

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application) Application No. C-3273
of VCI Company, d/b/a Vilaire)
Communications, Inc. Lakewood,)
Washington, seeking a)
certificate of public)
convenience and necessity as a)
local competitive exchange)
carrier in Nebraska.) GRANTED

In the Matter of the Application)
of VCI Company d/b/a Vilaire for)
designation as an eligible)
telecommunications carrier)
providing service to customers)
under the Nebraska Telephone)
Assistance Plan.) Entered: June 1, 2005

APPEARANCES:

For the Applicant:

Mr. Stanley Johnson, pro se
Co-President of VCI Company d/b/a Vilaire
3875 Steilacoom Blvd., SW, #A
Lakewood, WA 98499

For the Intervenors:

Mr. James Overcash
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For the Commission:

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BY THE COMMISSION:

By its application filed September 27, 2004, VCI Company, d/b/a Vilaire Communications, Inc., Lakewood, Washington, (Applicant or Vilaire) seeks a certificate of public convenience and necessity as a local competitive exchange carrier in Nebraska. Additionally, by its application filed October 4, 2004, Vilaire seeks designation as an eligible telecommunications carrier (ETC) providing service to customers under both the federal Lifeline/Link-Up and the Nebraska

Telephone Assistance Plan. Amended Notice of the combined application was published in the Daily Record, Omaha, Nebraska, on October 11, 2004.

On October 29, 2004, an Intervention was filed on behalf of the Rural Independent Companies: Arlington Telephone Company; Blair Telephone Company; Clarks Telephone Company; Consolidated Telephone Company; Consolidated Telco, Inc.; Consolidated Telecom, Inc.; Eastern Nebraska Telephone Company; Great Plains Communications, Inc.; K & M Telephone Company, Inc.; Nebraska Central Telephone Company; Northeast Nebraska Telephone Company; Rock County Telephone Company; and Stanton Telephone Co., Inc. (collectively the Intervenor).

On November 12, 2004, an Intervention was filed on behalf of Arapahoe Telephone Company d/b/a ATC Communications; Benkelman Telephone Company, Inc.; Cozad Telephone Company; Curtis Telephone Company; Diller Telephone Company; Glenwood Telephone Membership Corporation; Hartman Telephone Exchanges, Inc.; Hooper Telephone Company d/b/a Westel Systems; Keystone-Arthur Telephone Company; Mainstay Communications; Plainview Telephone Company; and Wauneta Telephone Company (collectively the Intervenor).

A Stipulation was filed by the Applicant and the Intervenor on January 6, 2005 with respect to Applicant's request for eligible telecommunications carrier designation.

On May 17, 2005, the Commission granted Vilaire's application for authority to operate as a competitive local exchange carrier (CLEC) within the state. This order addresses Vilaire's application seeking designation as an ETC for the purpose of receiving federal Lifeline/Link-Up and NTAP support.

E V I D E N C E

Applicant is a corporation organized under the laws of the state of Washington. Applicant is a certified CLEC and is providing telecommunications services in the states of Washington, Oregon and Wyoming, with approval to provide such in Montana, Idaho and California.

Applicant seeks designation as an ETC so that it may receive both state and federal low income assistance support including support from the NTAP. The witness for Applicant testified that it does not seek high cost support from either the state or federal universal service funds.

On March 22, 2005, the Commission held a hearing on Vilaire's request for ETC designation. Appearances were entered as indicated above. Counsel for the Formal Intervenors presented a stipulation which was offered and received into evidence as Exhibit 3. Vilaire presented one witness in support of its application, Mr. Stanley Johnson. Mr. Johnson testified as follows:

Vilaire's target market is low income consumers. At the time of the hearing, Vilaire provided local exchange service to approximately 30,000 low income consumers. Vilaire's total focus is to provide awareness to low income customers that they may qualify for discounted telephone service. Vilaire has received an ETC designation in six states including California, Washington, Oregon, Wyoming, Idaho and Iowa.

Mr. Johnson testified Applicant can provide toll blocking, but cannot provide toll limitation due to technology restrictions of the underlying carriers. Applicant is seeking designation in all of Qwest's ILEC territory.

O P I N I O N A N D F I N D I N G S

Under Section 214 of the Telecommunications Act of 1996 the Commission may determine that a carrier meet certain service requirements before it may be designated as an eligible telecommunications carrier (ETC). Pursuant to 47 CFR 54.201(d) a common carrier must demonstrate that it will:

- 1) Offer the services supported by the federal universal service support mechanisms;
- 2) Offer the services using its own facilities or a combination of its own facilities and resale of another carrier's services;
- 3) Advertise the availability of the supported services; and
- 4) Offer the services throughout the designated area.

In its request for designation, Vilaire states that it satisfies each one of these requirements.

Applicant and the Formal Intervenors have entered into a stipulation in relation to this application which was identified as Exhibit 3. The Commission has reviewed this stipulation and hereby approves its terms.

Based on the application and representations made at the hearing, the Commission finds that Vilaire offers the services

supported by the federal universal service fund, using its own facilities or a combination of its own facilities and resale of the facilities of another carrier. The Commission also finds that Vilaire intends to advertise and offer the services throughout its designated service area. Vilaire provided sufficient commitments to the Commission that it will offer the supported services throughout the designated area, and that Vilaire will abide by Commission rules and regulations in relation to service quality, consumer protection and the NTAP rules and regulations. Further, the Commission finds Vilaire's request for ETC designation to receive NTAP support to be consistent with public interest.

These opinions and findings carry no precedential value for the calculation of support in rural areas or for a support methodology for elements or services provided through a means other than UNE-P. Applicant shall comply with all current and future Commission NUSF rules and regulations and must provide supported services as defined by current and future Commission orders, rules and regulations. Additionally, Applicant shall comply with all current and new quality of service rules and regulations. Applicant must offer service throughout its designated area. The rates charged by Applicant must not be less than benchmark rates established by the Commission. Applicant is required to file an additional application for support for any service offerings in any service area other than Qwest's ILEC service area. An additional application would also be required for any service offering that is not provided either by leasing of facilities or by some combination of leased facilities and Applicant's own facilities. As applicant has limited its application to designation for the receipt of NTAP and federal low income support, an additional application would also be required before applicant can receive an ETC designation for federal high cost support.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application C-3273 be, and hereby is, granted as amended by the stipulation and Applicant is designated as an eligible telecommunications carrier throughout Qwest's ILEC territory for the purpose of receiving federal Lifeline/Link-Up and state NTAP support as set forth herein.

IT IS FURTHER ORDERED that Applicant comply with all Commission rules and regulations and orders.

IT IS FURTHER ORDERED that application must offer the supported services throughout its designated area.

IT IS FURTHER ORDERED pursuant to the terms of the stipulation that the rates charged by Applicant must not be less than the benchmark rates established by the Commission.

IT IS FURTHER ORDERED that Applicant be required to file an application with the Commission prior to receiving support for any service offerings in any service area other than Qwest's service area.

IT IS FURTHER ORDERED that Applicant be required to file an application with the Commission prior to seeking or receiving high cost support in any service area in Nebraska.

MADE AND ENTERED at Lincoln, Nebraska, this 1st day of June, 2005.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Chairman

ATTEST:

Executive Director