

**Data Responses of Nexus Communications, Inc. to South Dakota Public Utility Commission
Requests Issued at January 30, 2013 PUC Meeting.**

3-1) Please provide a list of exchanges the applicant intends to serve.

Nexus provides the list of non-rural exchanges Nexus intends to serve as **Exhibit A**

3-2) Who will Nexus be using as their underlying carrier(s)?

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.

3-3) Will any Indian reservations be served by the applicant?

Nexus will serve all customers within its designated non-rural service area, including any tribal members who live in the designated service area.

3-4) Does applicant intend to rely exclusively on USF/CAF funds?

No. 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. And, as a Lifeline-only ETC, Nexus does not seek or accept any support from the High Cost Fund (prospectively, the Connect America Fund (“CAF”)) of the USF.

3-5) Would Nexus agree that their business model plays into our increasing dependency on government programs?

No. Studies show that access to wireless telecommunications services increases the financial security of low-income Americans and improves their ability to obtain and hold down a job. One recent study found that if all adults eligible for Lifeline support were able to take advantage of the program, it would increase the income of the group by \$3.7 billion per year, leading the author to conclude that “[b]y this measure, the program is already paying for itself.”¹ Low income Americans, like everyone else, need a phone to apply for, interview, and get a job. 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. Access to wireless services is no longer a luxury, but a necessity for many economically disadvantaged Americans. Nexus fulfills a

¹ Nicholas P. Sullivan, “Subsidized Cell Phones Provide Significant Economic Gains for Poor and Near-Poor Americans”, New Millennium Research Council (February 10, 2011), available at http://www.newmillenniumresearch.org/archive/NMRC_Sullivan_report_021011.pdf.

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.

3-6) Pursuant to ARSD 20:10:32:43.05, demonstrate that Nexus offers a local usage plan comparable to the one offered by CenturyLink. Please prove this assertion using a comparison of costs and benefits of the plans.

Nexus's Lifeline plans are comparable to those offered by CenturyLink in that they offer the same basic service as CenturyLink. The difference is that Nexus will offer this comparable service in a variety of ways, allowing Lifeline subscribers the flexibility to choose the Lifeline plan that best suits their needs.

Nexus will offer its Lifeline subscribers the two plans listed in its application at no out-of-pocket charge to the customer. These plans will include nationwide domestic long-distance calling at no extra per minute charge, as well as a basic menu of features, including Caller ID, Voice Mail, Call Waiting and Three-Way Calling. Further, Nexus's Lifeline plans include unlimited, free access to 911. In addition to the two no cost plans, Nexus will offer an unlimited talk and text airtime "top up" card to its Lifeline subscribers for \$26.50 per 30-day period.

CenturyLink's home phone service offers unlimited local and long-distance calling, and the same basic menu of features, including Caller ID, Voice Mail, Call Waiting, Three-Way Calling, and Call Forwarding for the non-Lifeline price of \$44.95 per month. See <http://www.centurylink.com/home/phone/>.

Thus Nexus's unlimited talk and text option will offer subscribers comparable (and, in fact, significantly less expensive) service to that offered by CenturyLink plus the benefit of texting. Therefore, Nexus's Lifeline offering is comparable to that of CenturyLink.

Nexus emphasizes that while the unlimited talk and text option makes its Lifeline service comparable to that of CenturyLink, the fact that Nexus offers its subscribers this plan plus the flexibility to subscribe to other, no cost plans benefits Lifeline subscribers in ways that CenturyLink's service does not. As explained in its Application, in addition to the two no cost plans noted above and the unlimited talk and text option, Nexus's Lifeline subscribers may purchase additional minutes on a prepaid basis in various denominations of minutes. The numerous options that Nexus offers allow Lifeline subscribers the flexibility to choose a Lifeline service plan that best suits their individual needs.