

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application)	Application No. C-1465
of Paramount Wireless)	
Communications of Nebraska, L.L.C.)	
of Baton Rouge, Louisiana, seeking)	
authority to obtain a certificate)	GRANTED
of public convenience and)	
necessity to provide local)	
exchange service in exchanges)	
served by US West Communications,)	
Inc.)	ENTERED: July 15, 1997

APPEARANCES:

For Paramount:
H. Dillon Murchison
225 Baronne St., Suite 1704
New Orleans, LA 70112

For the Nebraska Telephone
Association:
Jack L. Shultz
Harding, Shultz & Downs
121 South 13th St., Suite 800
P.O. Box 82028
Lincoln, NE 68501-2028

BY THE COMMISSION:

By its application filed December 23, 1996, Paramount Wireless Communications of Nebraska, L.L.C. (Paramount) of Baton Rouge, Louisiana, seeks authority to obtain a certificate of public convenience and necessity to provide local exchange service in the areas served by US West Communications (US West). Notice of the application appeared in The Daily Record on December 27, 1996. The following parties filed petitions for formal intervention: Aliant Communications, Nebraska Central Telephone, Nebraska Independent Telephone Association, and Nebraska Telephone Association. An evidentiary hearing was held on April 2, 1997, in the Commission Hearing Room.

EVIDENCE

In support of its application, Paramount introduced Robert Andrew Hart IV, President of Paramount, who testified:

Paramount seeks authority to provide resold and facilities-based local exchange services in the area served by US West. Paramount is affiliated with Hart Communications Corporation and 21st Century Telesis, which owns 27 wireless PCS licenses,

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including licenses for Lincoln, Grand Island, Kearney, North Platte, McCook and Hastings. Mr. Hart is the founder of both Paramount and 21st Century Telesis. 21st Century Telesis' plans include installing low power wireless networks in Lincoln. Paramount will be able to utilize 21st Century's Lincoln switch, thereby lowering its cost associated with infrastructure.

Paramount has been certificated as a competitive local exchange carrier in Alabama, Mississippi, Louisiana and Florida. The Tennessee Regulatory Authority denied Paramount a certificate; however, Tennessee has allowed Paramount to refile once deficiencies are fixed. Currently, Paramount is seeking authority to operate as a local service provider in states where 21st Century has wireless licenses (Nebraska, New York, Indiana, Illinois, Pennsylvania and Mississippi), as well as some southern states. In addition, Paramount has entered a voluntarily negotiated agreement for interconnection with BellSouth, which covers all of BellSouth's service region. At this time, Paramount has not filed a bona fide request to commence negotiations for an interconnection agreement with US West.

Before Paramount initiates service in Nebraska, it will hire a customer complaint officer to be located in Nebraska. Paramount signed a stipulation with several formal intervenors agreeing to offer services only in the exchanges served by US West. Should Paramount want to offer local service in territories served by other local exchange carriers, pursuant to the stipulation, Paramount will come back to this Commission to request additional authority.

No other party introduced testimony nor evidence.

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

On February 8, 1996, the Federal Telecommunications Act of 1996 opened the way for competition in all corners of the telecommunications market. One purpose of the Act is to promote the development of competition in local exchange service markets. To implement that, the federal act requires incumbent local exchange carriers to resell their services to new entrants and to open their existing facilities under interconnection agreements which must be negotiated or arbitrated and then be approved by state commissions. The federal act contemplates simplifying and reducing existing regulations to expedite entry by new local exchange carriers by removing all barriers to entry.

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This Commission finds that it should embrace and adopt the pro-competitive policies of the Act. There is a strong likelihood that multiple benefits will flow from a competitive environment. Competition in local exchange service is likely to produce improved efficiency in the provision of services, accelerated deployment of technological innovations and improved customer service. Competition will also offer consumers a choice of providers.

Pursuant to Commission Rules and Regulations, the Commission will consider applications, including Paramount's application, for authority to provide local exchange service using the following criteria and standards:

- (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 Federal Telecommunications Act.

Paramount has demonstrated that it meets or exceeds the standards of technical and managerial competence and all other criteria necessary to provide local exchange service in Nebraska. However, we have concerns regarding the financial capability of Paramount to provide local exchange services. Therefore, as permitted by state statute, Paramount must file a performance bond in the amount of \$5,000.00 with the Commission before

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operating in Nebraska. We will review the company's financial statements on an annual basis to determine if the amount of the bond is appropriate and whether a bond continues to be necessary. Upon demonstrating improved financial fitness, the bond will be returned.

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

- (a) Paramount, either through negotiation or arbitration, must reach an interconnection agreement with US West;
- (b) The Commission must approve the interconnection agreement;
- (c) Paramount must file, and the Commission must approve, tariffs in accordance with the provisions of Section 002.21 of Neb. Admin. R. & Regs. tit. 291, ch. 5; and
- (d) Paramount must furnish a bond or an irrevocable letter of credit in the sum of \$5,000.00 to the Nebraska Public Service Commission.

Further, prior to providing service to any areas outside the territories of US West, Paramount must obtain additional authority from this Commission. The Commission will enforce the stipulation entered into by the parties. The intervenors who participated in the stipulation maintain the right and opportunity to contest any future application of Paramount to expand its service territory in Nebraska. Nothing in the stipulation shall in any way limit Paramount's right in connection with any such future application to demonstrate to the Commission that it has satisfied the criteria or standards established by the Commission in such cases.

As a provider of local exchange service in Nebraska, Paramount is 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, quality of service and deposits), applicable to any other local exchange company except those obligations imposed on incumbent local exchange carriers pursuant to Section 251(c) of the Federal Telecommunications Act. Paramount must follow Uniform System of Accounts standards, as provided by the Commission's Rules and Regulations.

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O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-1465 be, and it is hereby, granted subject to applicant's fulfillment of the conditions set forth in the foregoing findings.

IT IS FURTHER ORDERED that upon final approval of the interconnection agreement, Paramount is granted authority to provide local exchange service in areas served by US West. Paramount must make further application to this Commission for authority to provide local exchange service outside the US West service area.


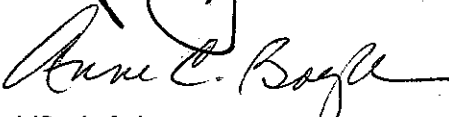
IT IS FURTHER ORDERED that Paramount shall abide by the same laws, rules and regulations, both federal and state, applicable to other local exchange carriers except obligations imposed on incumbent local exchange carriers pursuant to Section 251(c) of the Federal Telecommunications Act.

IT IS FURTHER ORDERED that Paramount shall furnish a bond or an irrevocable letter of credit in the sum of \$5,000.00 to the Nebraska Public Service Commission.

IT IS FINALLY ORDERED that this Order be, and it is hereby, made the Commission's official certificate of public convenience and necessity to the applicant to provide local exchange service within the territory described herein in Nebraska.

MADE AND ENTERED at Lincoln, Nebraska, this 15th day of July, 1997.

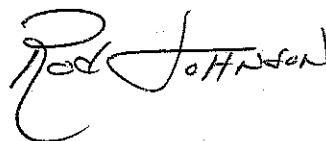
COMMISSIONERS CONCURRING:

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

NEBRASKA PUBLIC SERVICE COMMISSION

Chairman



ATTEST:



Deputy Director