

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application) Application No. C-1386
of Sprint Communications Company)
L.P. for an amendment to its)
Certificate of Public Convenience) GRANTED
and Necessity to provide local)
exchange telecommunications)
service within the state of)
Nebraska) Entered: March 10, 1997

APPEARANCES:

For the Applicant:
Kinsey, Ridenour, et. al.
Bradford E. Kistler
206 S. 13th St., Suite 1301
Lincoln, NE 68501
and
Julie Thomas Bowles
Sprint Communications Company L.P.
8140 Ward Parkway
Kansas City, MO 64114

For the Formal Intervenors:
Nebraska Independent
Telephone Association
Baird, Holm et. al.
Kelly R. Dahl
1500 Woodmen Tower
Omaha, NE 68102

Arapahoe, Benkelman, Cozad
Diller, Henderson, Plainview
And Wauneta Telephone
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For the Staff:
Gene Hand
Director of Communications
Public Service Commission
1200 N Street, 300 The Atrium
Lincoln, NE 68508

BY THE COMMISSION:

By its application filed July 29, 1996, Sprint Communications Company L.P. (Sprint) seeks an amendment to its Certificate of Public Convenience and Necessity to provide local exchange telecommunications service within the state of Nebraska. Notice of the application appeared in the Omaha Daily Record on July 30, 1996. The following parties filed petitions for formal intervention: Arapahoe Telephone; AT&T; Blair Telephone; Benkelman Telephone; Cambridge Telephone; Clarks Telephone; Consolidated Telco, Inc.; Consolidated Telephone; Cozad Telephone; Diller Telephone; Glenwood Telephone Membership Corporation; Hartington Telephone; Henderson Cooperative Telephone; Hershey Cooperative Telephone; K & M Telephone; Keystone-Arthur Telephone; Lincoln Telephone & Telegraph (now Aliant Communications); MCI; Nebraska Independent Telephone Association; Nebraska Telephone Association; Pierce Telephone; Plainview Telephone; Southeast Nebraska Telephone; Stanton Telephone; US West Communications and Wauneta Telephone.

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On January 6, 1997, Sprint filed an amended application in the above matter stating it proposes to provide services only in the areas currently served by US West Communications (US West), GTE Midwest (GTE), Aliant Communications (Aliant) and United Telephone Company of the West (United). A public hearing was held on February 11, 1997, in the Commission Hearing Room.

In addition to the exhibits which are a part of the record, the applicant provided testimony of the following witness:

Peter N. Sywenki, testified on behalf of Sprint as follows:

Sprint is a limited partnership consisting of one general and three limited partners, all of which are wholly-owned subsidiaries of Sprint Corporation. Sprint's headquarters are located at 8140 Ward Parkway, Kansas City, Missouri. Sprint Corporation's headquarters are located at 2330 Shawnee Mission Parkway, Westwood, Kansas.

Sprint was granted a Certificate of Public Convenience and Necessity to provide intrastate, interLATA service on August 5, 1985, pursuant to Application No. C-552. Sprint's Certificate of Public Convenience and Necessity was subsequently expanded by the Commission to authorize it to provide certain intraLATA services in connection with Application No. C-670 on December 16, 1986. Sprint's experience in providing both interLATA and intraLATA service in Nebraska will assist Sprint in providing local exchange and exchange access service in the requested service areas.

Sprint has extensive managerial and technical experience in the provisioning, marketing and operation of telecommunications facilities and services in Nebraska. Sprint Corporation, through its local telecommunications division, currently provides local telephone service to more than 6.4 million customers in 19 states. Sprint is the nation's third largest long distance company. Consequently, both Sprint and its parent company, Sprint Corporation, are well acquainted with providing dial tone service, access to 911 service, network monitoring and maintenance, as well as complying with all applicable state commission rules and regulations.

Sprint possesses ample financial resources to provide the proposed services. As a wholly-owned subsidiary of Sprint Corporation, the applicant has the complete backing of its parent. Sprint Corporation will also provide managerial, technical, and operational resources to Sprint. Sprint has an excellent senior management team, backed by thousands of experienced employees who are competent in engineering, operations and marketing.

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Sprint will provide resold and facilities-based local exchange services only in territories served by US West, GTE, Aliant and United. Sprint will initially provide service by reselling the services of the incumbent local exchange carrier (ILEC) and will deploy its own facilities as economic factors, including customer demand, dictate and allow.

Sprint is familiar with the laws and regulations of the Commission governing local exchange telecommunications services in Nebraska and will provide service in accordance with all laws, rules and regulations to the extent they are not preempted by the Federal Act. In relation to Sprint's provision of local exchange service, the repair, maintenance, ordering, provisioning and billing will be provided by Sprint in a high quality manner, consistent with the standards enumerated in Commission Rule 002, Local Exchange Service.

Sprint acknowledges its obligation to aid in maintaining the goal of universal local service, to the extent nondiscriminatory, competitively-neutral universal service funding mechanisms are established by the Commission, so that affordable basic local exchange service is available. Sprint is committed to protecting the public safety and welfare through the provision of 911 service. Sprint will ensure that its customers have access to 911 service, directory assistance, telecommunications relay service and other services deemed essential for health, safety and other reasons.

No other parties introduced testimony or evidence.

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

On February 8, 1996, President Clinton signed into law the Telecommunications Act of 1996 (the Act). One primary purpose of the Act is to promote the development of competition in local exchange service markets. This Commission finds that it should embrace and adopt the pro-competitive policies of the Act. The Commission further finds there is a strong likelihood that certain benefits will flow from a competitive environment, such as improved efficiency in the provision of services; accelerated deployment of technological innovations; improved customer service; innovative services to meet consumer needs and choice of providers for consumers.

As it currently does when evaluating applications for certificates of authority to provide interLATA interexchange services, the Commission will consider this application for authority in light of the following criteria and standards:

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- (a) Whether the applicant has provided the information required by the Commission;
- (b) Whether the applicant has provided a performance bond, if required;
- (c) Whether the applicant possesses adequate financial resources to provide the proposed service;
- (d) Whether the applicant possesses adequate technical competence and resources to provide the proposed service;
- (e) Whether the applicant possesses adequate managerial competence to provide the proposed service; and
- (f) Whether granting the applicant a certificate preserves and advances universal service, protects the public safety and welfare and ensures the continued quality of telecommunications services and safeguards the rights of consumers, pursuant to Section 253(b) of the Act.

Sprint has demonstrated it meets the standards of financial, technical and managerial competence and all other criteria necessary to provide local exchange service, both facilities-based and resale, in Nebraska. No party to this proceeding refuted Sprint's competence. No performance bond is required.

Before Sprint is allowed to provide local exchange service to its users:

- (a) Sprint, either through negotiation or arbitration, must reach an interconnection agreement with the incumbent local exchange carrier;
- (b) The Commission must approve the interconnection agreement; and
- (c) Sprint must file, and the Commission must approve, a tariff in accordance with the provisions of Section 002.21 of Neb. Admin. R. & Regs. tit. 291, ch. 5.

A stipulation was entered into by the parties. The intervenors who participated in the stipulation maintain the right and opportunity to contest any future application of Sprint to expand its service territory in the state of Nebraska. Nothing in the stipulation shall in any way limit Sprint's right in connection with any such future application(s) to

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demonstrate to the Commission the applicant's satisfaction of any such criteria or standards established by the Commission.

As a provider of local exchange service in the state of Nebraska, Sprint would be subject to the same laws, rules and regulations, both federal and state (including any laws, rules or regulations regarding universal service, restrictions on joint marketing and quality of service), applicable to any other local exchange company except those obligations imposed on incumbent local exchange carriers pursuant to Section 251(c) of the Act.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-1386 be and is hereby granted.

IT IS FURTHER ORDERED that upon final approval of the interconnection agreements, Sprint is granted authority to provide local exchange service, both on a resale basis and facilities basis, in the areas served by US West, GTE, Aliant and United. Sprint must make further application to this Commission for authority to provide local exchange service outside these areas.

IT IS FURTHER ORDERED that Sprint is obligated to abide by the same laws, rules and regulations, both federal and state (including any laws, rules or regulations regarding universal service, restrictions on joint marketing and quality of service), applicable to other local exchange carriers except obligations imposed on incumbent local exchange carriers pursuant to Section 251 of the Act.

IT IS FURTHER ORDERED that the applicant shall file, in accordance with the applicable statutes on or before April 30th of each year, an annual report with this Commission consisting of (a) a copy of any report filed with the Federal Communications Commission, (b) a copy of any annual report to stockholders, (c) a copy of the latest Form 10-K filed with the Securities and Exchange Commission, (d) a balance sheet and income statement for the previous year of operation and (e) for the State of Nebraska on a combined interstate-intrastate basis, the investment in telephone plant and equipment located within the state, accumulated depreciation thereon, operating revenues, operating expenses, and taxes.

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IT IS FINALLY ORDERED that this Order be and hereby is made the Commission's official Certificate of Public Convenience and Necessity to the applicant to provide local exchange service in the territories served by US West, Aliant, GTE and United.

MADE AND ENTERED at Lincoln, Nebraska, this 10th day of March, 1997.

COMMISSIONERS CONCURRING:

Rod Johnson

Frank E. Landis

//s//Rod Johnson
//s//Frank E. Landis

COMMISSIONERS DISSENTING:

//s//Daniel G. Urwiller

NEBRASKA PUBLIC SERVICE COMMISSION

Chairman

Rod Johnson

ATTEST:

Robert R. Logsdon

Executive Director