

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

| | | |
|-------------------------------|---|------------------------|
| In the Matter of the |) | Application No. C-4848 |
| Application of ExteNet |) | |
| Systems, Inc., Lisle, |) | |
| Illinois, seeking authority |) | GRANTED |
| to provide non-switched local |) | |
| transport services in the |) | |
| State of Nebraska. |) | Entered: July 12, 2016 |

BY THE COMMISSION:

On May 31, 2016, an application was filed by ExteNet Systems, Inc. ("ExteNet" or "Applicant"), of Lisle, Illinois, seeking authority to operate as a local exchange carrier of telecommunications services in the State of Nebraska. Notice of the application was published in The Daily Record, Omaha, Nebraska, on June 3, 2016. 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 Delaware corporation authorized to do business in the State of Nebraska. Applicant's principal place of business is located in Lisle, Illinois. Applicant states no officer, director or shareholder has been involved in a formal complaint or other investigatory or enforcement proceeding within the last two years.

Applicant has been authorized to provide telecommunications services in thirty-three (33) jurisdictions, and has provided services in the following states for at least two years: California, Florida, Illinois, Indiana, Kansas, Louisiana, Massachusetts, Maryland, Michigan, Nevada, New York, Pennsylvania, Rhode Island, Texas, Virginia, and Wisconsin. Applicant has also applied for certification in the following states: Alabama, Arizona, Connecticut, Delaware, Georgia, Hawaii, Kentucky, Minnesota, Missouri, New Jersey, New Mexico, North Carolina, Tennessee, Utah, Washington, and the District of Columbia. ExteNet also filed an application in Colorado, but the application was denied because Colorado no longer issues certificates to wholesale providers due to a change in law.

ExteNet proposes to operate in Nebraska by providing non-switched dedicated Point-To-Point Private Virtual Circuit (PVC) Transport Service on a wholesale basis to other carriers via a Distributed Antenna System ("DAS") network. This service is offered to Wireless Services Providers ("WSPs") so that they can improve their coverage by filling in "dead spots," or increase

their capacity to provide services in certain geographic areas. ExteNet will provide its Point-to-Point PVC Transport Services on fiber optic cable through a combination of deploying its own network and facilities, and services leased from a variety of existing carriers and other suppliers.

Applicant states it possesses the necessary technical expertise and management team to serve Nebraska customers. In Exhibit C to the application, Applicant provided details of its senior management's technical experience.

Applicant further states it possesses the necessary financial ability to provide the proposed service in Nebraska. Exhibit E to the application contains ExteNet's financial statements, which were reviewed by the staff accountant.

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 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.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-4848 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 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 telecommunications services in the State of Nebraska.

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

Application No. C-4848

Page 5

ENTERED AND MADE EFFECTIVE at Lincoln, Nebraska, this 12th day of July, 2016.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Gerald L. J. Jr.

Tim Schram

Chairman

Crystal Knudsen

ATTEST:

Frank E. Landis

Jeffrey L. Peltz

Executive Director

//s//Frank E. Landis
//s//Tim Schram