

BEFORE THE NEBRASKA PUBLIC SERVICE
COMMISSION

In the Matter of the application of) Application No. C-1977
Compass Telecommunications, Inc.)
of Scottsdale, Arizona, seeking)
authority to obtain a Certificate) GRANTED
of Public Convenience and Necessity)
to provide local exchange tele-)
communications services within the)
state of Nebraska.) Entered: May 4, 1999

APPEARANCES:

For the Applicant:
Steve Seglin
Attorney at Law
Crosby, Guenzel, et. al.
134 S. 13th Street, Suite 400
Lincoln, Nebraska 68508

For The Nebraska Telephone
Association:
Jack Shultz
Harding, Shultz & Downs
800 Lincoln Square
P.O. Box 82028
Lincoln, NE 68501-2028

For Arapahoe Telephone Com-
pany; Benkelman Telephone Com-
pany, Inc.; Cozad Telephone
Company; Diller Telephone Com-
pany; Hemingford Cooperative
Telephone Company; Henderson
Cooperative Telephone Company;
and Wauneta Telephone Company:
Timothy F. Clare
Rembolt, Ludtke & Berger
1201 Lincoln Mall, Suite 102
Lincoln, Nebraska 68508

For the Commission:
Ryan Tessendorf and
Steve Stovall
300 The Atrium
1200 "N" Street
Lincoln, Nebraska 68508

BY THE COMMISSION:

By its application filed January 15, 1999, Compass
Telecommunications, Inc. (Applicant) seeks authority to obtain a
Certificate of Public Convenience and Necessity to provide resold
local exchange telecommunications services in Nebraska. Notice
of the application appeared in The Daily Record on January 18,
1999.

The following parties filed Petitions of Formal
Intervention: Arapahoe Telephone Company; Benkelman Telephone
Company, Inc.; Cozad Telephone Company; Diller Telephone Company;
Hemingford Cooperative Telephone Company; Henderson Cooperative
Telephone Company; Wauneta Telephone Company; and The Nebraska
Telephone Association; (collectively referred to hereafter
as the Intervenors). A hearing was held April 6, 1999, in the
Commission Hearing Room, Lincoln, with appearances as shown
above.

In support of its application, Applicant produced one

witness, Steve Quinn, Vice President of Compass and four exhibits, a copy of Compass's application, a Stipulation entered into with this application's Intervenor, an outline of the Applicant's managerial expertise and a late-filed tariff.

Mr. Steve Quinn testified as follows:

Compass is an integrated telecommunications provider authorized to provide interexchange telecommunications services in the state of Nebraska pursuant to Docket No. C-1955, granted on January 14, 1999. The Applicant has applied for competitive local exchange carrier (CLEC) authority in all 50 states, with approval having already been granted in Nevada and Montana.

As to Applicant's managerial and technical capabilities, Mr. Quinn testified that Compass is managed by a talented and experienced staff. Together, the four key principals, have approximately 120 years in the telephone industry.

Compass was started with \$1,200,000 in private placement money. In the mean time, Applicant has obtained approximately \$7,000,000 in tier two funding and more than \$14,000,000 in credit lines that are still untapped.

Mr. Quinn testified that the grant of a certificate would benefit Nebraska consumers by expanding the choice of experienced competitive local exchange providers in the US West, GTE and Aliant local exchanges. Development of competitive local exchange markets will also benefit the public by encouraging market participants to invest in state of the art network infrastructure capable of offering consumers a wide array of advanced telecommunication service.

No other parties introduced testimony or evidence at the hearing.

The Applicant and the Intervenor have filed a Stipulation agreeing to certain language to be incorporated into this order.

Additionally, in the Stipulation, the Intervenor state that they "will not oppose this Application" though they reserve certain rights to contest further applications of the Applicant.

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

The Commission considers this application for authority in light of the following criteria and standards established in the Commission's telecommunications rules:

(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, ensures the continued quality of telecommunications services and safeguards the rights of consumers, pursuant to Section 253(b) of the Act.

Applicant has demonstrated that it meets the standards of financial, technical and managerial competence and all other criteria necessary to provide facilities-based and resold exchange services, high capacity, dedicated private line services and special and switched access service in Nebraska in the territory presently served by US West Communications, GTE Midwest, Inc. and Aliant Communications Co.

These opinions and findings carry no precedential value other than establishing minimum standards and criteria to apply when considering applications to provide local exchange service in the above-mentioned territories. All telecommunications carriers seeking such a certificate must demonstrate that they meet, at a minimum, the standards and criteria set forth herein.

Before the Applicant is allowed to provide local exchange service to its users, it must:

(a) Through negotiation or arbitration reach an interconnection/resale agreement with the pertinent incumbent local exchange carrier (ILEC) and receive Commission approval of the interconnection/resale agreement; and

(b) File with the Commission, and receive Commission approval of, a tariff 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 exemptions and protection created by the Act for rural carriers, as defined by the Act. This order does not address the issue of the rural local exchange carriers' exemption under the Act. Rural exemptions may be terminated, suspended or modified only as provided in Section 251(f) of the Act.

Prior to providing local exchange service or intrastate, interLATA interexchange service in any area in the state of Nebraska, Applicant must file, and the Commission must approve, tariffs in accordance with the provisions of Section 002.21 of the Neb. Admin. R. & Regs. Tit. 291, Ch.5.

As a provider of local exchange service in the state of Nebraska, Applicant 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 ILECs pursuant to Section 251(c) of the Act.

O R D E R

IT IS THEREFORE ORDERED by the Commission that Application No. C-1977 be, and it is hereby, granted.

IT IS FURTHER ORDERED that upon final approval of the interconnection/resale agreements, Applicant is granted authority to provide local exchange service to the areas presently served by US West, GTE and Aliant.

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

IT IS FURTHER ORDERED that Applicant 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 ILECs pursuant to Section 251(c) of the Act.

IT IS FURTHER ORDERED that Applicant shall collect from its subscribers a surcharge (Relay Surcharge) pursuant to the Telecommunications Relay System Act, Neb. Rev. Stat. §§ 86-1302 - 86-1306, (Relay Act) and the Commission's annual orders establishing the amount of the Relay Surcharge and shall remit to the Commission the proceeds from the Relay Surcharge, as provided by the Relay Act.

IT IS FINALLY ORDERED that this order be, and is hereby, made the Commission's official Certificate of Authority to the Applicant to provide local exchange telecommunications services in the areas described above.

MADE AND ENTERED at Lincoln, Nebraska, this 4th day of May, 1999.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Chairman

ATTEST:

Executive Director

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