

ORIGINAL

**OPEN MEETING
MEMORANDUM**



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Arizona Corporation Commission

DOCKETED

MAY 27 2016

DOCKETED BY

TO: THE COMMISSION

FROM: Utilities Division

DATE: May 27, 2016

RE: IN THE MATTER OF THE APPLICATION OF NEXUS COMMUNICATIONS, INC. FOR APPROVAL OF RELINQUISHMENT OF ITS ELIGIBLE TELECOMMUNICATIONS CARRIER DESIGNATION. (DOCKET NO. T-20871A-16-0124)

Introduction

On April 11, 2016, Nexus Communications, Inc. dba ReachOut Wireless ("Nexus") filed an application requesting approval to relinquish its Lifeline-only Eligible Telecommunications Carrier ("ETC") designation in Arizona pursuant to 47 U.S.C. § 214(e)(4), 47 C.F.R. § 54.205, Arizona Administrative Code ("A.A.C.") R14-2-1107, and Arizona Corporation Commission ("Commission") Decision No. 74011, effective May 31, 2016, or upon Commission approval. Nexus also requested the cancellation of its Arizona Wireless Services Tariff (Arizona Tariff No. 1) on that same date.

Background

In its application, Nexus states it is an Ohio corporation with its principal place of business at 3629 Cleveland Avenue, Suite C, Columbus, Ohio 43224. Nexus provides Commercial Mobile Radio Service ("CMRS") through the resale of service of other wireless carriers. In Decision No. 74011, dated July 30, 2013, the Commission granted Nexus' request for designation as a Lifeline-only ETC in certain areas within Arizona.¹

Nexus is requesting relinquishment of its Lifeline-only ETC designation in response to changes in the industry and proposed modification to the Lifeline program and is relinquishing its ETC designation in all jurisdictions² in which designation was granted. Nexus intends to relinquish its ETC designation in all areas of Arizona for which it is currently so designated, with such relinquishment to become effective May 31, 2016, or upon Commission approval. Relinquishment of Nexus' ETC designation will not affect the amount of federal Lifeline support available to other ETCs in the state or deprive eligible subscribers of access to Lifeline service from other ETCs.

¹ Docket No. T-20871A-12-0508, Decision No. 74011.

² Arkansas, Arizona, California, Colorado, Georgia, Idaho, Illinois, Indiana, Kansas, Kentucky, Maine, Maryland, Michigan, Minnesota, Mississippi, Missouri, Nebraska, Nevada, New Jersey, North Dakota, Ohio, Oklahoma, Pennsylvania, Rhode Island, Texas, Utah, West Virginia, Wisconsin and Wyoming.

Nexus provided qualified Lifeline customers a free handset and the choice of three different free prepaid calling plans.³ Nexus does not require deposits and does not have service contracts with its customers, thus there are no early termination fees. Therefore, a plan for return of customer deposits is not necessary.

Federal and State ETC Relinquishment Requirements

The federal requirements for a carrier to relinquish its ETC designation are outlined in 47 U.S.C. § 214(e)(4), which states:

(4) RELINQUISHMENT OF UNIVERSAL SERVICE.--A State commission shall permit an eligible telecommunications carrier to relinquish its designation as such a carrier in any area served by more than one eligible telecommunications carrier. An eligible telecommunications carrier that seeks to relinquish its eligible telecommunications carrier designation for an area served by more than one eligible telecommunications carrier shall give advance notice to the State commission of such relinquishment. Prior to permitting a telecommunications carrier designated as an eligible telecommunications carrier to cease providing universal service in an area served by more than one eligible telecommunications carrier, the State commission shall require the remaining eligible telecommunications carrier or carriers to ensure that all customers served by the relinquishing carrier will continue to be served, and shall require sufficient notice to permit the purchase or construction of adequate facilities by any remaining eligible telecommunications carrier. The State commission shall establish a time, not to exceed one year after the State commission approves such relinquishment under this paragraph, within which such purchase or construction shall be completed.

In Decision No. 74011, Finding of Fact 43(f) requires that “[i]n the event that Nexus requests to relinquish its ETC status and no longer provide Lifeline services, it must provide notice to both the Commission and its customers. Such notice(s) shall be in accordance with A.A.C. R14-2-1107.” The requirements in A.A.C. R14-2-1107, Application to Discontinue or Abandon Local Exchange or Interexchange Services, are as follows:

A. Any telecommunications company providing competitive local exchange or interexchange service on a resold or facilities-based basis that intends to discontinue service or to abandon all or a portion of its service area shall file an application for authorization with the Commission setting forth the following:

- 1. Any reasons for the proposed discontinuance of service or abandonment of service area;*
- 2. Verification that all affected customers have been notified of the proposed discontinuance or abandonment, and that all affected customers will have access to an alternative local exchange service provider or interexchange service provider;*
- 3. Where applicable, a plan for the refund of deposits collected pursuant to subsection R14-2-503(B);*
- 4. A list of all alternative utilities providing the same or similar service within the affected geographic area.*

³ Application, page 7, lines 4-16. Nexus’ offering of 68, 150 or 250 free monthly minutes to Lifeline customers mirrors the plans offered by TracFone (Decision No. 72222).

B. *When the application is submitted to the Docket Control Center, it will not be filed until it is found to be in proper form. No later than 20 days after the application is filed, the telecommunications company shall publish legal notice of the application in all counties affected by the application shall describe with particularity the substance of the application. Interested persons shall have 30 days from the publication of legal notice to file objections to the application, to request a hearing, and to submit a motion to intervene in the proceeding.*

C. *Once proper notice is effected and if no objection is filed, the Commission may grant the application without a hearing.*

Designated Service Area

In Decision No. 74011, Nexus' designated service area was identified as all or partial coverage of 408 zip codes where its underlying carrier, Verizon Wireless, provides coverage in Arizona, with the exception of Federally-Recognized Tribal Lands.⁴ Each of the affected zip codes is served by the Incumbent Local Exchange Carriers Qwest Corporation dba CenturyLink QC ("Qwest") and Frontier Citizens Utilities Rural Company ("Frontier-CURC"), each of which is also designated as an ETC.⁵ In its letter notice to its Lifeline customers found in Exhibit A of the Application, Nexus identifies eleven other wireless Lifeline-only competitive ETCs which provide service in at least part of Nexus' designated service area. Since there is at least one additional ETC in each of Nexus' designated areas, Nexus states there is no bar to prevent it from relinquishing its Arizona ETC designation and the requirements for relinquishment set forth in 47 U.S.C. § 214(e)(4) and 47 C.F.R. § 54.205 have been met.

Further, because other ETCs currently serve the entire area in which Nexus is designated as an ETC in Arizona, Nexus states there is no need for those carriers to purchase or construct additional facilities to ensure that Nexus' Lifeline customers will receive service. Therefore, the Commission does not need to provide notice to ETCs serving the area to permit them to purchase or construct facilities to ensure that Nexus' customers will continue to receive service because sufficient facilities already exist.

There are currently two ILECs and at least eleven⁶ competitive ETCs designated to provide service in at least part of Nexus' designated service area in Nexus' designated service area. If Nexus is allowed to relinquish its ETC designation for its current service area, all of Nexus' Lifeline

⁴ In Decision No 74011, the Commission granted Nexus the authority to serve Federally-Recognized Tribal Lands with the condition that Nexus shall not provide Lifeline service to eligible residents residing on Federally-Recognized Tribal Lands in Arizona, served by Commission regulated telephone companies and cooperatives, until after Nexus has obtained any and all necessary licenses or other forms of approval that might be required by any Tribe and filed a copy of such licenses or other form of approval with the Commission in this docket (FOF 43.k., Page 15 of Decision). A search of documents filed in Docket No. T-20871A-12-0508 indicate that Nexus never filed any such documents with the Commission.

⁵ Qwest – Decision No. 60513, dated December 18, 1997 and Citizens Utilities Rural Company – Decision No. 60514, dated December 17, 1997.

⁶ American Broadband and Telecommunications Company was granted wireless, Lifeline-only ETC designation in Decision No. 75416, dated January 19, 2016.

subscribers will have at least one other ETC available from which to obtain Lifeline Service. In addition, because sufficient facilities already exist, notice to permit the purchase or construction of adequate facilities by any remaining ETC should not be required. Based on the information above, Staff believes that Nexus meets the FCC's ETC relinquishment criteria.

Customer Notice

Pursuant to recommendations from Commission Staff, Nexus sent a customer notice letter revising the proposed discontinuance date. Specifically, on April 11, 2016, Nexus sent a letter by U.S. Mail to each of its subscribers, notifying them that Nexus plans to relinquish its ETC status in Arizona, file an application with the Commission seeking approval of that change, provide further notice to customers of exact discontinuance date upon regulatory approval, and discontinue service May 31, 2016, subject to regulatory approval. The letter also informed these subscribers that, upon ETC relinquishment, a Lifeline discount could be obtained from the remaining ETCs in the area. Exhibit A to the Application is a sample copy of the notification letter Nexus sent its Lifeline subscribers. Exhibit B is an affidavit attesting that the notification letters were sent on April 11, 2016.

Previously, Nexus notified⁷ all of its Lifeline customer via text message of Nexus' proposed discontinuance of service on March 22, 2016, based on Nexus' plain language reading of its ETC designation order, Decision No. 74011. However, the date of service discontinuance has been modified to May 31, 2016 or upon regulatory approval as discussed above. Nexus provided information to Staff that indicates Nexus had 1,034 Lifeline customers in Arizona as of March 31, 2016 and 887 Lifeline customers as of April 30, 2016.

Upon Commission approval of the Application, each subscriber will receive at least one text message reminder from Nexus regarding the discontinuation of the Lifeline discount. The message will also direct the subscriber to its customer service line and alternative Lifeline providers.

Further, in order to avoid subscriber confusion and assist with a smooth transition process, Nexus states it will inform potential subscribers inquiring about Lifeline of the pendency of this Application. Nexus states it has already stopped enrolling new Lifeline subscribers, thus avoiding any Nexus subscriber from having to change to another Lifeline provider shortly after enrollment. Nexus will not seek reimbursement for the Lifeline discount after the relinquishment effective date.

⁷ Wireless Lifeline-only ETCs typically provide discounted prepaid service or an allocation of free minutes per 30-day period to their Lifeline eligible customers. These prepaid services do not require the issuance of paper or electronic billing to customers as is done with postpaid wireless service. In order to communicate with its Lifeline customers, wireless Lifeline providers such as Nexus have historically used text messages to communicate with its Lifeline customers about important issues, such as the need to annually re-certify that the customer is still eligible to receive Lifeline services. Nexus indicated to Staff that it never sends paper notices to its Lifeline customers unless it needs to in order to fulfill a legal requirement.

Request for Waiver of A.A.C. R14-2-1107(B)

Nexus seeks waiver of compliance with A.A.C R14-2-1107(B), which requires publication of legal notice within 20 days of filing this Application. Nexus believes a waiver of the published notice requirement is reasonable for several reasons: (i) legal notice in multiple counties is prohibitively expensive, especially for a small company like Nexus that is in the process of winding up its business, (ii) affected subscribers were notified with both text message and formal letter; and (iii) as discussed above, Nexus subscribers have access to eleven other alternative wireless Lifeline service in Arizona, as stated in the notice to subscribers; and (iv) Nexus' ETC designation order only calls for notice to the Commission and subscriber, but does not require publication of legal notice.

Staff Recommendation on Waiver of A.A.C. R14-2-1107(B) Requirement

Because the service being provided by Nexus affects only its Lifeline customers, which have been notified by letter and text message by Nexus, and because there are currently two ILECs and at least eleven other competitive wireless ETCs designated to provide service in at least part of Nexus' designated service area in Nexus' designated service area of which Nexus' Lifeline may select as their Lifeline Service provider, Staff recommends Nexus's waiver request of A.A.C R14-2-1107(B) be granted.

Staff Recommendations for ETC Relinquishment Application

As of April 30, 2016, Nexus had 887 Lifeline customers in Arizona. As of May 23, 2016, Nexus had 3 Lifeline customers in Arizona. Nexus does not collect deposits or require service contracts from its Arizona Lifeline customers. Qwest and Frontier-CURC are ILECs and designated ETCs serving the zip codes in Nexus' designed service area. In addition, there are also eleven other competitive ETCs which provide service in at least part of Nexus' designated service area. Therefore, Staff recommends approval of Nexus ETC designation relinquishment effective as of the date of the Commission's Decision in the docket. In addition, Staff recommends that Nexus' Arizona Lifeline Tariff be cancelled and withdrawn effective as of the date of the Commission's Decision in the docket. Finally, Staff recommends that Nexus file an affidavit in this docket with Docket Control informing the Commission that all Lifeline activities are completed in Arizona within ten (10) days after their completion.



for
Thomas M. Broderick
Director
Utilities Division

TMB:LLM:nr\MAS

ORIGINATOR: Lori L. Morrison

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BEFORE THE ARIZONA CORPORATION COMMISSION

DOUG LITTLE
Chairman
BOB STUMP
Commissioner
BOB BURNS
Commissioner
TOM FORESE
Commissioner
ANDY TOBIN
Commissioner

IN THE MATTER OF THE APPLICATION)
OF NEXUS COMMUNICATIONS, INC.)
FOR APPROVAL OF RELINQUISHMENT)
OF ITS ELIGIBLE)
TELECOMMUNICATIONS CARRIER)
DESIGNATION)

DOCKET NO. T-20871A-16-0124
DECISION NO. _____
ORDER

Open Meeting
June 14 and 15, 2016
Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

1. On April 11, 2016, Nexus Communications, Inc. dba ReachOut Wireless ("Nexus") filed an application requesting approval to relinquish its Lifeline-only Eligible Telecommunications Carrier ("ETC") designation in Arizona pursuant to 47 U.S.C. § 214(e)(4), 47 C.F.R. § 54.205, Arizona Administrative Code ("A.A.C.") R14-2-1107, and Arizona Corporation Commission ("Commission") Decision No. 74011, effective May 31, 2016, or upon Commission approval. Nexus also requested the cancellation of its Arizona Wireless Services Tariff (Arizona Tariff No. 1) on that same date.

Background

2. In its application, Nexus states it is an Ohio corporation with its principal place of business at 3629 Cleveland Avenue, Suite C, Columbus, Ohio 43224.

3. Nexus provides Commercial Mobile Radio Service ("CMRS") through the resale of service of other wireless carriers.

1 4. In Decision No. 74011, dated July 30, 2013, the Commission granted Nexus' request
2 for designation as a Lifeline-only ETC in certain areas within Arizona.¹

3 5. Nexus is requesting relinquishment of its Lifeline-only ETC designation in response to
4 changes in the industry and proposed modification to the Lifeline program and is relinquishing its
5 ETC designation in all jurisdictions² in which designation was granted. Nexus intends to relinquish its
6 ETC designation in all areas of Arizona for which it is currently so designated, with such
7 relinquishment to become effective May 31, 2016, or upon Commission approval. Relinquishment of
8 Nexus' ETC designation will not affect the amount of federal Lifeline support available to other ETCs
9 in the state or deprive eligible subscribers of access to Lifeline service from other ETCs.

10 6. Nexus provided qualified Lifeline customers a free handset and the choice of three
11 different free prepaid calling plans.³ Nexus does not require deposits and does not have service
12 contracts with its customers, thus there are no early termination fees. Therefore, a plan for return of
13 customer deposits is not necessary.

14 **Federal ETC Relinquishment Requirements**

15 7. The federal requirements for a carrier to relinquish its ETC designation are outlined in
16 47 U.S.C. § 214(e)(4), which states:

17 *(4) RELINQUISHMENT OF UNIVERSAL SERVICE.--A State commission shall permit an*
18 *eligible telecommunications carrier to relinquish its designation as such a carrier in any area served by more than*
19 *one eligible telecommunications carrier. An eligible telecommunications carrier that seeks to relinquish its*
20 *eligible telecommunications carrier designation for an area served by more than one eligible telecommunications*
21 *carrier shall give advance notice to the State commission of such relinquishment. Prior to permitting a*
22 *telecommunications carrier designated as an eligible telecommunications carrier to cease providing universal*
23 *service in an area served by more than one eligible telecommunications carrier, the State commission shall require*
24 *the remaining eligible telecommunications carrier or carriers to ensure that all customers served by the*
25 *relinquishing carrier will continue to be served, and shall require sufficient notice to permit the purchase or*
26 *construction of adequate facilities by any remaining eligible telecommunications carrier. The State commission*
27 *shall establish a time, not to exceed one year after the State commission approves such relinquishment under this*
28 *paragraph, within which such purchase or construction shall be completed.*

¹ Docket No. T-20871A-12-0508, Decision No. 74011.

² Arkansas, Arizona, California, Colorado, Georgia, Idaho, Illinois, Indiana, Kansas, Kentucky, Maine, Maryland, Michigan, Minnesota, Mississippi, Missouri, Nebraska, Nevada, New Jersey, North Dakota, Ohio, Oklahoma, Pennsylvania, Rhode Island, Texas, Utah, West Virginia, Wisconsin and Wyoming.

³ Application, page 7, lines 4-16. Nexus' offering of 68, 150 or 250 free monthly minutes to Lifeline customers mirrors the plans offered by TracFone (Decision No. 72222).

1 8. In Decision No. 74011, Finding of Fact 43(f) requires that “[i]n the event that Nexus
2 requests to relinquish its ETC status and no longer provide Lifeline services, it must provide notice to
3 both the Commission and its customers. Such notice(s) shall be in accordance with A.A.C. R14-2-
4 1107.” The requirements in A.A.C. R14-2-1107, Application to Discontinue or Abandon Local
5 Exchange or Interexchange Services, are as follows:

6 *A. Any telecommunications company providing competitive local exchange or interexchange service on a
7 resold or facilities-based basis that intends to discontinue service or to abandon all or a portion of its service area
8 shall file an application for authorization with the Commission setting forth the following:*

1. *Any reasons for the proposed discontinuance of service or abandonment of service area;*
2. *Verification that all affected customers have been notified of the proposed discontinuance or
9 abandonment, and that all affected customers will have access to an alternative local exchange service
10 provider or interexchange service provider;*
3. *Where applicable, a plan for the refund of deposits collected pursuant to subsection R14-2-
11 503(B);*
4. *A list of all alternative utilities providing the same or similar service within the affected
12 geographic area.*

13 *B. When the application is submitted to the Docket Control Center, it will not be filed until it is found to
14 be in proper form. No later than 20 days after the application is filed, the telecommunications company shall
15 publish legal notice of the application in all counties affected by the application shall describe with particularity
16 the substance of the application. Interested persons shall have 30 days from the publication of legal notice to file
17 objections to the application, to request a hearing, and to submit a motion to intervene in the proceeding.*

18 *C. Once proper notice is effected and if no objection is filed, the Commission may grant the application
19 without a hearing.*

20 **Designated Service Area**

21 9. In Decision No. 74011, Nexus’ designated service area was identified as all or partial
22 coverage of 408 zip codes where its underlying carrier, Verizon Wireless, provides coverage in
23 Arizona, with the exception of Federally-Recognized Tribal Lands.⁴ Each of the affected zip codes is
24 served by the Incumbent Local Exchange Carriers Qwest Corporation dba CenturyLink QC
25 (“Qwest”) and Frontier Citizens Utilities Rural Company (“Frontier-CURC”), each of which is also

26 ⁴ In Decision No 74011, the Commission granted Nexus the authority to serve Federally-Recognized Tribal Lands with
27 the condition that Nexus shall not provide Lifeline service to eligible residents residing on Federally-Recognized Tribal
28 Lands in Arizona, served by Commission regulated telephone companies and cooperatives, until after Nexus has obtained
any and all necessary licenses or other forms of approval that might be required by any Tribe and filed a copy of such
licenses or other form of approval with the Commission in this docket (FOF 43.k., Page 15 of Decision). A search of
documents filed in Docket No. T-20871A-12-0508 indicate that Nexus never filed any such documents with the
Commission.

1 designated as an ETC.⁵ In its letter notice to its Lifeline customers found in Exhibit A of the
2 Application, Nexus identifies eleven other wireless Lifeline-only competitive ETCs which provide
3 service in at least part of Nexus' designated service area. Since there is at least one additional ETC in
4 each of Nexus' designated areas, Nexus states there is no bar to prevent it from relinquishing its
5 Arizona ETC designation and the requirements for relinquishment set forth in 47 U.S.C. § 214(e)(4)
6 and 47 C.F.R. § 54.205 have been met.

7 10. Further, because other ETCs currently serve the entire area in which Nexus is
8 designated as an ETC in Arizona, Nexus states there is no need for those carriers to purchase or
9 construct additional facilities to ensure that Nexus' Lifeline customers will receive service. Therefore,
10 the Commission does not need to provide notice to ETCs serving the area to permit them to purchase
11 or construct facilities to ensure that Nexus' customers will continue to receive service because
12 sufficient facilities already exist.

13 11. There are currently two ILECs and at least eleven⁶ competitive ETCs designated to
14 provide service in at least part of Nexus' designated service area in Nexus' designated service area if
15 Nexus is allowed to relinquish its ETC designation for its current service area, all of Nexus' Lifeline
16 subscribers will have at least one other ETC available from which to obtain Lifeline Service. In
17 addition, because sufficient facilities already exist, notice to permit the purchase or construction of
18 adequate facilities by any remaining ETC should not be required. Based on the information above,
19 Staff believes that Nexus meets the FCC's ETC relinquishment criteria.

20 **Customer Notice**

21 12. Pursuant to recommendations from Commission staff, Nexus sent a customer notice
22 letter revising the proposed discontinuance date. Specifically, on April 11, 2016, Nexus sent a letter by
23 U.S. Mail to each of its subscribers, notifying them that Nexus plans to relinquish its ETC status in
24 Arizona, file an application with the Commission seeking approval of that change, provide further
25 notice to customers of exact discontinuance date upon regulatory approval, and discontinue service
26

27 ⁵ Qwest – Decision No. 60513, dated December 18, 1997 and Citizens Utilities Rural Company – Decision No. 60514,
dated December 17, 1997.

28 ⁶ American Broadband and Telecommunications Company was granted wireless, Lifeline-only ETC designation in
Decision No. 75416, dated January 19, 2016.

1 May 31, 2016, subject to regulatory approval. The letter also informed these subscribers that, upon
2 ETC relinquishment, a Lifeline discount could be obtained from the remaining ETCs in the area.
3 Exhibit A to this Application is a sample copy of the notification letter Nexus sent its Lifeline
4 subscribers. Exhibit B is an affidavit attesting that the notification letters were sent on April 11, 2016.

5 13. Previously, Nexus notified⁷ all of its Lifeline customer via text message of Nexus'
6 proposed discontinuance of service on March 22, 2016, based on Nexus' plain language reading of its
7 ETC designation order, Decision No. 74011. However, the date of service discontinuance has been
8 modified to May 31, 2016 or upon regulatory approval as discussed above. Nexus provided
9 information to Staff that indicates Nexus had 1,034 Lifeline customers in Arizona as of March 31,
10 2016 and 887 Lifeline customers as of April 30, 2016.

11 14. Upon Commission approval of the Application, each subscriber will receive at least
12 one text message reminder from Nexus regarding the discontinuation of the Lifeline discount. The
13 message will also direct the subscriber to its customer service line and alternative Lifeline providers.

14 15. Further, in order to avoid subscriber confusion and assist with a smooth transition
15 process, Nexus states it will inform potential subscribers inquiring about Lifeline of the pendency of
16 this Application. Nexus states it has already stopped enrolling new Lifeline subscribers, thus avoiding
17 any Nexus subscriber from having to change to another Lifeline provider shortly after enrollment.
18 Nexus will not seek reimbursement for the Lifeline discount after the relinquishment effective date.

19 **Request for Waiver of A.A.C. R14-2-1107(B)**

20 16. Nexus seeks waiver of compliance with A.A.C R14-2-1107(B), which requires
21 publication of legal notice within 20 days of filing this Application. Nexus believes a waiver of the
22 published notice requirement is reasonable for several reasons: (i) legal notice in multiple counties is
23 prohibitively expensive, especially for a small company like Nexus that is in the process of winding up

24 _____

25 ⁷ Wireless Lifeline-only ETCs typically provide discounted prepaid service or an allocation of free minutes per 30-day
26 period to their Lifeline eligible customers. These prepaid services do not require the issuance of paper or electronic billing
27 to customers as is done with postpaid wireless service. In order to communicate with its Lifeline customers, wireless
28 Lifeline providers such as Nexus have historically used text messages to communicate with its Lifeline customers about
important issues, such as the need to annually re-certify that the customer is still eligible to receive Lifeline services. Nexus
indicated to Staff that it never sends paper notices to its Lifeline customers unless it needs to in order to fulfill a legal
requirement.

1 its business, (ii) affected subscribers were notified with both text message and formal letter; and (iii) as
2 discussed above, Nexus subscribers have access to eleven other alternative wireless Lifeline service in
3 Arizona, as stated in the notice to subscribers; and (iv) Nexus' ETC designation order only calls for
4 notice to the Commission and subscriber, but does not require publication of legal notice.

5 **Staff Recommendation on Waiver of A.A.C. R14-2-1107(B) Requirement**

6 17. Because the service being provided by Nexus affects only its Lifeline customers, which
7 have been notified by letter and text message by Nexus, and because there are currently two ILECs
8 and at least eleven other competitive wireless ETCs designated to provide service in at least part of
9 Nexus' designated service area in Nexus' designated service area of which Nexus' Lifeline may select
10 as their Lifeline Service provider, Staff recommends Nexus' waiver request of A.A.C R14-2-1107(B)
11 be granted.

12 **Staff Recommendations for ETC Relinquishment Application**

13 18. As of April 30, 2016, Nexus had 887 Lifeline customers in Arizona. As of May 23,
14 2016, Nexus had 3 Lifeline customers in Arizona. Nexus does not collect deposits or require service
15 contracts from its Arizona Lifeline customers. Qwest and Frontier-CURC are ILECs and designated
16 ETCs serving the zip codes in Nexus' designed service area. In addition, there are also eleven other
17 competitive ETCs which provide service in at least part of Nexus' designated service area. Therefore,
18 Staff recommends approval of Nexus' ETC designation relinquishment effective as of the date of the
19 Commission's Decision in the docket. In addition, Staff recommends that Nexus' Arizona Lifeline
20 Tariff be cancelled and withdrawn effective as of the date of the Commission's Decision in the
21 docket. Finally, Staff recommends that Nexus file an affidavit in this docket with Docket Control
22 informing the Commission that all Lifeline activities are completed in Arizona within ten (10) days
23 after their completion.

24 CONCLUSIONS OF LAW

25 1. Nexus Communications, Inc. is a telecommunications company as defined in A.R.S. §
26 40 201(46) and is a "telecommunications carrier" as defined in 47 U.S.C. § 153(51). Nexus is also a
27 reseller of Commercial Mobile Radio Service provider as defined in 47 U.S.C. § 20.3 and A.A.C. R14-
28 2-1201(8).

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IT IS FURTHER ORDERED Nexus Communications, Inc. file an affidavit with in this docket with Docket Control informing the Commission that all Lifeline activities are completed in Arizona within ten (10) days after their completion.

IT IS FURTHER ORDERED that this Decision shall become effective immediately.

BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION

CHAIRMAN

COMMISSIONER

COMMISSIONER

COMMISSIONER

COMMISSIONER

IN WITNESS WHEREOF, I, JODI JERICH, Executive Director of the Arizona Corporation Commission, have hereunto, set my hand and caused the official seal of this Commission to be affixed at the Capitol, in the City of Phoenix, this _____ day of _____, 2016.

JODI JERICH
EXECUTIVE DIRECTOR

DISSENT: _____

DISSENT: _____

TMB:LLM:nr/MAS

1 SERVICE LIST FOR: NEXUS COMMUNICATIONS, INC.
2 DOCKET NO.: T-20871A-16-0124

3 Mr. Michael Hallam
4 Attorney for Nexus Communications, Inc.
5 Lewis Roca Rothgerber Christie
6 201 East Washington Street, Suite 1200
7 Phoenix, Arizona 85004

8 Mr. Thomas M. Broderick
9 Director, Utilities Division
10 Arizona Corporation Commission
11 1200 West Washington Street
12 Phoenix, Arizona 85007

13 Ms. Janice M. Alward
14 Chief Counsel, Legal Division
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16 1200 West Washington Street
17 Phoenix, Arizona 85007

18 Mr. Dwight Nodes
19 Chief Administrative Law Judge,
20 Hearings Division
21 Arizona Corporation Commission
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