

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Amended Appli-) Application No. C-2291
cation of Advanced TelCom, Inc.,)
Santa Rosa, California, seeking)
authority to operate as a compe-)
titive local exchange carrier and) GRANTED
interexchange carrier of telecom-)
munications services within the)
state of Nebraska.) Entered: August 15, 2000

APPEARANCES:

For the Applicant: For Arapahoe Telephone Company;
Jon C. Bruning Benkelman Telephone Company;
Bruning Law Office Cozad Telephone Company; Diller
1079 N. 204th Ave. Telephone Company; Hemingford
Elkhorn, Nebraska 68022 Cooperative Telephone Company;
Henderson Cooperative Telephone
For the Commission: Company; and Wauneta Telephone
Shanicee Knutson Company:
300 The Atrium Mark Fahleson
1200 N Street Rembolt, Ludtke & Berger
Lincoln, Nebraska 68508 1201 Lincoln Mall, Suite 102
Lincoln, Nebraska 68508

BY THE COMMISSION:

By its application filed May 9, 2000, amended June 16, 2000,
and August 8, 2000, Advanced TelCom, Inc. (Applicant) seeks authority to
provide local
exchange and interexchange telecommunications
services in the state of Nebraska. Notice of the application
appeared in The Daily Record on May 11, 2000, and notice of the
amended application appeared June 16, 2000. 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 as the Intervenors). A hearing on the application was
held August 8, 2000, in the Commission Hearing Room, Lincoln, Nebraska, with
appearances as
shown above.

E V I D E N C E

In support of its application, the applicant produced one witness,
Richard Levin, chief
regulatory counsel for the applicant, who testified as follows:

Mr. Levin testified that the applicant is a privately-held
company organized under the laws of the state of Delaware that has
its headquarters in Santa Rosa, California. Applicant has obtained
authority to transact business in the state of Nebraska. Mr. Levin

testified that the applicant filed an amendment to its application informing this Commission of its recent change in name. The applicant filed the application under the name Advanced TelCom Group, Inc. and had since changed its name to Advanced TelCom, Inc. Attached to the applicant's amendment was a copy of the Secretary of State's acknowledgment of Advanced TelCom, Inc.'s request.

Applicant has been certified to provide interexchange and local exchange services by more than thirty states. The applicant applied for statewide authority and did not agree to limit its authority to the territories currently served by ALLTEL, Citizens, Sprint and US West.

Mr. Levin testified that applicant proposes to provide local service using its own facilities and through resale of incumbent local carrier exchange (ILEC) facilities. The applicant will engage in direct marketing to notify Nebraska businesses and residents that its services are available. A direct sales force will be utilized. Interested customers will pay the cost of the local service plus the applicable installation charges.

Mr. Levin testified that the applicant has sufficient managerial and technical resources and abilities to provide local exchange telecommunications services in the proposed service territory. The applicant's management team is composed of individuals possessing several years of combined technical, directorial and managerial experience in the telecommunications field. Mr. Levin prepared an exhibit outlining the applicant's managerial expertise to supplement his testimony. This exhibit was offered and received into evidence and marked as Exhibit 5. Mr. Levin further testified that the applicant's home office was located in Santa Rosa, California which was rapidly becoming known as "telecom valley." He testified that its optimal location and research laboratories allow the applicant to keep an eye on the technological advances of companies and provision its services to consumers with the latest in its own switching technology.

Mr. Levin also testified that the applicant has sufficient financial resources to implement and provision its local exchange telecommunications services in Nebraska as exhibited by the confidential financial information filed with the application. Mr. Levin filed the applicant's most current financial information and testified that this information demonstrates that applicant has the financial resources required to provide the proposed telecommunications services.

Mr. Levin further testified that granting the application will promote the public interest by providing consumers an alternative choice in providers. He testified that the applicant's provisioning of service will enhance the goals of universal service, promote the policies set forth in the Telecommunications Act of

1996 (the Act), and advance the objective of the Commission which is set forth in Application No. C-1128, Progression Order, dated December 19, 1995, relating to the implementation of local exchange competition.

Mr. Levin stated that customers may inquire about bills through a toll-free number during regular business hours. Customers will have access to the operator services as well as 911 services through the existing ILECs. Applicant will contract with ILECs to provide customers with directory listings and for the distribution of directories.

Upon cross-examination by Mr. Fahleson, Mr. Levin confirmed that this application did not represent a bona fide request for interconnection with any rural telephone provider as defined by the Act. He also testified that he understood any request for interconnection with a rural telephone provider may trigger a hearing by this Commission as to whether or not the rural exemption discussed in the Act applies to that particular rural telephone company.

Mr. Levin further testified that to date, the applicant has not identified a particular Nebraska market. However, he stated that resale was a transitional strategy for the applicant and that the applicant is primarily facilities-based.

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 interexchange and local exchange service in the state of Nebraska. No party in this proceeding refuted the applicant's competence.

These opinions and findings carry no precedential value other than establishing minimum standards and criteria to apply when considering applications to provide interexchange and 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 either:

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

(b) In the event a certified local exchange carrier provides a wholesale tariff, purchase rates from that tariff, file its own tariff and receive Commission approval of its tariff.

This order does not terminate, waive or in any manner diminish the exemptions and protections created by the Act for rural carriers, as defined by the Act. This order does not address the issue of the rural local exchange carrier's 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 interexchange or local exchange 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. Title 291, ch. 5.

Inasmuch as the applicant's request for a name change was addressed in full at hearing, and because the name to be used is almost exactly identical, this Commission will recognize and certificate the applicant's authority under the name Advanced TelCom, Inc. However, this order does not terminate, waive or diminish the Commission's requirement that applicants file an application for approval for name changes. Moreover, should this applicant wish to change its name again in Nebraska, the applicant will be required to submit an application for Commission approval.

As a provider of interexchange and 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 Nebraska Public Service Commission that Application No. C-2291 be, and hereby is, granted.

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 any other interexchange and 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 applicant provides access line service as referenced in the Telecommunications Relay System Act, Neb. Rev. Stat. §§ 86-1302 to 86-1306 (Relay Act) and defined in Neb. Admin. R. & Reg. Title 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 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 FURTHER ORDERED that applicant shall file, in accordance with the applicable statutes, on or before April 30 of each year, an annual report with the 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 the telephone plant and equipment located within the state, accumulated depreciation thereon, operating revenues, operating expenses, and taxes.

IT IS FURTHER ORDERED that within 30 days from the entry of this order that the applicant file a tariff with the Commission as required by state statutes and the Commission's regulations.

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 interexchange and local exchange telecommunications services in the state of Nebraska.

MADE AND ENTERED at Lincoln, Nebraska, this 15th day of August, 2000.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Chairman

ATTEST:

Deputy Director

This document was created with Win2PDF available at <http://www.daneprairie.com>.
The unregistered version of Win2PDF is for evaluation or non-commercial use only.