

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Commission,) Application No. NUSF-1
on its own motion, seeking)
to establish guidelines for) PROGRESSION ORDER NO. 14
administration of the Nebraska)
Universal Service Fund.) Entered: August 1, 2000

BY THE COMMISSION:

1. On March 11, 1999, the Nebraska State Legislature passed Legislative Bill 514 (LB514) and the Governor subsequently signed it into law on March 18, 1999. Among other things, LB514 added section 75-609(3) to the Nebraska Revised Statutes. This section reads:

Reductions made to access charges pursuant to subsection (2) of this section shall be passed on to the customers of interexchange service carriers in Nebraska whose payment of charges have been reduced. The commission shall have the power and authority to ensure that any access charge reductions made pursuant to subsection (2) are passed on in a manner that is fair and reasonable. The commission shall have the power to review actions taken by any telephone carrier to ensure that this subsection is carried out.

2. By order dated January 13, 1999, in Application No. C-1628, the Commission found that access charges billed to interexchange service carriers (hereinafter, "IXCs") in Nebraska by incumbent local exchange carriers (hereinafter, "ILECs") should be reduced over a transitional period. A transitional period of three years was adopted for the non-rural ILECs, US West, Aliant d/b/a ALLTEL, and GTE, and a transitional period of four years was adopted for the remaining, rural ILECs.

3. In Application No. NUSF-1 Progression Order No. 1, entered April 20, 1999, the Commission found, pursuant to its authority under Neb. Rev. Stat. § 75-609(3), that interexchange carriers should pass through any reductions in access charges that are paid directly to Nebraska ILECs. In accordance with this requirement, the Commission required plans be filed demonstrating this pass-through on or before August 1, 1999.

4. On February 8, 2000, the Commission entered Progression Order No. 4 in this docket re-affirming that the access reductions ordered in Docket No. C-1628 were made pursuant to Commission's authority contained in Neb. Rev. Stat. § 75-609(2) and set forth the method by which the Commission would determine if access charge reductions received by IXCs have been passed on to their customers.

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In addition, the Commission determined AT&T and Sprint Communications had adequately passed-through the reductions in access charges they received, to their customers, and therefore, removed AT&T and Sprint Communications from this proceeding.

5. On April 5, 2000, the Commission entered Progression Order No. 8 in this Docket which determined ALLTEL and MCI WorldCom had adequately passed-through the reductions in access charges they received, to their customers, and therefore, removed ALLTEL and MCI WorldCom from this proceeding.

O P I N I O N A N D F I N D I N G S

6. Based on additional information provided by Frontier Communications International, Inc. and Vartec Telecom, Inc. (d/b/a Clear Choice Communications, U.S. Republic Communications, Inc., and Telephone Express), the Commission finds said IXCs have complied with the access pass-through requirements as set forth in the Commission's February 8, 2000, Progression Order No. 4 in this docket. Accordingly, Frontier Communications International, Inc. and Vartec Telecom, Inc. (d/b/a Clear Choice Communications, U.S. Republic Communications, Inc., and Telephone Express), are removed from this proceeding.

7. Upon the Commission's review of access pass through, the Commission finds, based on in-state interexchange revenues, the following parties in this docket possess in-state interexchange market power;

ALLTEL Systems fka Aliant Systems, Inc.

AT&T

Excel

Excel Telecommunications, Inc.

Long Distance Wholesale Club

Telco Holdings, Inc. d/b/a Dial and Save

Global Crossing

Frontier Communications International, Inc.

Frontier Communications of the West, Inc.

Global Crossing Telecommunications, Inc.

d/b/a Frontier Communications Svcs.

MCI WorldCom

MCI WorldCom Communications, Inc.

MCI WorldCom Network Services, Inc.

Metropolitan Fiber Systems of Nebraska, Inc.

MCI Metro Access Transmission Services, LLC

BLT Technologies, Inc.

Touch 1 Long Distance, Inc.

TTI National, Inc.

Teleconnect Long Distance Services and Systems, Co.

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Sprint Communications Company, L.P.
Vartec Telecom, Inc.
d/b/a Clear Choice Communications
U.S. Republic Communications, Inc.
Telephone Express

8. In a like manner, the Commission finds the remaining parties in this docket, as listed below, and all other IXC's, not listed, but holding certificates to provide interexchange toll services in the state of Nebraska, lack in-state interexchange market power;

AmeriVision Communications, Inc.
Cable & Wireless USA, Inc.
Communication Telesystems International
d/b/a Worldxchange Communications
d/b/a CTS Telcom
CommuniGroup of K.C., Inc.
Dakota Cooperative Telecommunications
d/b/a DTG Communications
BroadWing Communications Services, Inc.
d/b/a Eclipse Telecommunications, Inc.
d/b/a National Teleservice, Inc.
d/b/a NTI
Feist Long Distance
FirstTel, Inc.
Iowa Network Services, Inc.
Maxxis Communications, Inc.
McLeodUSA Telecommunications Services, Inc.
Consolidated Communications Telecom Services, Inc.
NET-tel Corporation
Operator Communications, Inc.
d/b/a Oncor Communications, Inc.
One Call Communications, Inc.
d/b/a Opticom
OneStar Long Distance, Inc.
Qwest Communications Corp.
LCI International Telecom Corporation
d/b/a QWEST Communications Corporation aka QNC
RSL COM U.S.A., Inc.
d/b/a CBS Corporation dba Westinghouse Communications
TotalTel, Inc.
Touch 1 Communications, Inc.
USA Paging, Inc.
d/b/a Cable USA Long Distance

9. Finally, the Commission believes that all parties lacking market power in the Nebraska interexchange market will be compelled, due to competitive pressures, to migrate to in-state

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interexchange toll rates adequate to facilitate access pass through reductions necessary for Nebraska customers to realize reductions in intrastate toll rates corresponding to access reductions employed by Nebraska ILECs. The Commission has determined the IXCs possessing in-state interexchange market power account for more than ninety (90) percent of the interexchange revenues in the state of Nebraska, while each remaining IXC, lacking in-state interexchange market power, accounts for less than one (1) percent of in-state interexchange revenues in Nebraska. Therefore, the Commission finds all parties lacking market power in the Nebraska interexchange market, as determined by the Commission, including those listed above, are hereby removed from this proceeding and shall no longer be required to submit an access pass through plan in this proceeding.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Frontier and Vartec should be, and they are hereby, removed from this proceeding.

IT IS FURTHER ORDERED by the Nebraska Public Service Commission that all carriers lacking market power in the Nebraska interexchange market, as determined by the Commission should be, and they are hereby, removed from this proceeding.

MADE AND ENTERED at Lincoln, Nebraska, this 1st day of August 2000.

COMMISSIONERS CONCURRING:

Ann C. Boyle

Red JOHNSON

//s//Frank E. Landis
//s//Daniel G. Urwiller

NEBRASKA PUBLIC SERVICE COMMISSION:

Arvid J. Jurek
Chairman

ATTEST:

John Buehler

Executive Director