

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application) Application No. C-2192

of Comm South Companies, Inc.,)
Dallas, Texas, seeking authority)
to operate as a resale common) GRANTED
carrier of local exchange)
telecommunications services)
within the state of Nebraska.) Entered: May 2, 2000

APPEARANCES:

For the Applicant:
Paul Schudel
206 South 13th Street, Suite 1500
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 30, 1999, Comm South Companies, Inc. of Dallas Texas, (Comm South or Applicant) seeks authority to operate as a resale carrier of local exchange telecommunications services within Nebraska. Notice of the application appeared in The Daily Record on January 3, 2000. On March 28, 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 April 5, 2000, in the Commission Library, Lincoln, Nebraska, with appearances as shown above.

In support of its application, applicant produced one witness, Larry K. Long, CEO and president for Comm South. Mr. Long testified as follows:

Applicant provides local residential service to primarily low-income families through a prepaid method of payment. The applicant intends to target mainly the Omaha and Lincoln markets. Comm South is certified in 42 states and the District of Columbia. The company provides service generally throughout the southeastern and southwestern parts of the United States. Comm South provides local prepaid service, 911 emergency service and 800 number connectivity. The company markets primarily through television advertisements. Customers obtain services through such outlets as check-cashing or similar types of outlets.

Mr. Long has approximately ten years' experience in telecommunications and has managed two prior phone companies. In addition, Mr. Long testified that his other managerial staff has long and solid records of management. The company currently serves about 190,000 low-income families.

The company is financially sound and exceeded \$107 million in revenue and more than \$5 million in net income last year. The applicant also has sizable lines of credit.

Mr. Long testified that his company serves the public interest by providing telephone service to persons who are low-income, or are facing credit problems. Comm South also enables persons to have access to telephone service who would otherwise require large deposits with larger incumbent phone companies. The company offers these persons not only conventional phone service, but also the safety net of 911 emergency access.

Comm South operates a customer service line that is 800 - accessible and is open six and one-half days a week, closing from 4:00 p.m. on Saturday until 11:00 p.m. Sunday night.

The company has no immediate plans to obtain interconnection with any incumbent carriers.

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 (Act).

Applicant has demonstrated that it meets the standards of

financial, technical and managerial competence and all other criteria necessary to provide resale 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. The Commission finds that no performance bond should be required at this time.

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 all necessary carriers;
- (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.

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-2192 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.

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 2nd day of May, 2000.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Chairman

ATTEST:

Executive Director

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