

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application)	Application No. C-2174
of Integra Telecom of Nebraska,)	
Inc., Beaverton, Oregon, seeking)	
authority to obtain a Certificate)	GRANTED
of Public Convenience and)	
Necessity to provide local exchange)	
telecommunications service within)	
the state of Nebraska.)	Entered: March 28, 2000

APPEARANCES:

For the Applicant:
Steven G. Seglin
134 S. 13th Street, Suite 400
Lincoln, Nebraska

For the Commission:
Michael T. Loeffler
300 The Atrium
1200 N Street
Lincoln, Nebraska 68508

BY THE COMMISSION:

By its application filed December 8, 1999, Integra Telecom of Nebraska, Inc., Beaverton, Oregon, (Integra or Applicant) seeks to obtain a Certificate of Public Convenience and Necessity to provide local exchange service within the state of Nebraska including local dial tone, extended area service, high-speed Internet access, dedicated and switched long distance services, and enhanced features. Notice of the application appeared in The Daily Record on December 9, 1999. On February 16, 2000, the Director of this Commission sent by first class mail a copy of the notice of hearing. There were no Petitions of Formal Intervention filed against the application. A hearing was held on February 23, 2000, in the Commission Hearing Room, Lincoln, Nebraska, with appearances as shown above.

In support of its application, applicant produced one witness, Rebecca Janisch, vice-president of operations for Integra. Ms. Janisch testified as follows:

Applicant is a full service competitive local exchange carrier providing local dial tone, extended area service, Internet service, high-speed bandwidth access to the Internet through DSL, and enhanced features. In addition, the company will be providing dedicated and switched long distance service. The company also plans to file an application for interexchange service within the state.

The parent company is Integra Telecom, Inc. Subsidiaries exist in thirteen states, including Nebraska. Recently, Integra has been approved by three state commissions to acquire Impetel Telecom, which brings additional employees, management personnel

and technical expertise into the company. The current management team was responsible for successfully implementing facility-based and resale CLEC operations in Oregon, Minnesota, North Dakota and Wisconsin. The company also operates an incumbent local exchange company in Minnesota.

Recently, the applicant has obtained in excess of \$211 million in capital through equity and debt facility. Of this, \$5 million has been dedicated to Nebraska's infrastructure.

The network, planning and engineering group out of Portland, Oregon, will be responsible for the initial build-out of the switch and transport systems. The Midwest region staff, located in Minnesota, will be responsible for management and operations in Nebraska.

Integra is requesting statewide certification, although their primary and initial offerings will be in the exchange territories of US West. Ms. Janisch testified that they have notified US West of their intention to opt into the JATO contract. Finally, she noted that the application is in the public interest by expanding choice to consumers in the state, increased competition and reduced prices. In addition, the company plans to create 75-100 new jobs within the next two years.

Ms. Janisch reiterated that the applicant does not seek removal or exception to the two percent or rural exemption pursuant to the Telecommunications Act of 1996 (the Act). She further testified that this application does not represent a bona fide request for interconnection pursuant to the Act.

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 applicant has provided the information required by the Commission;
- (b) Whether applicant has provided a performance bond, if required;
- (c) Whether applicant possesses adequate financial resources to provide the proposed service;
- (d) Whether applicant possesses adequate technical competence and resources to provide the proposed service;
- (e) Whether applicant possesses adequate managerial competence to provide the proposed service; and
- (f) Whether granting 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 Telecommunications Act of 1996.

Applicant has demonstrated that it meets the standards of financial, technical and managerial competence and all other criteria necessary to provide local exchange telecommunication service as provided in the application filed with the Commission. There were no Petitions of Formal Intervention filed with this Commission against the application. No party to this proceeding refuted the applicant's competence. No performance bond is required.

Before the applicant is allowed to provide local exchange service to its users:

(a) The applicant, either through negotiation or adoption, must reach an interconnection agreement with US West, GTE, ALLTEL or Sprint.

(b) The Commission must approve the interconnection agreement; and

(c) Applicant must file, and the Commission must approve, a tariff in accordance with the provisions of Section 002.21 of Neb. Admin. R. & Regs. Title 291, Chapter 5.

Further, prior to providing local exchange service to any area covered by the rural exemption, the applicant must obtain additional authority from this Commission to expand its service territory.

As a provider of local exchange service in the state of Nebraska, the applicant 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 Act.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-2174 be, and it is hereby, granted.

IT IS FURTHER ORDERED that upon final approval of the interconnection agreement and tariff, applicant is granted authority to provide local exchange service throughout the state of Nebraska in the areas served by US West, GTE, ALLTEL and Sprint. The applicant must make further application to this Commission for authority to provide local exchange service outside these areas.

IT IS FURTHER ORDERED that applicant shall 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 applicant shall file, in accordance with the applicable statutes, on or before April 30 of each year, an annual report with this Commission consisting of: (a) a copy of any report filed with the Federal Communications Commission; (b) a copy of any annual report to stockholders; and (c) a copy of the latest Form 10-K filed with the Securities and Exchange Commission. If such reports are unavailable, applicant shall file a balance sheet and income statement for the previous year of operation, and for the state of Nebraska on a combined interstate-intrastate basis, the investment in telephone plant and equipment located within the state, accumulated depreciation thereon, operating revenues, operating expenses and taxes.

IT IS FINALLY ORDERED that this order be, and hereby is made, the Commission's official Certificate of Public Convenience and Necessity to applicant to provide local exchange service within the territory described herein in Nebraska.

MADE AND ENTERED at Lincoln, Nebraska, this 28th day of March, 2000.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Chairman

ATTEST:

Executive Director

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