measures); Decision and Order, CC Docket nos. 78-72 and 80-286, FCC 84-637, 50 Fed. Reg. 939 (rel. December 28, 1984) (adopting the Joint Board's recommendation).

[2] 47 U.S.C. § 254(b).

come to encompass wireless services for low income Americans. Wireless, especially prepaid wireless, is one of the best tools presently available to combat the communications divide. Prepaid wireless has introduced new services and new power to low income customers, and they have responded positively and overwhelmingly. The result is an enlivened Low Income program—that makes these services possible for these consumers–that is on course to complete the goal of connecting all Americans in a wireless century.

Wireless Telephone Service is Ubiquitous

Wireless telephone service is now the dominant form of communication in the nation. According to the Federal Communications Commission, 90% of Americans have a mobile device.[3] The availability of this technology is virtually universal: 99.6% of Americans live and work in areas that are covered by one or more mobile voice providers.[4] Now that wireless service has become ubiquitous, it is quickly displacing the older wireline system. Wireline service has been declining for years, and currently one quarter of American households have "cut the cord" and rely on wireless voice service alone.[5] In 2009, the number of American households that had only wireless phones exceeded the number that had only landlines for the first time.[6] Twenty or even ten years ago that would have been remarkable – the majority of Americans have both landline and wireless but among those who have only one service, there are *more* that choose wireless-only than choose landline-only. And, this balance will only continue to tilt in favor of wireless: fifteen percent of those who retain wireline service report that they

[3] FCC 10-81, "Annual Report and Analysis of Competitive Market Conditions with Respect to Mobile Wireless, including Commercial Mobile Services," 20 May 2010, p.5, p.11
[4] *Id.*, p.7
[5] *Wireless Substitution: Early Release of Estimates From the National Health Interview Survey, July–December 2009*, by Stephen J. Blumberg, Ph.D., and Julian V. Luke, Division of Health Interview Statistics, National Center for Health Statistics
[6] Amy Farnsworth, *A cellphone plan to bridge digital divide: Firms and feds offer free connections to customers shut out by high costs*, Christian Science Monitor, July 2, 2009.

receive all or almost all of their calls on wireless telephones.[7] Wireline is a "legacy" service – it's not going away entirely any time soon, but it is shrinking, not growing, as it is displaced by wireless service throughout the population.

It's not surprising that customers prefer wireless to landline by such a large margin. Wireless service by its very nature is portable, and it has allowed Americans to adapt to a new era of ubiquitous and constant connectivity, something that was never possible with landline service. Wireless service also engenders more excitement than wireline service ever could, with new technology – both more robust handsets and associated features implemented in hardware, as well as new network capabilities – expanding the possibilities of communication and related economic productivity year after year. Even the lowest–priced wireless handsets offer features that landline phones don't, such as text messages, built-in phonebooks, and mobile voicemail. The cost of wireless service has also decreased dramatically, making it easily affordable for the majority of Americans.[8] At the same time, consumer satisfaction with wireless offerings has reached higher levels.[9] The wireless industry's dramatic rise is not a fluke; it is the result of millions of Americans—especially those on limited budgets—making the rational decision to choose a mobile, technologically advanced product over the increasingly antiquated and wall-bound Twentieth Century telephone system.

Wireless Provides Special Advantages for Low Income Americans

Congress took specific steps to ensure that low income Americans aren't left out of the wireless revolution. Like other wireless customers, low income Americans enjoy the better

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[7] *Wireless Substitution: Early Release of Estimates From the National Health Interview Survey, July–December 2009*, by Stephen J. Blumberg, Ph.D., and Julian V. Luke, Division of Health Interview Statistics, National Center for Health Statistics

[8] CTIA, Semi-annual wireless industry survey, *available at* http://www.ctia.org/advocacy/research/index.cfm/AID/10316

[9] CTIA, The Wireless Industry Facts: An Independent Review, *available at* http://files.ctia.org/pdf/082010_Independent_Assessment_of_Wireless_Industry.pdf

handsets and added features that come with wireless service. But wireless also provides critical benefits for low income Americans that improve their security, mobility, and economic welfare in ways that are particularly important to them in light of the economic and at times social challenges they face. Numerous studies have demonstrated that wireless phones help low income Americans in profound ways, and that they recognize it.

First, wireless phones provide and enhance physical, personal security. Survey respondents prefer wireless to landline for emergency uses by more than three to one, and forty-eight percent of Americans have already used a wireless phone in an emergency.[10] Wireless phones have been called a "lifeline" for the homeless, who use them to call for help and to report assaults.[11] Studies have called wireless phone service "essential" to low income Americans, largely because it provides a constant connection with family, friends, and others who can offer support and protection when needed.[12]

Second, low income Americans benefit, even more than other wireless customers, from the mobility of their phones. Low income customers often spend less time during the day at a fixed location like a home or a desk. If unemployed, a wireless service is more useful than a landline service, as discussed below. But employed Americans with lower incomes will more likely be in jobs that do not come with an office phone available to them. This is particularly true for the homeless. For homeless Americans, wireless service is the only realistic means of

[10] Amy Farnsworth, *A cellphone plan to bridge digital divide: Firms and feds offer free connections to customers shut out by high costs*, Christian Science Monitor, July 2, 2009; Sullivan, N.P. *Cell phones provide significant economic gains for low-income American households: A review of literature and data from two new surveys* at 15; *available at* http://www.newmilleniumresearch.org/archive/Sullivan_Report_032608.pdf ("Sullivan Report")
[11] Petula Dvorak, *D.C. Homeless People Use Cellphones, Blogs and E-mail to Stay on Top of Things*, Washington Post, March 23, 2009.
[12] Janice A. Hauge, et al., *Whose call is it? Targeting universal service programs to low-income households' telecommunications preferences*, 33 Telecomm. Pol'y 129, 130 (2009), *available at* http://warrington.ufl.edu/purc/purcdocs/papers/0805_Hauge_Whose_Call_is.pdf

voice communication, especially as payphones disappear.[13] Advocates report that wireless phones are crucial for the homeless, who use them to stay in touch with their families, arrange appointments for medical care, and pay bills.[14]

Wireless service is also very important in helping low income Americans get and keep jobs. Unless they have a wireless phone and accessible voicemail, low income job applicants are at a serious disadvantage during the process of seeking and setting up job interviews, as well as making and receiving the follow-up calls that are an integral part of actually getting hired. A mobile phone allows prospective employees to respond immediately to potential employers and, once hired, allows them to stay in contact with their employers and to better manage their schedules. In this respect, inbound use of wireless phones – the ability to receive calls – is just as critical as the ability to call others. Once they are employed, low income Americans use their wireless phones to contact employers and co-workers. In this regard, most wireless customers use their phones for work-related calls, and it would be difficult to imagine navigating the responsibilities and assignments of the work world without a mobile telephone.[15]

Another way wireless is useful to low income Americans is as a tool for obtaining the most effective access to other social services for which they are targeted. A wireless service allows low income families to have reliable communication with government or medical offices, since they will not have to sit near a wired phone – which may not be an option in any case – and since, if they do miss a call, there is typically Caller ID and voice mail available to facilitate the exchange of information and any necessary call-backs.

Prepaid billing is perhaps the most important aspect of wireless service for low income Americans. As the observers have noted, the flat fees attached to most contractual postpaid

[13] Kevin Graham, *Wireless a Lifeline for Homeless*, St. Petersburg Times, April 9, 2007.
[14] *Id.*
[15] Sullivan Report at 22.

plans are disproportionately onerous on low income customers.[16] By contrast, prepaid wireless service costs only as much as a customer can afford. The low income customer does not have to commit to pay for more service than she will likely use, and does not have to worry about bill shock if the unduly-large monthly commitment becomes too onerous. With pre-paid, the financial burden is both precise and fair. This is a crucial benefit to families who must count every dollar each month. The FCC itself has noted that the "prepaid feature, which essentially functions as a toll control feature, may be an attractive feature to Lifeline-eligible consumers who are concerned about usage charges or long-term contracts."[17] With prepaid, low income customers can purchase only as many minutes as they need for their phone.

Prepaid Wireless—Bridging the Communications Divide

The advantages of wireless service are not lost on low income Americans. Quite the contrary: low income customers are migrating quickly to wireless, and their rate of switching to wireless only – that is, "cutting the cord" – is higher than that of the rest of the population.[18] When asked, low income families confirm that if they can only have one phone, they want it to be wireless.[19] They also want it to be prepaid. In the last few years, the increase in prepaid subscribership has been particularly high in low income households, which makes sense. Studies

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[16] Reply Comments of the Minority Media and Telecommunications Council, *In the Matter of Fostering Innovation and Investment in the Wireless Communications Market; A National Broadband Plan for Our Future*, Notice of Inquiry, GN Docket Nos. 09-157, 09-51, FCC 09-66 (rel. Aug., 27, 2009).

[17] *In the Matter of Federal-State Joint Board on Universal Service, TracFone Wireless, Inc. Petition for Designation as an Eligible Telecommunications Carrier in New York, Florida, Virginia, Connecticut, Massachusetts, Alabama, North Carolina, Tennessee, Delaware, New Hampshire, Pennsylvania and the District of Columbia*, CC Docket No. 96-45, FCC 08-100, Released April 11, 2008.

[18] Hauge at 141; *Wireless Substitution: Early Release of Estimates From the National Health Interview Survey, July–December 2009*, by Stephen J. Blumberg, Ph.D., and Julian V. Luke, Division of Health Interview Statistics, National Center for Health Statistics.

[19] Hauge at 136.

have shown that low income customers choose prepaid in higher numbers than any other group.[20]

The success of prepaid wireless among this segment of the population is borne out by a recent study that found that the penetration of prepaid service in low income Floridian households has doubled over the past three years.[21] The prepaid wireless industry is also growing quickly as a whole: two out of three new wireless subscribers choose prepaid.[22] As the FCC predicted, the ability to control costs is the big reason that prepaid wireless has been so successful among low income purchasers.[23] Being able to decide how much or how little to spend on phone service from month to month allows low income families to manage their costs and phone usage in accordance with family budget. By pre-paying, they can control the cost of critical wireless service on a highly granular level, down to the dollar and the minute.[24]

Crucially, minority populations are of particular interest in any policy discussion concerning prepaid wireless and the digital divide. First, minorities have a higher wireless penetration rate than the overall population.[25] Additionally, the Low Income program is of particular relevance in combating the communications divide in minority populations because they suffer from higher poverty rates. For example, the poverty rate for Latinos in was 23.2 percent and 24.7 percent for African-Americans in 2008, compared to the overall poverty rate of

[20] *Id.* at 138.
[21] *Id.* at 137.
[22] Marguerite Reardon, *Prepaid wireless outpaces contract service,* CNET News, April 5, 2010, *available at* http://news.cnet.com/8301-30686_3-20001793-266.html
[23] Hauge at 139.
[24] As the National Consumers League has written, "[p]repaid wireless service is a good option for low-income consumers because there are no long-term contracts, no credit checks, and no early termination penalties or late payment fees. With prepaid service, people pay only for the service that they can afford." Comments to the Federal Communications Commission from the National Consumers League *In the matter of Federal-State Joint Board on Universal Service*, CC Docket 96-45, WC Docket 03-109, September 17, 2004.
[25] Hauge at 135.

13.2 percent.[26] Prepaid wireless is crucial to narrowing the communications divide due to its unique mix of affordability and ease of use allows it to achieve high penetration in minority communities.

Prepaid Wireless as Low Income Eligible Telecommunication Carriers ("ETCs")

The overwhelming success of prepaid wireless among low income households has rejuvenated the Lifeline and Link Up programs. Unlike the High Cost program, Lifeline and Link Up payments are directly tied to the exact number of qualifying low income customers that an ETC serves.[27] Thus, while growth in the High Cost program might well be a basis for concern – if costs are so high, and growing, perhaps there is an underlying inefficiency in how the service is providing – growth in the Low Income program means that more and more of the population the program is trying to reach, is actually being reached. This is a success, not a problem. And, where states have approved prepaid wireless providers as eligible telecommunications carriers (ETCs), participation rates in these programs have jumped. Texas saw an immediate 10% increase in Lifeline participation when it began approving wireless ETCs.[28] In Florida, the combination of automatic enrollment and the approval of SafeLink, a prepaid wireless phone provider, to be a Lifeline ETC, led to a increased participation rate of 236% in a single year.[29]

Still, overall participation in the Lifeline and Link Up programs is still far from what it should be if the program's goals – all Americans, including low income Americans, having

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[26] U.S. Census Bureau, *Summary of the Current Population Survey (CPS), 2009 Annual Social and Economic Supplement (ASEC), available at* http://www.census.gov/hhes/www/poverty/about/overview/index.html

[27] The High Cost program provides subsidies based on the total amount of cost a carrier incurs (incumbent eligible telecommunications carriers (ETCs)) or total volume of customers (competitive ETCs).

[28] Memorandum from Edward Randolph, Director of the Office of Governmental Affairs, to the California Public Utilities Commission on AB 2213 (Fuentes) – Moore Universal Telephone Service Act as Amended (May 26, 2010). *available at* http://docs.cpuc.ca.gov/PUBLISHED/REPORT/118920.htm

[29] Florida Public Service Commission news release, *Florida's lifeline enrollment increases dramatically*, December 28, 2009. *available at* http://www.psc.state.fl.us/home/news/index.aspx?id=615

access to modern, effective, affordable communications – are going to be met. Unfortunately, only 32% percent of eligible households took part last year.[30] The FCC has attributed this low success rate in part to state restrictions on wireless ETCs, of which it urges reconsideration.[31] Certainly, new outreach efforts should be encouraged.

Best Practices in the Prepaid Wireless Industry

As the prepaid wireless industry grows in size, its business practices are also evolving. Already, there are a recognizable set of best practices that many companies follow in order to offer the most attractive packages to consumers and to maintain the advantages of prepaid for low income Americans. First, many ETCs offer a reasonable number of minutes upon activation of the phone, and additional minutes can be purchased affordably. Nexus Communications' ("Nexus"), like most prepaid wireless ETCs, offers additional prepaid cards, whose minutes rollover into the next month if not used, at stores such as Walmart, CVS/Pharmacy, Rent A Center and Giant Eagle.[32] Second, Nexus and other wireless ETCs waive the balance of their activation fees not covered by Link Up, and also provide free wireless handsets, thereby eliminating any cost barrier to obtaining service. Third, as mentioned before, Nexus and Tracfone (in most markets) provide sixty eight free minutes of service with basic service packages, and unused minutes roll over from month to month for as long as the Lifeline subscriber remains enrolled in the lifeline program. Just recently, Tracfone announced that it is adding additional packages for Lifeline subscribers to choose from, including one plan that provides Lifeline subscribers with up to two hundred fifty free minutes every month.

[30] USAC Lifeline Participation Rate Study (2009), *available at* http://www.usac.org/li/about/participation-rate-information.aspx

[31] National Broadband Plan, Chapter 9, at 172.

[32] Details of Nexus' service offerings are available at https://www.reachoutmobile.com/index.php/site/page/C3/

Fourth, as active and responsible participants in the government's Low Income programs, prepaid wireless ETCs support the creation of a national certification and verification database. In addition, prepaid wireless ETCs are helping to eliminate fraud, waste, and abuse from the Low Income program by de-enrolling Lifeline subscribers who do not use the handset for 60 days. This ensures that ETCs will not inadvertently seek USF reimbursements for subscribers who are no longer using their services. Only subscribers who actually use their wireless service will continue to participate in the Lifeline program, and wireless ETCs will only receive Low Income support for those subscribers who remain enrolled in the Lifeline program.

The Challenges that Remain

The rapid growth of prepaid wireless within the Lifeline program has not been without critics. Some have charged that prepaid wireless ETCs have not demonstrated a commitment to consumer value in the services they offer through Lifeline and Link Up, and that the number of minutes offered monthly is too low.[33] Others have noted that the non-contractual nature of the prepaid model makes it difficult to verify that customers remain eligible for government support.[34]

It's certainly true that prepaid wireless ETCs don't operate like traditional landline ILECs when offering Lifeline services. But over the last few years, low income Americans have announced clearly, in every way possible, that they prefer limited minutes on a wireless phone to unlimited local minutes on a landline phone. Given all the advantages of wireless noted above,

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[33] Comments of the Advocates for Basic Legal Equality, et al. *In the Matter of Federal-State Joint Board on Universal Service Seeks Comment on Lifeline and Link-Up Eligibility, Verification, and Outreach Issues Referred to Joint Board,* Public Notice, FCC 10J-2, CC Docket 96-45 and WC Docket 03-109 (FCC rel. June 15, 2010), seeking comment on In Re Federal-State Joint Board on Universal Service, Lifeline and Link Up, Order, FCC 10-72, CC Docket 96-45 and WC Docket 03-109 (FCC rel. May 4, 2010).

[34] Comments of the National Association of National Association of State Utility Advocates *In the Matter of Federal-State Joint Board on Universal Service Seeks Comment on Lifeline and Link-Up Eligibility, Verification, and Outreach Issues Referred to Joint Board,* Public Notice, FCC 10J-2, CC Docket 96-45 and WC Docket 03-109 (FCC rel. June 15, 2010), seeking comment on In Re Federal-State Joint Board on Universal Service, Lifeline and Link Up, Order, FCC 10-72, CC Docket 96-45 and WC Docket 03-109 (FCC rel. May 4, 2010).

this is hardly surprising. The old landline model is simply not useful to most Americans in today's economic and social environment. Likewise, it is true that making sure prepaid wireless customers can be certified and verified through the Low Income system has required some innovative solutions, and may require further adjustments to guard against waste, fraud, and abuse. But this innovation is happening, will continue to happen, and is indicative of the prepaid wireless industry's ability to expand the boundaries of service and the traditional definitions of telephone networks. Fundamentally, the problems identified by critics, mismatching of service offerings to need, and a potential for waste while more effective verification methods are put in place, are simply growing pains. Any new entrant into established programs like Lifeline and Link Up will face these kinds of challenges. But these challenges are far preferable to the problems that would face a wireline-only Lifeline program: quickly decreasing participation and growing irrelevance to the needs of those Americans it is supposed to help. Prepaid wireless has already solved the problems that would otherwise endanger the very existence of the Low Income programs, and it is one of the best tools to combat the communications divide.

Solutions

None of the challenges facing prepaid wireless ETCs is intractable. By following the best practices outlined above, companies like Safelink Wireless, Nexus, and Assurance Wireless already give their customers great value in prepaid wireless phones, and subscription numbers show that low income consumers recognize this value. Many ETCs are also offering new types of packages to Lifeline subscribers, including ones with up to two hundred fifty free minutes ever month, as part of their efforts to respond to the suggestions of consumer groups. The wide availability of prepaid cards and the increasing competition among providers are also making it easier for customers to find the best choice among phones. State public service commissions can

provide another easy way to increase competition among wireless ETCs. Many states, through their implementation of the Lifeline and Link Up programs, already publish the names of qualifying ETCs that customers may choose among.[35] State public service commissions could take the next step of publishing the terms of various prepaid plans, which would point out which ETCs' plans offer the best value for state residents. This centralized information repository, combined with the natural competition in a fast-growing industry, would do much to eliminate or reduce cost concerns.

Prepaid wireless ETCs are also playing an active role in the push to reform the eligibility and verification systems that the Lifeline and Link Up programs use to prevent fraud and abuse. A nationally-maintained eligibility database, which wireless ETCs have urged the FCC to implement soon A nationally-maintained eligibility database, which wireless ETCs have urged the FCC to implement soon, would resolve any issues associated with subscribers attempting to obtain Lifeline service from more than one carrier simultaneously or when a subscriber is not qualified for the Lifeline program.[36]

Conclusion

Low Income Americans were among the first to recognize how well prepaid wireless meets their needs by providing security, mobility, and cost control that was not being offered by traditional landline services. Their response has been swift and clear, and the rate at which low income customers abandon landlines in order to make the move to prepaid wireless is increasing. The FCC and many state governments have recognized the trend, and are adapting the Lifeline

[35] *See, e.g.*, Illinois (http://www.icc.illinois.gov/utility/list.aspx?type=prepaid), California (http://www.cpuc.ca.gov/PUC/Telco/Public+Programs/lifelinedetails.htm)

[36] *See, e.g.* Comments of Leap Wireless International, Inc. and Cricket Communications, Inc.; Comments of Nexus Communications, Inc.; Comments of PR Wireless, Inc.; Comments of TracFone Wireless; CC Docket 96-45 and WC Docket 03-109 (FCC rel. June 15, 2010), *seeking comment on In Re Federal-State Join Board on Universal Service, Lifeline and Link Up*, Order, FCC 10-72, CC Docket 96-45 and EC Docket 03-109 (FCC rel. May 4, 2010).

and Link Up programs so that they can help more low income Americans get jobs and stay employed, better manage their budgets, and care for their families. This constitutes no less than a revolution in the usefulness and desirability of Lifeline and Link Up service for low income Americans

Exhibit D
Letters of Support

NATIONAL CONSUMERS LEAGUE
1701 K Street, NW, Suite 1200, Washington, DC 20006
PHONE (202) 835-3323 FAX (202) 835-0747 www.nclnet.org

January 7, 2009

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20544

Re: CC Docket No. 96-45

Dear Ms. Dortch:

I am writing on behalf of the National Consumers League (NCL)[1] to express concern that delays in providing Eligible Telecommunications Carrier (ETC) certification to prepaid wireless carriers may be delaying the expansion of Lifeline wireless service to low-income consumers.

As we have stated in previous comments[2], wireless telephone service has become an essential part of modern life. That is why we have consistently supported the use of Universal Service Fund monies to bring wireless telephone service to low-income consumer via the Lifeline program. We believe that all carriers that are able to meet the service obligations of Lifeline should be able to serve Lifeline customers so that low-income Americans can have the same access to wireless and competitive services as other consumers.

The advantages that wireless service brings to low-income and working Americans, particularly minority consumers, are well-documented. For example, a recent report[3] concluded that providing cell phones to the 38 percent of America's 45 million poorest households now without them -- including millions of seniors, Hispanics and African-Americans -- could help them get work or earn income at levels approaching $2.9 billion-$11 billion. Consumers will surely

[1] The National Consumers League, founded in 1899, is America's pioneer consumer organization. Our non-profit mission is to protect and promote social and economic justice for consumers and workers in the United States and abroad.

[2] CC Docket 96-45, WC Docket 03-109, NCL PETITIONS CONCERNING ELIGIBLE TELECOMMUNICATIONS DESIGNATIONS AND THE LIFELINE AND LINK-UP UNIVERSAL SERVICE SUPPORT MECHANISM, September 17, 2004

[3] Sullivan, Nicholas. Cell Phones Provide Significant Economic Gains for Low-Income American Households. New Millennium Research Council. April 2008. Online: http://www.newmilleniumresearch.org/archive/Sullivan_Report_032608.pdf

benefit if more providers were able to offer Lifeline services.

Given the benefits of wireless service to low-income and working consumers, we urge you to adopt policies that allow more Americans to access Lifeline wireless services.

Respectfully submitted,

Sally Greenberg
Executive Director

Consumer Action

www.consumer-action.org

PO Box 70037
Washington, DC 20024
202-544-3088

221 Main St, Suite 480
San Francisco, CA 94105
415-777-9648

523 W. Sixth St., Suite 1105
Los Angeles, CA 90014
213-624-4631

May 10, 2010

Dear Commissioner:

As an organization dedicated to protecting and helping consumers, Consumer Action[1] believes that all carriers who seek certification to provide Lifeline and Link-Up services to low-income Americans should be also granted the authority to allow the consumer to decide what type of Lifeline offering they would prefer---wireless or wire-line. Low-income consumers should have access to the same type of competitive telecommunication services as other consumers. That is why we are writing today to support the Wireless Lifeline telecommunications service offered by Nexus Communications, Inc.

Consumer Action has been engaged in ensuring that Lifeline and Link-Up serves those in need and we applaud the goal to achieve a 100 percent participation rate among eligible and qualified low-income consumers. Unfortunately, federal figures indicate that Lifeline participation rates nationwide remain low. As a result, low-income households across the country continue to lag behind in obtaining the goal of enjoying access to services that are routinely enjoyed by other consumers everyday. Consumer Action believes that the Nexus Wireless Lifeline program will bring new opportunities for participation by low-income residents of your state.

Nexus' Wireless Lifeline offering is a prepaid wireless service that includes a free wireless handset and fixed amount of free monthly minutes available to qualifying consumers with no credit check, deposit requirements or long term agreements. As such, we believe that it can provide a vital option for low-income consumers who seek access to mobile wireless service, but who are wary of the early termination penalties and late payment fees that are associated with more traditional post-paid service. Through Nexus' Wireless Lifeline service, low-income consumers would also be afforded the opportunity to access services that other consumers currently receive with mobile cell phones, including voice mail, nationwide long distance and other essential features not currently offered with landline providers under their Lifeline programs. In addition, this new

[1] Founded in 1971, Consumer Action is a national non-profit education and advocacy organization serving more than 10,000 community-based organizations with training, educational modules, and multi-lingual publications.

Wireless Lifeline service would help the neediest to participate equitably in the convenience, benefits, and security afforded by wireless service.

Granting swift approval of Nexus' Wireless Lifeline service offering would further the principles of universal service enumerated in Section 254(b)(3) of The Communications Act of 1934, as Amended ("The Act") and allow low-income consumers in all regions of the country to have "access to telecommunications...services"—thereby fulfilling an important social imperative to ensure that all low-income residents are able to communicate by telephone with family, support networks, employers and emergency services. Approval of the Nexus Wireless Lifeline service would also greatly expand the range of telecommunications services available to low-income consumers and bring Lifeline and Link-Up into the 21st century. Consumer Action believes that as more providers enter this space, it will further uphold the principle of competitive and technological neutrality that is a cornerstone of federal and state regulation.

Consumer Action also believes that low-income consumers should have the same choice of the technology and service available to all other consumers, and that participation in vital low-income programs, such as Lifeline and Link-Up, should not serve as a barrier to new technologies, but should instead be a channel to greater access to competitive choices such as wireless. The Wireless Lifeline service offered by Nexus provides eligible consumers with a free wireless handset and a set amount of free minutes of local and domestic long distance usage each month.

We hope that the Commission will continue to support the availability of Wireless Lifeline and Link-Up and encourage other prepaid wireless providers to pursue Lifeline ETC authority. Wireless Lifeline consumers can benefit from increased competition in the marketplace, and we support this petition by Nexus Communications, Inc. because we believe that additional providers in the arena will create a robust marketplace to benefit the very low-income households that are so badly in need of economic assistance in these difficult times.

Respectfully submitted,

Ken McEldowney
Executive Director

NATIONAL OFFICE
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info@communityactionpartnership.com
www.communityactionpartnership.com

February 18, 2011

Mr. Julius Genachowski
Chairman
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

Dear Chairman Genachowski:

I write on behalf of the Community Action Partnership (Partnership), the non-profit membership organization that represents the interests of more than 1,000 Community Action Agencies across America. In 2009, these Community Action Agencies served 20.7 million low-income people and families in more than 96% of America's counties. The Partnership's mission is to strengthen, promote, and provide training and technical assistance to our member agencies that receive federal Community Services Block Grants. We work to promote economic security and self-sufficiency for our nation's poor (43.7 million in 2009).

The Partnership is a strong advocate and proponent of the Lifeline program. We support measures that streamline the process for helping low-income consumers take advantage of the free wireless services Lifeline offers.

These free, prepaid services have helped revive a languishing program while bringing new access and opportunity to millions of Americans. Every day, in every state of America, Community Action staff meet with people who are struggling to pay their bills, find a job or even just meet their families' basic needs of food, shelter, and safety. Our member agencies tell us about the transformation that occurs when disadvantaged and vulnerable people and families are empowered to improve their circumstances.

These peoples' lives are more secure, easier when they have a cell phone and the Lifeline program. Lifeline contributes to their economic stability, personal security, and future opportunities. Having access to free cell phone makes Community Action clients more competitive with other job seekers; it gives our folks a leg up in an economy that continues to be very hard on our nation's poor and near-poor. Helping their lives become better improves their overall community and our society as a whole.

We are aware, however, that the Federal Communications Commission is considering proposals that could have an immediate negative impact on the free phone offerings available through Lifeline. The Partnership is convinced that any efforts that would hinder an individual's ability to obtain these services or complicate the enrollment process would be very detrimental to the low-income people we represent and serve and to the Lifeline program itself.

The FCC is to be commended for having the vision to recognize the true potential of a free wireless phone program for low-income people and for extending Lifeline to include such an offering. Retreating from that decision and implementing a minimum monthly charge on those least able to afford it would be a significant step in the wrong direction. It would instantly inhibit and discourage the people who need it the most. Even a fee of a few dollars per month is too much for people who do not know where their next meal is coming from and struggle to pay their heat and utility bills. Carriers have found a way to make the program work; charging for such service should not be left to their discretion.

As you might expect, after 47 years of providing programs, our Community Action Network is thoroughly familiar with the intake and enrollment processes for the wide variety of social service, employment and training and other economic security programs. During the four plus decades, Community Action has helped hundreds of millions of Americans obtain services that meet their most pressing needs. Our experience confirms that the success or failure of a program can occur even before someone tries to utilize the service being offered.

Helping People. Changing Lives.
Community Action
PARTNERSHIP
AMERICA'S POVERTY FIGHTING NETWORK

The Partnership fully understands that certain verification requirements must—and should—be in place to prevent fraud or mismanagement. Yet, the reality is that each additional enrollment requirement translates into a barrier to enrollment for clients with very little or no resources. Requiring individuals to provide written proof or documentation of their eligibility—can you prove you're poor?—will deny certain people the opportunity to apply.

There is little, if any, evidence that suggest that widespread fraud is taking place now. The FCC first should investigate the probability that such fraud exists before it implements a policy change that would discourage enrollments by eligible participants and result in significant, perhaps unsustainable, costs for providers.

In summary, the Community Action Partnership opposes any changes in prepaid Lifeline that would make it more difficult for our clients to obtain this valuable, life-saving service. The goal of the Universal Service Fund, and by extension Lifeline, is to make sure that everyone has access to phone service, especially those low-income people whose lives are more susceptible to emergencies and unexpected crises. Altering free prepaid Lifeline offerings in a way that they no longer become viable is counter to that goal. The Partnership is committed to helping people help themselves, and free cell phones for low-income people substantially help achieve that goal.

We respectfully ask that the FCC carefully consider any changes to Lifeline that would hurt or curtail service to the very people it was intended to help. Thank you for considering these comments and for the opportunity to submit them to the FCC.

Very truly yours,

Don Mathis

Don Mathis

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hispanicfederation

February 18, 2011

Julius Genachowski
Chairman
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

RE: CC Docket 96-45

Dear Chairman Genachowski:

The League of United Latin American Citizens (LULAC) and the Hispanic Federation have both previously expressed their support for Lifeline, which has provided access to communication for Latinos across the United States. Prepaid Lifeline service has finally expanded the program to its full potential. Latinos have a higher propensity to utilize prepaid cell phones compared to other populations and the ability to obtain service through Lifeline free of charge has opened up doors for many struggling members in our community.

LULAC and Hispanic Federation are both dedicated to empowering Latinos to improve their economic condition and empower their lives. We believe that cell phone access helps achieve this mission. A cell phone truly is a lifeline, serving as a vehicle for security, stability and economic attainment. For this reason we are concerned about certain proposals before the FCC that could do irreparable harm to prepaid Lifeline services.

First, making the enrollment process more difficult for applicants will hurt participation and significantly increase the cost to administer the service. It is not always possible for an eligible individual to provide written documentation that they qualify for the program and it is unfair to shut that person out of the program because of a lack of means. Also, the additional paperwork this will create is an administrative burden that providers will likely not be able to shoulder.

Similarly, implementing a minimum charge for service could have a devastating effect on participation. These are times of unprecedented need and the recession has hit Latinos disproportionately hard. A study by the Joint Economic Committee found that in October 2009 the Hispanic unemployment rate had reached 13.1%, 3 percentage points higher than the overall rate. With little or no income many Hispanics simply cannot afford any extra expense, no matter how small. Regressing to a system that makes people pay for service, especially when it is not necessary, is clearly in conflict with the goal of Lifeline.

Participation rates in Lifeline have suffered for so long, despite the efforts of the FCC to build awareness of the program. We applaud the FCC for approving services that are finally reversing that trend, so it would be tragic to see providers that have found a working solution to this issue disappear from the program.

As we have outlined, the proposed changes would have unintended consequences that could ultimately result in the discontinuation of prepaid Lifeline services. This would not only harm low-income Latinos, but all struggling Americans that are seeking support. On behalf of our community, we respectfully request that the FCC seriously consider the disadvantages of implementing the above changes before choosing a course of action.

Sincerely,

Margaret Moran

Margaret Moran
National President
League of United Latin American Citizens

Lillian Rodríguez López

Lillian Rodríguez López
President
Hispanic Federation

CERTIFICATION

STATE OF OHIO

FRANKLIN COUNTY

Steven Fenker, President of Nexus Communications, Inc., being duly sworn, says that the facts and allegations contained in the attached Petition for Designation as an Eligible Telecommunications Carrier for Low Income Support only in the State of Rhode Island are true, except so far as they are therein stated to be on information, and that, so far as they are therein stated to be on information, he believes them to be true.

Steven Fenker

Taken, sworn and subscribed before me this 16 day of April, 2011.

NOTARIAL SEAL STATE OF OHIO

MUWAFEK ABDULLAH
NOTARY PUBLIC
STATE OF OHIO
Comm. Expires
April 25, 2014
Recorded in
Franklin County

My commission expires on the