BEFORE THE TENNESSEE REGULATORY AUTHORITY NASHVILLE, TENNESSEE

| IN RE: |) | |
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| APPLICATION OF NEXUS |) | |
| COMMUNICATIONS, INC. FOR |) | |
| DESIGNATION AS AN ELIGIBLE |) | DOCKET NO. 08-00119 |
| TELECOMMUNICATIONS CARRIER |) | |
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PETITION OF NEXUS COMMUNICATIONS, INC. FOR CLARIFICATION OF FINAL ORDER

Nexus Communications, Inc. ("Nexus") asks the Tennessee Regulatory Authority to amend and clarify the Final Order issued in this docket on October 27, 2008, designating Nexus as an "Eligible Telecommunications Carrier" in Tennessee. These proposed amendments do not materially affect the TRA's designation decision but will clarify the service offered by Nexus and how those services are provided. Specifically, Nexus asks that the Order be amended to clarify two points.

First, in numbered paragraph 2 on page 3 of the Order, the Order names eight "supported services" offered by Nexus. The services named in the Order should track the list of nine supported services required by the FCC rules (47 C.F.R. § 54.101(a)(1)-(9)) and described in Nexus' Petition, paragraph 6, pages 4-6. The services named in the Order do not include one supported service, "access to interexchange service," which Nexus must offer to be eligible for federal universal service support. See 47 C.F.R. § 54.101(b). Nexus asks that the Order be clarified by including "access to interexchange service" among the supported services named in paragraph 2.

Second, paragraph 3 of the Order states, "Nexus utilizes its own facilities, unbundled network elements ("UNEs") combinations thereof, and resale of another carrier's service to provide its services."

As the Michigan Public Service Commission stated in its "Opinion and Order" of December 23, 2008, "Nexus' wireline services are facilities-based. Nexus wireless services are provided via 100% resold services." Opinion and Order, at 2 (copy attached). Nexus provides its services in Tennessee in the same manner as described in the Michigan decision. To clarify that point and insure that the two orders are correctly and consistently interpreted, Nexus asks that the language in paragraph 3 of the Tennessee Order be amended to read, "Nexus utilizes its own facilities, unbundled network elements ("UNEs") combinations thereof, and resale of another carrier's services to provide its wireline and wireless services." (The words "wireline and wireless" have been added.)

These clarifications do not materially affect the TRA's decision to designate Nexus as an eligible carrier pursuant to federal law but will better explain how Nexus offers its services in Tennessee and clarify that Nexus offers all nine of the supplemental services.

2094293 v1 110585-001 3/23/2009 Nexus therefore asks that this Petition be granted and that the TRA issue a new Order containing these suggested clarifications.

Respectfully submitted,

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STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of

NEXUS COMMUNICATIONS, INC.,

for clarification or designation of its eligible
telecommunications carrier status in
the state of Michigan.

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At the December 23, 2008 meeting of the Michigan Public Service Commission in Lansing, Michigan.

PRESENT: Hon. Orjiakor N. Isiogu, Chairman Hon. Monica Martinez, Commissioner Hon. Steven A. Transeth, Commissioner

OPINION AND ORDER

On October 13, 2008, Nexus Communications, Inc., d/b/a TSI Telephone Company (Nexus), filed an application requesting "clarification of its designation or for designation as an Eligible Telecommunications Carrier (ETC) throughout its licensed service area within the state of Michigan or for designation as an ETC for its wireless service," per Section 214(e)(2) of the federal Communications Act of 1934 (FTA), 47 USC § 214(e)(2), for purposes of low income universal service fund (USF) support.

Nexus was granted ETC status for the purpose of receiving Lifeline/Link-Up support for its wireline operations on March 14, 2006 in Case No. U-14742. In its October 13, 2008 filing, Nexus asks to include the wireless component of its telecommunications operations in its current

ETC designation for purposes of claiming Universal Service Fund (USF) support for Lifeline/Link-up.

Nexus' wireline services are facilities-based. Nexus' wireless services are provided via 100% resold services. Section 214(e)(1)(A) of the FTA provides that an ETC must offer services "either using its own facilities or a combination of its own facilities and resale of another carrier's services." 47 USC 214(e)(1)(A). 47 CFR §54.201(i) prohibits state commission from designating as an ETC a telecommunications carrier that offers services exclusively through the resale of another carrier's services.

Nexus provided documentation to the Commission Staff (Staff) showing that its wireline and wireless operations share the same president, management team, and marketing team, and some of the same accounting and compliance personnel. The Staff recommends that Nexus' petition be granted because the wireline service is a fully integrated component of Nexus' operations. As such, the Staff opines that Nexus need not apply for forbearance of 47 USC § 214(e)(1)(A) and 47 CFR § 54.201(i) from the Federal Communications Commission (FCC).

In its application, Nexus states that it would like to begin offering Lifeline/Link-up to its wireless customers in 2009 under the same service area code (319014) that it is already using.

Nexus states that it has provided Lifeline/Link-Up service to over 43,500 eligible wireline

Michigan residents since receiving ETC status. Nexus states that it will offer low income service "either through the use of its own facilities or a combination of its own facilities and the resale of another carrier's services (including the services offered by another ETC)." Application, p. 7.

Nexus further indicates that "Upon application for either a wireless or a landline Lifeline and Link-Up account, Nexus will utilize its certification and verification safeguards to ensure that

¹A petition for forbearance would be required for an operation that has no facilities-based services. *See*, the October 21, 2008 order in Case No. U-15625.

ineligible subscribers are prevented from receiving multiple Link-Up and Lifeline subsidies at the same address." Application, p. 10.

Nexus' services are not offered exclusively through resale. The Commission agrees with the Staff and finds that Nexus should receive ETC designation for its wireless services in the same geographic area in which it currently holds ETC designation for its wireline services, and under the same service area code, as reflected on Exhibit 1 attached to this order. After reviewing Nexus' application, the Commission is persuaded that allowing Nexus to include its wireless customers residing within the study area of its ETC designation promotes the availability of universal service and is in the public interest. Nexus will comply with enhanced service requirements, as required by the FCC's Report and Order 05-46, CC Docket 96-45, and the Commission's October 18, 2005 order in Case No. U-14530 for its wireless services. Nexus is also reminded that if credit for Lifeline/Link-up customers, both wireline and wireless, is obtained from the underlying carrier through interconnection agreement provisions, the company may not also seek reimbursement from the FCC for those same Lifeline/Link-up customers.

Moreover, the Commission concludes, as it did in its November 20, 2001 order in Case No. U-13145 that "...it need not solicit comment on the application, which would only further delay action on the application." Order, Case No. U-13145, p. 4.

THEREFORE, IT IS ORDERED that the application filed by Nexus Communications, Inc., d/b/a TSI Telephone Company, for designation as an eligible telecommunications carrier for purposes of universal service fund support for its wireless services is granted.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so by the filing of a claim of appeal in the Michigan Court of Appeals within 30 days of the issuance of this order, under MCL 484.2203(12).

| | MICHIGAN PUBLIC SERVICE COMMISSION |
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| | Orjiakor N. Isiogu, Chairman |
| | Monica Martinez, Commissioner |
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| | Steven A. Transeth, Commissioner |
| By its action of December 23, 2008. | |
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| Mary Jo Kunkle, Executive Secretary | |