

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application    ) Application No. C-3860  
of McLeod USA Telecommunications    )  
Services, Inc., Hiawatha, Iowa,     )  
seeking to cease providing           ) GRANTED  
residential services in certain     )  
Qwest wire centers.                   ) Entered: October 30, 2007

BY THE COMMISSION:

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

By Application filed September 12, 2007, McLeodUSA Telecommunications Services, Inc. (McLeodUSA), of Hiawatha, Iowa, seeks to cease providing residential services in certain Qwest wire centers. Notice of the application was published in The Daily Record, Omaha, Nebraska, on September 18, 2007. No protests were filed; therefore, this application is processed pursuant to the Commission's Rule of Modified Procedure.

McLeodUSA states in its application that as a result of the Federal Communication Commission's (FCC's) adoption of changes to the unbundling obligations of Qwest under Section 251(c)(3) that became effective in 2006, McLeodUSA has been required to purchase a commercial Unbundled Network Element (UNE) platform service in order to keep providing service to residential customers in certain Qwest central offices. McLeodUSA had not collocated in these central offices and is unable to use a UNE loop combination with McLeodUSA's local switching to provide service.

McLeodUSA further states the rate charged by Qwest for the UNE-P replacement service is significantly higher than the comparable UNE-P rate. McLeodUSA states it is not economically viable for it to continue offering residential service in these wire centers. Accordingly, McLeodUSA seeks to discontinue providing local service to customers who are served from the Qwest wire centers identified in the Exhibit "A" attached to its application.

McLeodUSA is in the process of sending letters to its customers informing them of their withdrawal from the area. The letters suggest that the customers move their telecommunications service to their choice of service provider. McLeodUSA is also taking steps to inform customers that they will not incur a fee for their change in service. Further, McLeodUSA explains that if customers take no action their service will be disconnected.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-3860 be, and it is hereby, granted and McLeodUSA is permitted to discontinue providing telecommunications services in the wire centers described in Exhibit "A" to its Application.

MADE AND ENTERED at Lincoln, Nebraska this 30<sup>th</sup> day of October, 2007.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Chairman

ATTEST:

Executive Director