

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application) Application No. C-1631
of WorldCom Technologies, Inc. of)
Jackson, Mississippi, seeking to)
obtain a certificate of public) GRANTED
convenience and necessity to pro-)
vide local exchange telecommunica-)
tions services within the State of)
Nebraska.) Entered: December 16, 1997

APPEARANCES:

For the Applicant:
Eric A. Anderson
Fraser, Stryker, et. al.
500 Energy Plaza
409 South 17th Street
Omaha, NE 68102-2663

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

For the Commission Staff:
Deonne L. Bruning
300 The Atrium, 1200 N Street
Lincoln, NE 68508

For Arapahoe, Benkelman, Cozad
Diller, Henderson, Hemingford
and Wauneta Telephone
Companies:
Timothy F. Clare
1021 Lincoln Mall, Suite 102
Lincoln, NE 68508

BY THE COMMISSION:

By its application filed September 12, 1997, WorldCom Technologies, Inc. (WTI) seeks authority to obtain a certificate of public convenience and necessity to provide local exchange telecommunications service within the state of Nebraska. The following parties filed petitions for formal intervention: Aliant Communications, Arapahoe Telephone, Benkelman Telephone, Cambridge Telephone, Clarks Telephone, Consolidated Telco, Consolidated Telephone, Cozad Telephone, Diller Telephone, Great Plains Communications, Henderson Cooperative Telephone, Hemingford Cooperative Telephone, HunTel Systems, Inc., Nebraska Independent Telephone Association, Nebraska Telephone Association and Wauneta Telephone. An evidentiary hearing was held December 3, 1997, in the Commission Hearing Room.

E V I D E N C E

Mark Argenbright, Director of Industry Relations for WorldCom, Inc., testified as follows:

WTI is a wholly-owned subsidiary of MFS Communications Company (MFS), which in turn is a wholly-owned subsidiary of WorldCom, Inc. WTI is currently authorized to provide interexchange service in Nebraska.

Affiliates of WTI are offering competitive switched local exchange service in New York, Illinois, Maryland and London, UK. Authority to provide competitive local service has been received in 36 states. Applications to provide local exchange service are pending in eight states. WTI's parent, MFS, operates local fiber optic networks in over three dozen metropolitan areas globally.

Initially, WTI will provide services through the resale of incumbent local exchange company services and through the use of unbundled network elements. WTI intends to deploy facilities in order to provide local exchange service in the future. The first areas in Nebraska where WTI intends to provide local exchange service will be in the service territories of GTE and US West Communications. It is WTI's intention to provide local telecommunications service throughout Nebraska.

WTI anticipates its services will initially include local calling, custom calling and class features, directory assistance, access to the dual party relay system and 911 emergency services. Expansion plans include offering direct inward/outward dial, PBX trunk service, Centrex, and ISDN to customers.

WTI will rely upon the financial resources of its parent companies, MFS and WorldCom, Inc. WTI filed a copy of WorldCom Inc.'s Form 10-K for the year ending December 31, 1996, as well as the latest Form 10-Q to demonstrate the financial ability of WTI to provide competitive local exchange service.

WTI will draw upon the management resources of MFS and WorldCom, Inc. for planning, marketing, network, service, development, provisioning and delivery, and legal/regulatory assistance. WTI will support a state Universal Service Fund.

No other evidence was adduced.

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, (the Act) opened the way for competition in all corners of the telecommunications market. The 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 approved by state commissions. The Act contemplates simplifying and reducing existing regulations to expedite entry by new local exchange carriers by removing all barriers to entry.

This Commission has promulgated rules regarding the evaluation of competitive local exchange service applications. Consistent with our rules, we review WTI's application 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) Pursuant to Section 253(b) of the Federal Telecommunications Act, 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.

WTI has demonstrated that it meets or exceeds 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 performance bond is required.

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

- (a) WTI, either through negotiation or arbitration, must reach interconnection agreements with the incumbent local exchange carriers providing service in Nebraska;
- (b) The Commission must approve the various interconnection agreements; and
- (c) Prior to providing local exchange service in any area in the state of Nebraska, WTI 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.

This order does not terminate, waive or in any manner diminish the exemption and protections created by the Act for rural carriers. This order simply does not address the issue of the rural local exchange carriers' exemption. Rural exemptions may be terminated, suspended or modified only as provided in Section 251(f) of the Act.

As a provider of local exchange service in the state of Nebraska, WTI should 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 1996 Act.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-1631 be, and is hereby, granted.

IT IS FURTHER ORDERED that upon final Commission approval of any necessary interconnection agreements, WTI is hereby granted authority

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to provide local exchange service, both on a resale basis and facilities basis, to the areas covered under the specific interconnection agreements. WTI need not make any further application to this Commission for authority to provide local exchange service in this state.

IT IS FURTHER ORDERED that before WTI is allowed to provide local exchange service to areas currently served by rural local exchange carriers, as defined by the Federal Telecommunications Act of 1996, that all of the requirements set forth in the Act be evaluated.

IT IS FURTHER ORDERED that WTI 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(c) of the Federal Telecommunications Act of 1996.

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 within Nebraska.

MADE AND ENTERED at Lincoln, Nebraska, this 16th day of December, 1997.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

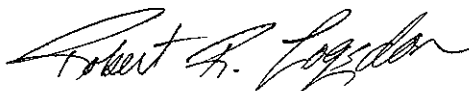


//s//Rod Johnson
//s//Frank E. Landis
//s//Daniel G. Urwiller

Chairman



ATTEST:



Executive Director