

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the ) Application No. C-4287  
Application of Crexendo )  
Business Solutions, Inc., )  
Phoenix, Arizona, seeking )  
authority to provide resold ) APPROVED  
and facilities-based/UNE local )  
exchange and interexchange )  
telecommunications services )  
within the State of Nebraska. ) Entered: August 10, 2010

BY THE COMMISSION:

By application filed June 30, 2010, Crexendo Business Solutions, Inc. ("Crexendo" or "Applicant"), Phoenix, Arizona, seeks authority to provide resold and facilities-based/UNE local exchange and interexchange telecommunications services within the State of Nebraska. Notice of the application was published in The Daily Record, Omaha, Nebraska, on July 5, 2010. No protests were filed; therefore, this application is processed pursuant to the Commission's Rule of Modified Procedure.

## EVIDENCE

Applicant is a corporation organized under the laws of the State of Arizona with its principal offices in Phoenix, Arizona. Applicant is authorized by the Secretary of State to operate in Nebraska as a foreign corporation. Applicant is authorized to provide local exchange and/or interexchange telecommunications services in 12 states and is in the process of applying for authority to provide competitive local exchange and interexchange services nationwide. In no instance has any application been denied or rejected. No officer, director or shareholder having five percent or more of the Applicant's voting securities nor any of Applicant's business operations have been involved in a formal complaint or other investigatory or enforcement proceeding.

Applicant seeks authority to provide local exchange service in areas currently serviced by any LECs not eligible for a small or rural carrier exemption under Section 251(f)(1) of the Act, but does not seek to provide services to customers in those areas at this time. Applicant will utilize the network and/or facilities of the underlying Incumbent Local Exchange Carriers ("ILEC") and initial local calling areas will coincide with ILEC's local calling areas.

Applicant further proposes to offer switched and dedicated interexchange telecommunication services suitable for voice and data applications originating throughout the State of Nebraska. Applicant does not propose to require advance payments or collect deposits.

In support of its managerial, technical and financial capabilities, Applicant submitted a description of its senior officer's management and telecommunications experience. Applicant further supplemented its application with detailed financial statements.

Applicant states that a grant of the proposed application is in the public interest because Applicant's proposed service will provide greater consumer choice and ongoing affordable rates to customers.

#### O P I N I O N S     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 State of Nebraska.

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. Rule & 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.

Interexchange applications are subject to Commission jurisdiction under Neb. Rev. Stat. § 86-129 and Section 003.12 of the Neb. Admin. Rule & Regs. Title 291, Chapter 5.

From examination of the application filed herein, the Commission finds that Applicant has provided all the information required by the Commission, possesses adequate financial resources to provide the proposed service, and possesses adequate technical competency to provide the proposed service. The application should be granted.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-4287, be, and it is hereby, approved.

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. §§ 86-301 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 the ARMIS filed with the Federal Communications Commission if applicable; (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 resold and facilities-based/UNE local exchange and interexchange telecommunications services in the State of Nebraska.

MADE AND ENTERED at Lincoln, Nebraska, this 10<sup>th</sup> day of August, 2010.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Chairman

ATTEST:

Executive Director

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//s// Frank E. Landis

//s// Gerald L. Vap