

September 24, 2012

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

**Re: Lifeline Broadband Pilot Application of Nexus Communications, Inc.
WC Docket 11-42**

Dear Secretary Dortch:

Nexus Communications, Inc. (“Nexus”) hereby provides the following amendment to its application in the above-captioned proceeding.

First, Nexus modifies its pricing plan as follows:

Plan	Data Allowance	Non-discounted Rates (Control Group) ¹	Discounted Rates (Test Group I-- \$15.00 Pilot Subsidy)	Discounted Rates (Test Group II-- \$20.00 Pilot Subsidy)
Basic	200 MB	\$24.99	\$10.00	\$5.00
Intermediate	500 MB	\$29.99	\$15.00	\$10.00
Medium	1 GB	\$39.99	\$25.00	\$20.00
Large	2 GB	\$49.99	\$35.00	\$30.00

This price structure includes a modest increase in the price and requested subsidy, as a result of changes in contract terms and availability from Nexus’ potential wholesale suppliers since the date of the application. These revised rates are still in line with wireless broadband services offered in the competitive market. Under the other assumptions in the application, these

¹ See footnote 4 of Nexus’ application for the explanation of the one-cent difference between its commercial rates and its control group rates.

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changes would increase the requested maximum subsidy to \$2.8 million.² However, if that amount is not available, Nexus could operate under the initial \$2 million budget request by accepting a smaller number of customers in the subsidized test groups.

Second, Nexus will offer an additional equipment option to all customers. In lieu of an aircard and computer, customers may instead choose to use a wireless refurbished smartphone handset that Nexus would provide at a price of \$49.99. This option offers a substantially lower up-front, out-of-pocket cost for lower-income consumers who do not already have personal computers. All recurring service costs and subsidies would remain the same. Nexus would report the number of customers who choose each category, giving the Commission an additional data point to discern low-income consumer preferences between handset and PC broadband when all pricing is otherwise the same.

Finally, Nexus also amends its application to reduce the price of its wireless aircard from \$50.00 to \$49.99. This change will simplify the message to potential customers regarding their equipment options: there will be a standard up-front charge of \$49.99 and they can choose to receive either an aircard or a smartphone.

Respectfully submitted,



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Counsel to Nexus Communications, Inc.

cc: Kimberly Scardino
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Jay Schwartz

² As noted in the application, Nexus assumed an average subsidy period of 10 months. 8000 customers @ \$15 subsidy x 10 months = \$1.2 million; 8000 customers @ \$20 subsidy x 10 months = \$1.6 million.