

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application    ) Application No. C-3410  
of Pacific Centrex Services,        )  
Inc., Los Angeles, California,       )  
seeking a Certificate of Public       )  
Convenience and Necessity to        ) GRANTED  
provide competitive local            )  
exchange telecommunications         )  
services with the state of           )  
Nebraska.                             ) Entered: June 14, 2005

BY THE COMMISSION:

By application filed April 21, 2005, Pacific Centrex Services, Inc. (Applicant or Pacific), Los Angeles, California, seeks authority to provide competitive local exchange telecommunications services within the state of Nebraska. Notice of the application was published in The Daily Record, Omaha, Nebraska, on April 26, 2005. No protests were filed; therefore, this application is processed pursuant to the Commission's Rule of Modified Procedure.

E V I D E N C E

The Applicant is a California corporation with its principal place of business in California. Its principal place of business is North Hollywood, California. It has been incorporated as such since April 2, 1999. The applicant provided a copy of its Certificate of Authority from the Nebraska Secretary of State to operate as a foreign corporation.

The Applicant offers a wide range of long distance, toll free, data transmission, and related communication service options at competitive prices, and provides to its customers a standard of service it believes is comparable to other industry participants.

In its application, the applicant seeks additional authority to allow the company to offer existing and prospective customers resold and/or facilities-based competitive local exchange telecommunications services. Applicant seeks to provide these services in the zones and exchanges of Qwest.

The Applicant intends to initially offer local exchange services which will include but not be limited to the following: local exchange access services to single-line and multi-line customers at various points in the specified service areas; local exchange services to customers of Applicant's end-user

access services; and switched-carrier access services to other common carriers.

The Applicant provided a comprehensive list of its officers and directors in its application. The applicant also asserted in its application that it has the overall technical experience needed to provide the services for which it has applied. Additionally, the applicant listed the 17 states in which it has approval to provide resold interexchange services. Also, the applicant stated that it currently has applications pending to provide interexchange and local exchange service in 11 states.

The application stated that no officer, director or shareholder having 5 percent or more of the applicant's voting securities have been involved in a formal complaint or other investigatory or enforcement proceeding. The applicant also stated that it does not propose to require advanced payments or deposits.

The Applicant provided with its application a copy of its independently-prepared financial statements for 2004. These statements appear as Exhibit E attached to the application. The applicant does not have an annual report.

The application stated that the Commission's granting of the application would serve public interest. The applicant stated that its proposed telecommunications services are developed to service the needs of subscribers who cannot otherwise realize similar cost savings through existing local carriers. Also, the public will benefit from greater consumer choice created through the broadening of innovative telecommunications service alternatives and ongoing affordable rates maintained by the additional competitive pressure placed on other competitors. Additionally, the Applicant stated that through its application, it has the ability to provide end-users and customers in Nebraska with a viable and economical alternative telecommunications service.

#### 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 local exchange service in the Qwest service territory. Applicant did not seek and is not authorized to provide service in areas served by incumbent local exchange carriers eligible for a small or rural carrier exemption pursuant to Section 251(f)(1) of the Federal Act.

These opinions and findings carry no precedential value other than establishing minimum standards and criteria to apply when considering applications to provide 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 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 local exchange service in any area in the state of Nebraska, applicant must file tariffs in accordance with the provisions of Section 002.21 of the Neb. Admin. R. & Regs. Title 291, Chapter 5.

As a provider of 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 C-3410 be, and hereby is, granted as provided herein.

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 local exchange carrier, 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. §§ 86-301 through 86-315 (Relay Act) and defined in Neb. Admin. R. & Reg. Title 291, Chapter 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 local exchange telecommunications services in the state of Nebraska.

MADE AND ENTERED at Lincoln, Nebraska, this 14th day of June, 2005.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Chairman

ATTEST:

Executive Director