

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the)	Application No. C-4708
Application of Talk America)	
Services, LLC of Little Rock,)	
Arkansas, seeking authority)	
to provide resold competitive)	
local exchange and)	
interexchange)	
telecommunications services)	
within the State of Nebraska)	
and also seeking to transfer)	GRANTED
the residential local)	
exchange customers of McLeod)	
USA Telecommunications)	
Services, LLC, PAETEC)	
Communications, Inc.,)	
Windstream Communications)	
Inc., Windstream IT-Comm,)	
LLC, Windstream KDL, Inc.,)	
Windstream Norlight, Inc.,)	
Windstream NTI, Inc.,)	
Windstream of the Midwest,)	
Inc. and Windstream Systems)	
of the Midwest, Inc. (the)	
CLEC Companies) to Talk)	
America Services, LLC.)	Entered: December 9, 2014

BY THE COMMISSION:

On August 28, 2014, an application was filed by Talk America Services, LLC of Little Rock, Arkansas ("Talk America" or "Applicant") seeking authority to provide resold competitive local exchange and interexchange services within the State of Nebraska and also seeking to transfer the residential local exchange customers of McLeod USA Telecommunications Services, LLC, PAETEC Communications, Inc., Windstream Communications Inc., Windstream IT-Comm, LLC, Windstream KDL, Inc., Windstream Norlight, Inc., Windstream NTI, Inc., Windstream of the Midwest, Inc. and Windstream Systems of the Midwest, Inc. (the CLEC Companies) to Talk America Services, LLC.. Notice of the application was published in the Daily Record, Omaha, Nebraska, on September 2, 2014. A corrected notice was published in the Daily Record, Omaha, Nebraska on October 27, 2014. No protests were filed; therefore, this application is processed pursuant to the Commission's Rule of Modified Procedure.

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

Applicant is a limited liability company organized and existing under the laws of the State of Delaware. Applicant has

been authorized by the Secretary of State to operate in Nebraska as a foreign corporation. In addition, no officer, director or shareholder having five percent or more of the Applicant's voting securities has been involved in a formal complaint or other investigatory or enforcement proceeding within the last two years.

Applicant requests authority to provide competitive local exchange and interexchange services throughout the State of Nebraska using a combination of its own facilities, leased facilities, and resold services. Applicant seeks statewide authority to provide local exchange and exchange access service in Nebraska.

The telecommunications services that Applicant intends to provide may involve the resale of unbundled network elements and resale of local exchange service pursuant to Commission-approved interconnection agreements and/or its own facilities. Applicant will make such arrangements as may be required to provide operator services and directory assistance, 911 emergency services, and Telephone Relay Service.

Applicant states that it possesses the technical, managerial and financial qualifications to provide the proposed service. Applicant will draw on the management resources of Windstream Holdings, Inc. and consultants for planning, marketing, network service development, provisioning and delivery, and legal and regulatory assistance. Through a Wholesale Resale Agreement and Transitional Services Agreement ("TSA"), Applicant will be initially reliant on the CLEC Companies personnel systems and processes to deliver services to its customers.

Exhibits 4-5 to the application provide Applicants most recent financial statements. Exhibit 4 is the publicly available financial statements of its parent company, Windstream Holdings, Inc.

Applicant states a grant of this application will serve the public interest because the public will benefit from greater consumer choice created through the broadening of telecommunications service alternatives and affordable rates maintained by competition.

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 and interexchange telecommunications services 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 services. 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:

1. 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
2. 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 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, ch. 5.

Upon the offering of local exchange services 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.

In addition, the application seeks authorization to seeking to transfer the residential local exchange customers of McLeod USA Telecommunications Services, LLC, PAETEC Communications, Inc., Windstream Communications Inc., Windstream IT-Comm, LLC, Windstream KDL, Inc., Windstream Norlight, Inc., Windstream NTI, Inc., Windstream of the Midwest, Inc. and Windstream Systems of the Midwest, Inc. ("the CLEC Companies") to Talk America Services, LLC. Upon Commission approval, Applicant proposes to send customer notices to the residential local exchange customers of the CLEC Companies. The CLEC Companies will retain all of their business customers. In connection with the proposed transfer of approximately 235 residential customers of the CLEC Companies, Talk America Services, LLC will assume the CLEC Companies' residential customer contracts and relationships. Applicant will become the new provider of record for the residential customers of the CLEC Companies; however, Applicant will resell the services of the CLEC Companies.

Applicant states the transfer will have no impact on the transferred customers. The rates, terms and conditions of service provided to the transferred residential customers will not change as a result of the transfer to the Applicant. Where services are provided pursuant to a filed tariff, the Applicant states that it will adopt the tariffs of the CELC Companies or file one or more tariffs that incorporate identical rates, terms and conditions of service. Where services are provided on a de-tariffed basis, Applicant will continue to provide service to the customers pursuant to the relevant service contracts or price lists and maintain them on a website. Written notice will

be provided to all affected customers thirty (30) days prior to the transfer. A copy of the customer notice was provided with the Application.

Applicant states that approval of the proposed transfer will improve efficiency. Consequently, according to the Applicant, granting this application is consistent with public interest.

Based on the evidence, we find the application to be fair and reasonable and in the public interest. The application should be granted.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-4708 be, and hereby is, granted.

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 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, Ch. 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 thirty (30) days from the entry of this order that the Applicant file a tariff and pay appropriate filing fees 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 services and interexchange services in the State of Nebraska.

MADE AND ENTERED at Lincoln, Nebraska, this 9th day of December, 2014.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Chairman

ATTEST:

Executive Director

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NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Ann Bogles
Tim Schram
Red Jensen
Gerald L. Vap

Ann Landis
Chairman

ATTEST:

Steve Meradith
Executive Director

//s//Frank E. Landis