

NEXUS COMMUNICATIONS, INC.



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T.R.A. DOCKET ROOM

August 13, 2010

Ms. Darlene Standley
Chief, Utilities Division
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

Re: TRA Docket No. 10-00140 Self-Certification of Eligibility of Nexus Communications, Inc. to Receive Federal Universal Service Funds in Study Area 299014 for the First through Fourth Quarters of 2011.

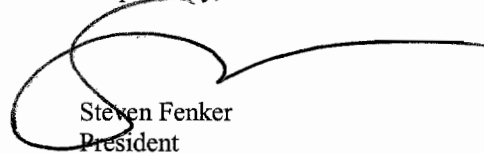
Dear Ms. Standley:

Nexus Communications, Inc. ("Nexus" and the "Company") hereby provides for filing the attached letter certifying continued eligibility by the Company to receive federal high cost universal service support in the first, second, third, and fourth quarters of 2011 ("Letter"). As demonstrated in the Letter, the Company is in compliance with Section 254(e) of the Communications Act of 1934, as amended, and the relevant rules and regulations of the Federal Communications Commission ("FCC")¹. Pursuant to your request, the Letter also contains information regarding the amount and allocation of support received and, where necessary, estimated to be received in fiscal 2010.

An original and two (2) copies of the certification have been provided along with an extra stamp and return copy. Please indicate the date and time of filing on the enclosed "stamp and return" copy and forward the copy to my attention using the enclosed self-addressed stamped envelop.

Please forward any correspondence regarding this matter to the undersigned.

Respectfully,



Steven Fenker
President
Nexus Communications, Inc.

¹ See 47 U.S.C. § 254(e); *In the matter of Federal-State Joint Board on Universal Service*, CC Docket Nos. 96-45, 00-256, Fourteenth Report and Order, Twenty-Second Order on Reconsideration, and Further Notice of Proposed Rulemaking in CC Docket No. 96-45 and Report and Order in CC Docket No. 00-256, FCC 01-157 (released May 23, 2001) and codified at 47 C.F.R. § 54.314.

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Re: TRA Docket No. 10-00140 Self-Certification of Eligibility of Nexus Communications, Inc. to Receive Federal Universal Service Funds in Study Area 299014 for the First through Fourth Quarters of 2011.

Dear Ms. Standley:

Nexus Communications, Inc. ("Nexus" and the "Company") hereby provides the required certification and requested information regarding the amount and allocation of support received.

CERTIFICATION

On behalf of the Company, I, Steven Fenker, an officer of the Company with substantial knowledge of the Company's operations, do hereby certify under penalty of perjury that the following is true and accurate to the best of my knowledge and belief:

1. I am President of the Company;
2. The company is certified as a Competitive Eligible Telecommunications Carrier ("ETC") in the exchanges of ETC certified non-rural Incumbent LEC, BellSouth Telecommunications, Inc. Tennessee dba AT&T Tennessee ("AT&T Tennessee");
3. As such, the Company is eligible to receive disbursements from the federal Universal Service Fund in a manner and amount equal to the disbursements received by AT&T Tennessee as prescribed by the Federal Communications Commission; and
4. The Company will utilize all federal High Cost Support only for the provision, maintenance, and upgrading of facilities and services for which the support is intended, consistent with 47 U.S.C. § 254(e) of the Telecommunications Act of 1996.

Respectfully,


Steven Fenker
President, Nexus Communications, Inc.

REQUESTED INFORMATION

1. Amount of Support the Company Received for the 2010 Fiscal Year

As a competitive ETC, Nexus is eligible to receive federal Universal Service Fund ("USF") support in a manner consistent with the Tennessee Regulatory Authority's ("TRA", the "Authority") ETC designation Order of Nexus Communications, Inc. in Docket No. 08-00119. Details of that the support and the amounts received by the Company from each mechanism are provided below.

a. High Cost Support

High-cost support is received in a manner and amount equal to the support received by the Incumbent ETC, which in this case is Bellsouth Telecommunications, Inc., Tennessee dba AT&T Tennessee ("AT&T Tennessee"). High-cost support is divided into seven (7) categories or mechanisms; High Cost Model (HCM) support, High Cost Loop (HCL) support, Safety Net Additive (SNA) support, Safety Valve Support (SVS), Intrastate Access Support (IAS), Local Switching Support, (LSS), and Interstate Common Line Support (ICLS). Each of these mechanisms was created by the Federal Communications Commission ("FCC") in conjunction with the Federal-State Joint Board on Universal Service allowing representatives from the State Commissions to be involved in the development of these mechanisms through their active participation and representation in the Joint Board process.

b. Low Income Support

Eligible Telecommunications Carriers ("ETCs") receive low-income support in a manner consistent with the provisions of 47 C.F.R. §§ 54.403, 54.405 and 54.407. This support is divided into two categories or components known as Lifeline and Link Up. The first component, Lifeline, is defined in 47 C.F.R. § 54.401 to mean a retail local service offering that is available only to qualifying low income consumers for which these same qualifying consumers pay reduced charges as a result of the application of the Lifeline support amount, which equals the Tiers described in 47 C.F.R. § 54.403. The second component, known as Link Up, is defined in 47 C.F.R. § 54.411 as an assistance program for qualifying low income consumers, which an eligible telecommunications carrier shall offer and which provides for a reduction in the carrier's customary charge for commencing telecommunications service of half of the customary charge or \$30.00, whichever is less. In addition, Link Up provides for a deferred payment, not to exceed one year, of the charges assessed for commencing service, of up to \$200.00, for which the consumer does not pay interest.

c. Support Received

All of the components from the high cost and low income mechanisms are administered through the Universal Service Administration Company (“USAC”). USAC, as a private, not-for-profit corporation, is responsible for providing every state and territory of the United States with access to affordable telecommunications service through the federal USF program. USAC has contracted with the National Exchange Carrier Association, Inc. (“NECA”) to assist in the data collection necessary for the remittance of universal service funds.

In order for ETCs to receive USF support, a State that has jurisdiction over the carriers must certify annually that all federal support provided to such carriers within that State will be used only for the provision, maintenance, and upgrading of facilities and services for which the support is intended”.² The certification must be filed with the FCC and USAC. Section 54.314(d)(1) of the FCC’s Rules provides that “carriers for which certifications are filed on or before October 1 shall receive [USF]...in the first, second, third, and fourth quarters of the succeeding year”.³

In its notification dated July 18th, 2010, the Tennessee Regulatory Authority (“TRA”, the “Authority”) requested that all companies that intend to file for certification to receive USF support for Fiscal Year 2011 submit its request to the TRA. In order to enable the Authority to properly evaluate the use of USF in Tennessee, the request is to include the amount of support received for Fiscal Year 2010. In compliance with this request, Nexus reports the amount of USF support the Company has received year-to date for Fiscal year 2010 in Study Area Code 299014 to be as indicated in the chart below.⁴

High Cost Support	Low Income Support
\$0.00	\$140,094.00

2. HOW THE FUNDS WERE ALLOCATED

As previously stated, Nexus is eligible to receive federal USF support in a manner consistent with the Authority’s ETC Designation Order in Docket No. 08-00119, which prohibits Nexus from receiving support from the high cost mechanism of the federal Universal Service Fund. Recovery of low income support is based on the Tiers of support outlined in 47 C.F.R. § 54.403. Details of how support is determined and allocated is provided below.

² 47 C.F.R. § 54.314(a).

³ 47 C.F.R. § 54.314(d)(1). In promulgating its certification requirements, the FCC noted that October 1st deadline was necessary to allow sufficient time for USAC to process the certifications and provide the FCC with an estimate of the level of high-cost support that will be required by USAC’s November 1st deadline.

⁴ Source USAC High Cost and Low Income Disbursement Data report. Amount includes funds received from October 2009 through July 2010.

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Low Income Support

Support from the Low Income mechanism is divided into two components commonly known as Lifeline and Link Up. The amount of and basis of support for the two components of the low income support mechanism are detailed below.

a. Lifeline

There are four levels of Lifeline support, referred to as "Tiers." The level of support for each Tier is as follows:

Tier 1 - Tier 1 support, is an amount equal to the incumbent ETCs actual federal tariffed subscriber line charge also known as an end user common line charge. Currently, Nexus designated service area is the geographic area serviced by incumbent ETC BellSouth Telecommunications, Inc, - Tennessee ("AT&T Tennessee"). According to Bellsouth Telecommunications, Inc. Tariff F.C.C. No. 1, the incumbents current End User Common Line charge for a Primary residential line is \$6.50. As such, the amount of Tier 1 support provided to qualifying low income consumers each month is \$6.50.

Tier 2 – Tier 2 support is an additional \$1.75 per month of federal support that ETCs are required to pass through to qualifying consumers to reduce the carrier's non-Lifeline rate.

Tier 3 – Tier 3 support is an additional amount of federal Lifeline support equal to one-half of any Lifeline support provided by the carrier, up to a maximum of \$1.75. Nexus provides qualifying low income subscribers with \$3.50 in monthly support thereby allowing each qualified subscriber to receive the maximum amount of Tier 3 support.

Tier 4 – Tier 4 support is an additional federal support amount available to eligible residents of tribal lands. Currently, Nexus does not serve any residents of tribal lands within the State of Tennessee. As a result, Nexus does not provide or receive Tier 4 support in Tennessee.

As required, Nexus passes all support to qualifying Lifeline subscribers to reduce the monthly charges to eligible low income customers.

b. Link Up

As previously stated, Link Up is an assistance program for qualifying low income consumers, which an eligible telecommunications carrier shall offer and which provides for a reduction in the carrier's customary charge for commencing telecommunications service of half of the customary charge or \$30.00, whichever is less. In addition, Link Up provides for a deferred payment, not to exceed one year, of the charges assessed for commencing service, of up to \$200.00, for which the consumer does not pay interest. Pursuant to federal rules, Nexus uses Link Up to

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provide a discount off of the Company's service activation fee ("SAF") of up to \$30.00. In addition, Nexus also allows all consumers, who make request, to defer the SAF balance that is a result of the application of the Link Up discount, for up to one full year. Consumers that elect to defer their balance do so without incurring interest on the deferred amount. AS required, uses Link Up support to reduce the Company's customary tariffed rate for the commencement of service

High Cost Support

Like low income support, high cost support is also a mechanism of the federal Universal Service Fund and is divided into components. As previously stated, High-cost support is divided into seven (7) categories or components, which include High Cost Model (HCM) support, High Cost Loop (HCL) support, Safety Net Additive (SNA) support, Safety Valve Support (SVS), Intrastate Access Support (IAS), Local Switching Support, (LSS), and Interstate Common Line Support (ICLS). Nexus' ETC designation is limited to the receipt of low-income federal universal service support. As a result, Nexus is not eligible to receive support from the high cost mechanism of the Universal Service Fund.

3. Where the Company is Providing Service

In its July 15, 2010 notice, the Authority requested that each carrier provide in their response the rate centers where they company is providing support. A list of the rate centers included in the Company's designated service area is included with this request as Attachment 1.

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4. The Number of Lines Being Served by UNEs and Resale, the type of switching, and the location of the switch and the amount of support received.

The Authority's notice also requires that each request should include the number of lines being served by UNEs, the number of lines being served by resale, the type of switching and the location of the switch and where applicable the amount of universal service received. In compliance with this request, Nexus reports that the Company offers service in a manner consistent with federal rules, which require a common carrier designated as an eligible telecommunications carrier ("ETC") to offer the services that are supported by federal universal service support either using its own facilities or a combination of its own facilities and resale of another carrier's services. As defined in 47 C.F.R. § 54.201(e) the term facilities means any physical components of the telecommunications network that is used in the transmission or routing of the services that are designated for support while a carrier's "own facilities" defined to mean facilities obtained as unbundled network elements. Depending on the geographic location of the service request and the type of service requested, Nexus offers the supported services using unbundled network elements, obtained from the incumbent LEC, or resale allowing the Company to meet the requirements of 47 C.F.R. § 54.201 and to be classified as a facilities based CLEC. As the UNEs obtained by Nexus include a loop, port and switching, the switching of calls for Nexus's customers is handled in a manner equal to the switching performed by the incumbent for its own customers. As requested, Nexus reports the number of lines being served by UNEs and resale to be as follows:

UNEs	Resale
10	645

As the UNEs Nexus uses to provide service are obtained from the incumbent LEC, Nexus is able to report that all switching is performed in a manner consistent with the switching performed by AT&T Tennessee for its own subscribers and the switch location is the same as the AT&T Tennessee switch location.

Nexus also reports that all federal Universal Service support received in Fiscal 2010 is provided in the response to 1.c. preceding.

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**THE COMPANY RESPECTFULLY SUBMITS THAT IT MEETS THE QUALIFICATIONS FOR
CONTINUED CERTIFICATION FOR STUDY AREA CODE 299014**

The Company respectfully submits that, given the number and nature of the requirements for support already in place, the Authority may lawfully and appropriately rely upon this self-certification by Nexus. The requirements, procedures, and processes to which the Company adheres, as set forth above, provide the necessary and sufficient basis for the Authority to provide certification to USAC and the FCC, and to thereby ensure that the Company and its customers will not be deprived of the USF funding to which the Company and its customers are lawfully entitled to possess, even when that support is limited to the receipt of low-income federal universal service support. Essentially, under the existing rules and process discussed above, the federal support funds available to the Company and other ETCs are, in fact, an integral part of the recovery of expenditures incurred in the provision, maintenance, and upgrading of its provision of universal service. The processes described above constitute the receipt and utilization of low-income federal universal support upon which the Company depends on to provide quality telephone service and upon which its low-income subscribers depend on to obtain service at rates that are reasonably comparable to rates charged for similar services in urban areas. Furthermore, the Company attests, per the above certification, that it will use all federal universal support only for its intended purpose.

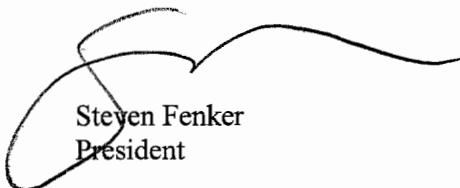
In many respects, the certification process is similar to the certification process, which the Authority uses in its initial designation of eligible telecommunications carriers, thereby fulfilling its right, as established by the Telecommunications Act of 1996, to designate a carrier as an ETC.

Accordingly the grant of this request for certification is consistent with past practice and procedure. The very same procedure and process undertaken by the Authority that is valid for designation of eligibility to receive funds is also rationally valid as the basis for the necessary certification that the Company will use those funds, once received, for the purposes for which they are intended.

The Company, as discussed above and pursuant to the above certification, represents to the Authority that it adheres to and complies with all required processes, and that any expenditures of USF funds will be consistent with the applicable rules and foster the provision of facilities and services for which the funding is intended.

Please contact the undersigned with any questions if further information is required.

Respectfully Submitted,



Steven Fenker
President

ATTACHMENT 1

Rate Centers

ADAMS-CEDAR HILL	ETOWAH	LAKE CITY	RIDGELY
ARLINGTON	FAIRVIEW	LAWRENCEBURG	RIPLEY
ASHLAND CITY	FAYETTEVILLE	LEBANON	ROCKWOOD
ATHENS	FLINTVILLE	LENOIR CITY	ROGERSVILLE
BELLS	FRANKLIN	LEWISBURG	SANGO
BENTON	FREDONIA	LEXINGTON	SANTA FE
BETHEL SPRINGS	FRIENDSVILLE	LOUDON	SAVANNAH
BIG SANDY	FULTON	LYLES	SELMER
BLANCHE	GALLATIN	LYNCHBURG	SEVIERVILLE
BOLIVAR	GATLINBURG	LYNNVILLE	SEWANEE
BROWNSVILLE	GIBSON	MADISONVILLE	SHELBYVILLE
BULLS GAP	GLEASON	MANCHESTER	SMYRNA
CAMDEN	GOODLETTSVILLE	MARYVILLE	SNEEDVILLE
CARTHAGE	GRAND JUNCTION	MASCOT	SODDY-DAISY
CENTERVILLE	GREENBACK	MAYNARDVILLE	SOMERVILLE
CHARLESTON	GREENBRIER	MCEWEN	SOUTH PITTSBURG
CHARLOTTE	GREENFIELD	MCKENZIE	SPRING CITY
CHATTANOOGA	GUTHRIE	MEDINA	SPRING HILL
CLARKSVILLE	HALLS	MEMPHIS	SPRINGFIELD
CLEVELAND	HAMPSHIRE	MIDDLESBORO	SUMMERTOWN
CLINTON	HARRIMAN	MIDDLETON	SURGOINSVILLE
COLLIERVILLE	HARTFORD	MILAN	SWEETWATER
COLUMBIA	HARTSVILLE	MORRISTOWN	TIPTONVILLE
COPPER HILL	HENDERSON	MOSCOW	TOWNSEND
CORINTH	HENDERSONVILLE	MOUNT PLEASANT	TRENTON
COVINGTON	HENNING	MURFREESBORO	TRIUNE
CROSS PLAINS-ORLINDA	HOHENWALD	NASHVILLE	TROY
CULLEOKA	HORNBEAK	NEWBERN	TULLAHOMA
CUMBERLAND CITY	HUMBOLDT	NEWPORT	UNION CITY
CUMBERLAND GAP	HUNTINGTON	NORRIS	VANLEER
CUNNINGHAM	HUNTLAND	OAK GROVE	WARTRACE
DANDRIDGE	JACKSON	OLD HICKORY	WATERTOWN
DAYTON	JASPER	OLIVER SPRINGS	WAVERLY
DECATUR	JEFFERSON CITY	PALMYRA	WHITE BLUFF
DICKSON	JELICO	PARIS	WHITE HOUSE
DOVER	KENTON	PETERSBURG	WHITE PINE
DYER	KINGSTON	PLEASANT VIEW	WHITEVILLE
DYERSBURG	KNOXVILLE	PORTLAND	WILLIAMSPORT
EAGLEVILLE	LA FOLLETTE	PULASKI	WINCHESTER