

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application     ) Application No. C-1604  
of the Nebraska Public Service        )  
Commission on its own Motion to       ) Eligible Telecommunica-  
Designate Telecommunications           ) tion Carriers Named  
Carriers Eligible to Receive           )  
Federal Universal Service Support.    ) Entered: October 15, 1997

BY THE COMMISSION:

This docket was opened August 12, 1997, to designate telecommunications carriers eligible to receive universal service support and to define the service areas for which carriers shall receive support. Pursuant to the Federal Communications Commission (FCC) Order, Common Carrier Docket CC-96-45, Eligible Telecommunications Carriers (ETCs) must be designated by January 1, 1998. Interested parties were allowed to submit initial comments on this issue by September 12, 1997. Reply comments were due on or before September 30, 1997. Initial comments were received from Aliant Communications, AT&T of the Midwest, Cox Nebraska Telcom, GTE Midwest, MCI, the Nebraska Independent Telephone Association, the Nebraska Telephone Association, Sprint-United, Sprint PCS, and US West Communications. All parties, except Sprint-United and the Nebraska Telephone Association, submitted reply comments.

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

Upon reviewing the comments filed herein, we make the following determination:

1. All Local Exchange Carriers (LECs) operating in Nebraska on February 8, 1996, should be designated an ETC. There was consensus among all commenters that this designation was in the public interest. The carriers designated as ETCs are attached hereto in Exhibit A.

2. We find a rural carrier's study area should be its service area. There was no opposition by commenters that it was appropriate to designate a rural carrier's study area as its service area. However, we agree with commenters such as Aliant, Sprint-United, AT&T, and MCI that a carrier's study area should be contiguous. If a rural ETC serves a non-contiguous study area, the carrier should have multiple study areas. This designation better

Application No. C-1604

PAGE TWO

targets where high cost support is needed and does not pose a barrier to competitive entry into rural areas.

3. The Commission finds on an interim basis that Census Block Groups (CBGs) should be utilized to designate non-rural carriers service areas. As stated by most commenters, CBGs are small and do not favor or hinder any particular carrier or technology. While Census Blocks are smaller than CBGs and may better target high cost support, we are not convinced at this time that Census Blocks should be utilized. Ultimately, we believe a non-rural carriers' service area should be identified using the capability of the cost model that Nebraska selects. While Nebraska has until February 6, 1998, to select its cost model, it must designate non-rural service areas on or before December 31, 1997. Therefore, we conclude at the present time, CBGs best identify the service areas of Nebraska's non-rural carriers.

4. As recommended by numerous commenters, we do not limit ETC designation to just incumbent LECs. All carriers, including wireless providers that satisfy the criteria set forth in the Telecommunications Act of 1996 and in FCC rules, may be designated an ETC.

5. We believe that to be designated as an ETC, no criteria other than that set forth by the FCC and the Act should be required. This finding is made solely for the purpose of being eligible for federal universal service support. The decision not to specify other criteria should not be considered as precedent when criteria for the state universal service fund is developed.

6. Carriers not operating in Nebraska as of February 8, 1996, must petition the Commission to be designated an ETC and must demonstrate that all relevant criteria has been met.

7. If after February 8, 1996, any ETC purchases, acquires by merger or by other related transactions the service area of another carrier, the buyer should be designated an ETC for the acquired area. Further, the purchased area should be added to the buyer's existing service area. If the acquired service area is not

Application No. C-1604

PAGE THREE

contiguous to the existing service area, the acquired area should be treated as a separate study area, as described above.

8. We do not designate at this time service areas for other carriers, such as competitive LECs or wireless providers. When a petition is presented to the Commission by such a provider to obtain ETC status, the appropriate service areas of non-ILECs will be defined. It must be demonstrated by clear and convincing evidence that designation is in the public interest.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that the carriers listed on Exhibit A attached hereto, be and hereby are, designated as eligible telecommunications carriers pursuant to Federal Communications Commission Order, Common Carrier Docket CC-96-45.

IT IS FURTHER ORDERED that the designated service areas for non-rural carriers be, and hereby are, Census Block Groups until otherwise determined.

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

COMMISSIONERS CONCURRING:

NEBRASKA PUBLIC SERVICE COMMISSION

Vice Chairman

*Anne C. Bayle*

//s//Lowell C. Johnson  
//s//Frank E. Landis

ATTEST:

*Robert R. Logsdon*

Executive Director

Exhibit A  
Rural ETCs in Nebraska

Arapahoe Telephone Company  
Arlington Telephone Company  
Benkelman Telephone Company  
Blair Telephone Company  
Cambridge Telephone Company  
Clarks Telecommunications Company  
Consolidated Telco. Inc.  
Consolidated Telephone Company  
Cozad Telephone Company  
Curtis Telephone Company  
Dalton Telephone Company  
Diller Telephone Company  
Eastern Nebraska Telephone Company  
Elsie-Mutual Telephone Company  
Eustis Telephone Exchange  
Glenwood Telephone Membership Corp.  
Great Plains Communications  
Hamilton Telephone Company  
Hartington Telecommunications Co.  
Hartman Telephone Exchanges  
Hemingford Cooperative  
Henderson Cooperative Telephone  
Hershey Cooperative Telephone  
Home Telephone Company of Nebraska  
Hooper Telephone Company  
K & M Telephone Company  
Keystone - Arthur Telephone Company  
Nebraska Central Telephone Co.  
Northeast Nebraska Telephone Company  
NebCom, Inc.  
Pierce Telecommunications, Inc.  
Plainview Telephone Company  
Rock County Telephone Company  
Sodtown Telephone Cooperative  
Southeast Nebraska Telephone  
Stanton Telecom, Inc.  
Three River Telco  
Wauneta Telephone Company

Non-Rural ETCs in Nebraska

Aliant Communications, Inc.  
GTE of the Midwest, Inc.  
United Telephone Company  
US West Communications, Inc.