

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application of) Application No. C-2151
CCCNE, Inc., d/b/a Connect! of)
Little Rock, Arkansas, seeking)
authority to provide competitive)
resold and facilities-based local) GRANTED
exchange telecommunications services)
in the state of Nebraska.) Entered: March 14, 2000

APPEARANCES:

For the Applicant: For Arapahoe Telephone Company;
Steven G. Seglin Benkelman Telephone Company,
Crosby, Guenzel, Davis, Inc.;
Kessner & Kuester Cozad Telephone Company;
134 South 13th St., Suite 400 Hemingford Cooperative
Telephone
Lincoln, Nebraska 68508 Company; Henderson Cooperative
Telephone Company; and Wauneta
For the Commission: Telephone Company:
Kevin Griess Tim Clare
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1200 "N" Street 1201 Lincoln Mall, Suite 102
Lincoln, Nebraska 68508 Lincoln, Nebraska 68508

BY THE COMMISSION:

By its application filed November 8, 1999, CCCNE, Inc., d/b/a Connect! (Connect or the Applicant) of Little Rock, Arkansas, seeks authority to provide competitive resold and facilities-based local exchange telecommunications services in the state of Nebraska. Notice of the application appeared in The Daily Record on November 9, 1999. The following parties filed Petitions of Formal Intervention: Arapahoe Telephone Company; Benkelman Telephone Company, Inc.; Cozad Telephone Company; Hemingford Cooperative Telephone Company; Henderson Cooperative Telephone Company; and Wauneta Telephone Company; (collectively referred to hereafter as the Intervenors). A hearing on the application was held January 25, 2000, in the Commission Hearing Room, Lincoln, Nebraska, with appearances as shown above.

In support of its application, the applicant produced one witness, Cindy Lee, Manager of Regulatory Affairs, who testified as follows:

The applicant, a Nebraska corporation, is a wholly-owned subsidiary of Connect Holdings Corporation (CHC), and an affiliate of Connect Communications Corp. (CCC). Connect, being newly formed in Nebraska, will rely on the managerial and technical expertise of CCC while providing service in Nebraska. CCC, an Arkansas corporation, was formed to provide a variety of telecommunications services throughout the United States, and does so through 48 distinct yet affiliated corporations (such as Connect). In no instance has an affiliate of CCC been denied authority to provide telecommunications services in any

jurisdiction.

Connect seeks authority to provide facilities-based and resold local exchange services in territories currently serviced by US West. In response to a question from Commissioner Landis, Ms. Lee testified that Connect will possibly apply for expanded authority in the near future to encompass the ALLTEL territories, however, the current application only requests authority to provide service in US West territories. Connect plans to initially offer its service to businesses, and will in time offer services to residential customers as well. Types of services Connect intends to offer include: plain old telephone service, high-speed transmission services, Internet access and operator services. Another affiliate of CCC, Connect!LD, Inc., was granted authority from this Commission to provide resold interexchange services on February 15, 2000, pursuant to Application No. C-2152.

Connect possesses the requisite technical, managerial and financial capabilities to provide service in Nebraska. Because Connect is a newly formed corporation, it will rely on CCC for its technical and managerial expertise. CCC's personnel boast many years of experience in the telecommunications industry. Further proof of CCC's management and technical capabilities is displayed by the fact that CCC is involved in providing telecommunications services throughout the nation, has never been denied authority to provide service in any state, and no individual associated with the applicant has been the subject of any sanctioning, investigatory or enforcement proceeding within the last two years. Connect is also well positioned financially to provide service in Nebraska. In addition to having access to the capital of CCC, Connect has also secured substantial financing from additional sources.

Connect's application also serves the public interest by promoting competition in the Nebraska telecommunications market. Although Connect will initially limit their service to areas serviced by US West, Ms. Lee testified that an additional application will perhaps be forthcoming, requesting authority to provide service in ALLTEL territories, and possibly others as well.

No other parties introduced testimony or evidence at the hearing.

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 local exchange service in the proposed territories. No evidence was submitted or testimony elicited to suggest that the applicant is not qualified to provide its proposed services in light of the criteria this Commission must consider.

This order does not terminate, waive or in any manner diminish the exemptions and protections created by the Federal Telecommunications Act of 1996 for rural carriers, as defined by the Federal Act. This order does not address the issue of the rural local exchange carriers' exemption under the Federal Act. Rural exemptions may be terminated, suspended or modified only as provided in Section 251(f) of the Federal Act.

For the above reasons, the Commission is of the opinion and finds that Application No. C-2151 should be granted.

O R D E R

IT IS THEREFORE ORDERED by the Commission that Application No. C-2151 be, and it is hereby, granted and CCCNE, Inc., d/b/a Connect! is authorized to provide competitive resold and facilities-based local exchange services in the territories currently serviced by US West Communications, Inc.

IT IS FURTHER ORDERED that the applicant file an additional application requesting expanded authority if or when the applicant desires to provide local exchange service in territories other than those of US West.

IT IS FURTHER ORDERED that the applicant comply with Section 251(f)(1)(B) of the Telecommunications Act of 1996 and that the applicant submit any bona fide request(s) for interconnection services or network elements from a rural telephone company to

the Commission for its approval.

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 incumbent local exchange carriers pursuant to Section 251(c) of the Act.

IT IS FURTHER ORDERED that, to the extent the applicant provides access line service as referenced in the Telecommunications Relay System Act, Neb. Rev. Stat. §§ 86-1302 - 86-1306 (Relay Act) and defined in Neb. Admin. R. & Reg. tit. 291, ch. 5, § 001.01B, the applicant shall collect from its subscribers a surcharge (Relay Surcharge) pursuant to the 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 FURTHER ORDERED that the applicant comply with all necessary statutes and Commission rules and regulations as they pertain to the Nebraska Universal Service Fund.

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 authorized territories in Nebraska.

MADE AND ENTERED at Lincoln, Nebraska, this 14th day of March, 2000.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Chairman

ATTEST:

Executive Director

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