

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application) Application No. C-2355
of Pinpoint Communications, Inc.)
Cambridge, Nebraska, seeking)
authority to operate as a) GRANTED
competitive local exchange carrier)
of telecommunications services)
within the state of Nebraska.) Entered: September 19, 2000

APPEARANCES:

For the Applicant:
Jon Bruning
1079 North 204th Avenue
Elkhorn, Nebraska 68022

For the Intervenors:
Mark Fahleson
1201 Lincoln Mall, Suite 102
Lincoln, Nebraska 68508

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

BY THE COMMISSION:

By application filed July 21, 2000, Pinpoint Communications, Inc. (Pinpoint Communications or Applicant) of Cambridge, Nebraska, seeks to operate as a competitive local exchange carrier of telecommunications services within the state of Nebraska. Notice of the application appeared in The Daily Record on July 24, 2000. Petitions of formal intervention were timely filed by Arapahoe Telephone Company, Benkelman Telephone Company, Inc., Cozad Telephone Company, Hemingford Cooperative Telephone Company, Henderson Cooperative Telephone Company and Wauneta Telephone Company, through their attorney, Mark Fahleson.

On August 11, 2000, the deputy director of this Commission sent by first class mail a copy of the notice of hearing. A hearing was held on August 29, 2000, in the Commission Library, Lincoln, Nebraska, with appearances as shown above.

In support of its application, applicant produced one witness, Mr. Roger Hoffman, executive vice-president of Pinpoint Communications. Mr. Hoffman testified that Pinpoint Communications is a privately-held company headquartered in Cambridge, Nebraska. The company has about 2250 Internet customers, 190 long-distance customers and 75 paging customers. The company plans to offer local

exchange, DSL and long-distance services. The company has yet to commence negotiations for interconnection.

Mr. Hoffman described the business experience of the directors and key personnel of the company. These persons include the director, J. Richard Shoemaker, who has been with the company since its inception in 1989, and other directors who have been with the company for a number of years. Mr. Hoffman has more than 25 years of experience in the management of telephone companies. Mr. Hoffman further testified that he believes that the company has the technical expertise required of the applicant.

Pinpoint Communications intends to provide the service described in its application on a statewide basis subject to the limitations and duties of an affiliated competitive local exchange carrier (CLEC) as outlined by this Commission in the order entered in Docket No. C-1839/PI-22 on December 15, 1998. The applicant indicated that he was aware of the limitations prescribed for an affiliated CLEC and that the applicant would abide by the mandates of that order.

Financial information was filed by the applicant. Mr. Hoffman indicated that he believed that the financial information provided indicated that his company had the financial capability to operate according to its application.

The applicant further testified that this application did not represent a bona fide request for interconnection with a rural carrier covered by the rural exemption of the federal Telecommunications Act of 1996.

Pinpoint Communications will bring benefits of increased choice to its potential customers and to deliver these choices at competitive prices.

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 competitive local exchange services subject to the conditions as outlined in Commission Docket No. C-1839/PI-22 (December 15, 1998) and as described in the application filed with the Commission. The Commission finds that no performance bond should be required at this time.

Before the applicant is allowed to provide competitive local exchange service and resold services to its end users:

(a) The applicant, either through negotiation or adoption, must reach an interconnection agreement with Qwest, 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 competitive 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-2355 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 competitive local exchange services throughout the state of Nebraska subject to Commission conditions outlined in Docket No.

C-1839/PI-22.

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 competitive local exchange services within the state of Nebraska.

MADE AND ENTERED at Lincoln, Nebraska, this 19th day of September, 2000.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Chairman

ATTEST:

Executive Director

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