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MAR 20 2012

PUBLIC SERVICE
COMMISSION

March 20, 2012

Via Hand-Delivery

Mr. Jeff DeRouen, Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

RE: *Case No. 2009-00110*

Dear Mr. DeRouen:

Please find enclosed for filing an original and ten (10) copies of Nexus Communications, Inc.'s Status Report.

Please place the documents of file. Should you have any questions regarding the enclosed, please contact me at your convenience.

Regards,



Matthew Malone

C: File

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

Petition of Nexus Communications, Inc. for
Additional Designation as an Eligible
Telecommunications Carrier in Kentucky

Case No. 2009-00110

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**PUBLIC SERVICE
COMMISSION**

STATUS REPORT OF NEXUS COMMUNICATIONS, INC.

Nexus Communications, Inc. (“Nexus”) respectfully submits this Status Report pursuant to the request of the Kentucky Public Service Commission (“Commission”). On September 27, 2011, the Commission granted Nexus’ motion to hold the above-captioned proceeding in abeyance. In that Order, the Commission also directed Nexus to file a written status report every 60 days detailing Nexus’ progress in other states.

Over the past 60 days, Nexus has received no new designations of ETC status in any state.¹ Nexus has pending wireless ETC designation applications before the public utility commissions of Idaho, Indiana, Minnesota, Oklahoma, Pennsylvania, Vermont and Washington. Nexus also has an application pending with the Federal Communications Commission for authority to operate as a wireless ETC in Alabama, Connecticut, the District of Columbia, Delaware, Florida, New Hampshire, New York, North Carolina, Tennessee and Virginia.

There have been significant developments at the Federal Communications Commission (“FCC”) since Nexus’ last Status Report. On February 6, 2012, the FCC released the text of its

¹ Nexus previously has been granted ETC status for wireless services, wireline services or both by the state commissions of Alabama, Arkansas, California, Florida, Georgia, Illinois, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Michigan, Mississippi, Missouri, Nevada, New Jersey, North Carolina, Ohio, Oklahoma, Rhode Island, South Carolina, Tennessee, Texas, West Virginia and Wisconsin.

Report and Order in the *Lifeline/Link Up Reform* docket (“*Lifeline Reform Order*”).² In that order, the FCC granted blanket forbearance to Lifeline-only ETCs, subject to the conditions that the carrier must (1) comply with certain 911 requirements and (2) secure an approved compliance plan from the FCC Wireline Competition Bureau. Specifically, the FCC ruled that:

the Commission will forbear from the “own-facilities” requirement contained in [47 U.S.C. §] 214(e)(1)(A) for carriers that are, or seek to become, Lifeline-only ETCs, subject to the following conditions: (1) the carrier must comply with certain 911 requirements ... ; and (2) the carrier must file, and the Bureau must approve, a compliance plan providing specific information regarding the carrier’s service offerings and outlining the measures the carrier will take to implement the obligations contained in this Order as well as further safeguards against waste, fraud and abuse the Bureau may deem necessary.³

In paragraph 380 of the *Lifeline Reform Order*, the FCC explained that Lifeline-only ETCs relying on forbearance will be eligible to receive Lifeline support once the FCC Wireline Competition Bureau approves their compliance plans.

Nexus is unable to provide to its wireless subscribers the supported “voice telephony service” as that term is now defined in FCC Rule 54.101 using its own facilities. As a result, Nexus intends to obtain forbearance from the “own facilities” requirement from the FCC in accordance with the procedures set forth in the *Lifeline Reform Order*. Specifically, Nexus will comply with the 911 conditions set forth in the *Lifeline Reform Order*,⁴ and Nexus plans to file a compliance plan with the FCC Wireline Competition Bureau within the next few weeks. Once Nexus has received FCC approval of its compliance plan, it will have met the “own facilities” requirement through forbearance.

² *Lifeline and Link Up Reform and Modernization*, WC Docket Nos. 11-42, *et al.*, Report and Order and Further Notice of Proposed Rulemaking, FCC 12-11 (adopted Jan. 31, 2012, released Feb. 6, 2012), available at: http://transition.fcc.gov/Daily_Releases/Daily_Business/2012/db0207/FCC-12-11A1.pdf.

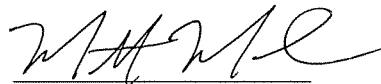
³ *Id.* at ¶ 368.

⁴ *See id.* at ¶ 373.

In the *Lifeline Reform Order*, the FCC has established a clear process for carriers such as Nexus to obtain forbearance from the FCC's "own facilities" requirement. It is reasonable to anticipate that this process can be completed within the next few months, in part because the FCC has already approved a number of ETC compliance plans such that the content of these plans largely has become standardized. Under these circumstances, Nexus believes it is appropriate for the Commission to continue to hold Nexus' application in abeyance until Nexus has obtained an approved compliance plan from the FCC, at which time Nexus will work with the Commission to finalize the application process.

Pursuant to the September 27, 2011 Order, Nexus will again apprise the Commission of its progress again within 60 days.

Respectfully submitted,



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March 20, 2012