

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the) Application No. C-4861
Application of Bluestem Fiber,)
LLC, Lincoln, seeking authority)
to provide competitive local) GRANTED
exchange and interexchange)
telecommunication services)
within the State of Nebraska.) Entered: September 20, 2016

BY THE COMMISSION:

On July 26, 2016, an application was filed with the Nebraska Public Service Commission ("Commission") by Bluestem Fiber, LLC, ("Bluestem" or "Applicant") of Lincoln, Nebraska. Applicant seeks authority to provide facilities-based and resold local exchange and interexchange telecommunications services in the State of Nebraska. Notice of the application was published in The Daily Record, Omaha, Nebraska, on July 29, 2016. 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

Applicant is a limited liability company organized and existing under the laws of the State of Nebraska. Applicant has been authorized by the Secretary of State to operate in Nebraska and is in good standing. The Applicant has not applied for certification to provide the requested services in any other state. The Applicant has not had any application(s) for certification rejected or denied. 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.

The Applicant proposes to provide competitive local exchange services, inter-LATA, interexchange telecommunications services and other broadband communications services to businesses and residences. The Applicant requests authority to operate as a provider of both local exchange and interexchange telecommunications services, as well as unregulated broadband services. The Applicant plans to provide such services through a combination of its own fiber optic facilities, facilities leased from other carriers, and resold facilities of other carriers. The proposed basic local service will enable customers to originate and terminate calls to other customers served by the Applicant's fiber optic network as well as to customers of Incumbent Local Exchange Carriers ("ILECS"). The Applicant's basic local exchange service will also provide customers the ability to access their choice of long distance interexchange carriers and will also

provide switched access service to interexchange carriers to permit them to originate and terminate intrastate and interstate toll calls to customers on the Applicant's network. In addition, the Applicant will be able to provide special access (private line) services and high speed enhanced data and information services to its customers. Customers will also have direct dial tone access to operators and emergency services and choices among various custom calling features and functions. In order to safeguard its interests, the Applicant may require a customer to make an advance payment and/or a deposit before services and facilities are furnished, under terms and conditions more fully described in the Applicant's proposed tariff.

In support of its managerial, technical and financial capabilities, Applicant submitted a description of its senior officer's management and telecommunications experience.

The Applicant states that a grant of the proposed application is in the public interest because Lincoln will benefit directly through the provision of high-speed data services. The Applicant also states that the public will benefit indirectly because the competitive presence of Applicant in Nebraska will increase the incentives for other telecommunications providers to operate more efficiently, offer more innovative services, reduce their prices, and improve the quality of their services. In addition, the Applicant states, offering of these services is in the public interest because the services will provide Nebraska customers with access to new technologies and service choices, and should permit customers to achieve increased efficiencies and cost savings.

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 necessary to provide 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 and interexchange service. 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 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.

Upon the offering of interexchange and/or 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 and interexchange carriers, 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-4861, 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 Report 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

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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 and interexchange telecommunications services in the State of Nebraska.

ENTERED AND MADE EFFECTIVE at Lincoln, Nebraska, this 20th day of September, 2016.



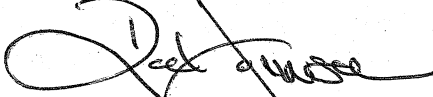
NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:


Chairman

ATTEST:


Executive Director




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