

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

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BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the	)	Application No. C-4986
Application of SQF, LLC,	)	
Portland, Maine, seeking	)	
authority to operate as a local	)	GRANTED
exchange carrier within the	)	
State of Nebraska.	)	
	)	Entered: July 10, 2018

BY THE COMMISSION:

On May 29, 2018, SQF, LLC ("SQF" or "Applicant") filed an application 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 May 29, 2018. 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 private, single-member LLC of perpetual duration organized under the laws of the State of Maine. Applicant is a fully owned subsidiary of Tilson Technology Management, Inc. ("Tilson"). Its principal place of business is located in Portland, Maine. A copy of Applicant's authority to transact business in the State of Nebraska was filed with the application. Neither the Applicant nor its parent's officers or other personnel have had any docketed formal complaints or other investigatory or enforcement proceeding within the last two years.

Applicant has obtained authorization to provide telecommunications services in thirty-one (31) states and the District of Columbia. Applicant is seeking authorization as a telecommunications provider in all fifty (50) states. Applicant currently provides wholesale non-switched facilities-based transport and backhaul to other carriers, typically wireless carriers, in the following jurisdictions: New York, New Jersey, and Pennsylvania. Applicant intends to offer its services throughout the entire State of Nebraska.

Applicant requests authority to provide competitive telecommunications service throughout the State of Nebraska. Applicant intends to offer non-switched radio frequency ("RF") transport service on a wholesale basis to other carriers via fiber optic cable between low-powered antenna nodes and data centers forming its network. Applicant provides its services via both its own hub and fiber optic facilities, as well as by leasing facilities from other suppliers. Applicant also provides

facilities-based and leased fiber transport and routing/switching of comingled voice and data traffic - including local exchange bound service as internet protocol (IP) traffic generated by other retail providers - for its wholesale customers. Applicant offers its services primarily to other carriers on an individual contract basis ("ICB") and will not require advance payments or deposits.

While Applicant is not a cellular/wireless telephone company itself, Applicant's customers include: wireless internet service providers ("ISPs"); public safety network operators; CLECs; and cellular carriers. As part of its service offerings, Applicant also intends to provide fiber internet transport services for enterprise customers that will carry voice and data. Applicant has no current plans to provide director assistance or operator assistance services to any customers, as Applicant will only be providing non-switched wholesale transport services to other carriers.

Applicant states it possesses the requisite financial, technical, and managerial expertise to provide the proposed services as it will be supported by its parent company, Tilson. Applicant provided a description of Applicant's technical expertise in Exhibit No. 4. Applicant provided the financial statements of Tilson confidentially under seal as Exhibit No. 5.

Applicant states a grant of the proposed application is in the public interest because of the expansion of reliability and availability of telecommunications options in Nebraska. As well as an improved wireless network coverage and capacity for carrier customers without the need for traditional macro cell (cell tower) infrastructure.

#### 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 technical and managerial competence necessary to provide service in the State of Nebraska. Applicant has provided documentation of financial fitness to the Commission necessary for authority. The Commission shall review the financials of the company every year upon the filing of the Applicant's annual report pursuant to statute.

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 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.

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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 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-4986, 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.

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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 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 services in the State of Nebraska.

ENTERED AND MADE EFFECTIVE at Lincoln, Nebraska, this 10<sup>th</sup> day of July, 2018.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

*Mary Ridder*

*Cezeta Knader* Chair

*Frank E. Landis*

//s//Frank E. Landis  
//s//Mary Ridder

ATTEST:

*John Kna*

Deputy Director