

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Nebraska) APPLICATION NO. NUSF-25
Public Service Commission, on) Progression Order No. 20
its own motion, seeking to)
establish guidelines for the)
purpose of certifying the use)
of federal universal service)
support.)

In the Matter of the Nebraska) APPLICATION NO. NUSF-66
Public Service Commission, on)
its own motion, seeking to)
establish guidelines for the)
purpose of certifying the use)
of state universal service)
support.) Entered: September 11, 2007

BY THE COMMISSION:

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

1. The Commission has established a new process for verifying whether all federal high-cost support will be used for its intended purpose, pursuant to 47 C.F.R § 54.314 and CC Docket No. 96-45 and whether all state high-cost support will be used for its intended purpose pursuant to Neb. Rev. Stat. § 86-324. See Application Nos. NUSF-25/NUSF-66, Progression Order #18 (entered May 15, 2007).

2. By June 1 of each year, each eligible telecommunications carrier and Nebraska eligible telecommunications carrier is required to file with the NTIPS Department an adequate description of how the high-cost funding support has been used and an adequate description of how high-cost support will be used during the next year. If an allocation of expenses is made for high-cost areas, then an explanation of the method used to determine the allocation must be included. Filings with the Commission were to include the following:

- 1) One year of historical investment data, including any expenses, for the provision, maintenance, and upgrading of any facilities or services by exchange/wire center or by county. For the June 1, 2007 filings, this information should be for calendar year 2006. If one year does not

adequately encompass the applicable investment cycle, more than one year of historical information may be included.

2) For each historical year filed, the filing must separately describe both the Federal universal service funding and the Nebraska universal service funding received.

3) A one-year investment schedule, including any expenses, for provision, maintenance, and upgrading of facilities or services for the prospective year by exchange/wire center or by county. For the June 1, 2007 filings, this information should be for calendar year 2008.

3. Upon its initial review, the Commission finds that the following carriers adequately filed information demonstrating that it will use federal high-cost support for its intended purpose, pursuant to 47 C.F.R § 54.314 and CC Docket No. 96-45:

Allo Communications, LLC
Alltel Wireless
Arapahoe Telephone Company dba ATC Communications
Arlington Telephone Company
Benkelman Telephone Company, Inc.
Blair Telephone Company
Cambridge Telephone Company
Citizens Telecommunications Company of Nebraska, Inc.,
 aka Frontier
Clarks Telecommunications Company
Consolidated Telco, Inc.
Consolidated Telecom, Inc.
Consolidated Telephone Company
Cozad Telephone Company
Curtis Telephone Company, Inc.
Dalton Telephone Company, Inc.
Diller Telephone Company
Eastern Nebraska Telephone Company
Elsie Communications, Inc.
Glenwood Telephone Membership Corporation
Golden West Telecommunications Cooperative, Inc.
Great Plains Communications, Inc.
Hamilton Telephone Company
Hartington Telecommunications Company, Inc.
Hartman Telephone Exchanges, Inc.
Hemingford Cooperative Telephone Company
Henderson Cooperative Telephone Company

Hershey Cooperative Telephone Company
Hooper Telephone Company dba Westel Systems
Huntel Cablevision dba Huntel Communications
K & M Telephone Company, Inc.
Keystone-Arthur Telephone Company
Mobius Communications
Nebraska Central Telephone Company
Nebraska Technology and Telecommunications, Inc.
NE Colorado Cellular d/b/a Viaero Wireless
Northeast Nebraska Telephone Company
Orbitcom, Inc.
Pierce Telephone Company, Inc.
Pinpoint Communications
Plainview Telephone Company, Inc.
Qwest Corporation
Rock County Telephone Company
Sodtown Telephone Company
Southeast Nebraska Telephone Company
Stanton Telecom, Inc.
Three River Telco
Three River Communications
United Telephone Company of the West d/b/a Embarq
Vivian Telephone Company
Wauneta Telephone Company
Windstream Nebraska Inc.

4. Accordingly, the Commission will provide certification to the Administrator of the federal high-cost universal service support mechanisms and the Federal Communications Commission that the above-listed carriers will use federal high-cost support only for the provision, maintenance, and upgrading of facilities and/or service for which the support is intended in accordance with section 254(e) of the Telecommunications Act of 1996, as amended.

5. The Commission notes that because this is the first year in which companies were required to file detailed investment information with the NTIPS Department for the purpose of certification for the purpose of receiving high-cost support, the Commission may continue to review the ETC/NETC filings on an ongoing basis. The Commission may modify its requirements or thresholds for certification. Therefore, the certification in this Order shall not be construed as precedent as to whether levels of investment or types of investment will be considered acceptable by the Commission in the future.

6. As the Commission previously found in Progression Order No. 19 entered on August 7, 2007, the NTIPS Department should continue its review of the ETC/NETC filings and notify the carrier with any concerns with the June ETC/NETC verification filings. The Commission will give the carrier an opportunity for a hearing with respect to any concerns which would cause the Commission to conclude that an ETC's or NETC's high-cost certification should be de-certified or revoked. The Commission found as follows:

During the course of the Department's review post-certification, if, after the notice and hearing described above, it is determined by the Commission that support is not being used for its intended purpose the Commission will notify USAC and the FCC that the ETC should be de-certified or that it is no longer considered eligible for support. In addition, should the Commission find that an NETC's state high-cost support is not being used for its intended purpose, the Commission may, after the notice and hearing described above, withhold state high-cost support previously authorized for an NETC.

7. On October 27, 2003, the Federal Communications Commission (FCC) released its Order on Remand, Further Notice of Proposed Rulemaking, and Memorandum Opinion and Order in CC Docket 96-45, FCC 03-249 (Order on Remand). In that Order, the FCC expanded the state certification process. Each state is required to review its rates in rural, high-cost areas served by non-rural carriers annually to assess the comparability of those rates to urban rates nationwide. States are required to file a certification with the FCC by October 1st annually, stating whether its rates are reasonably comparable to nationwide urban rates, or in the alternative, explain why they are not.

8. The Commission finds that the following non-rural carrier(s) charge rural rates which fall below the safe harbor and which are therefore presumably reasonably comparable:

Qwest Communications Corporation (Qwest)
Windstream Nebraska Inc.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that the Department certify to the Administrator of the federal high-cost universal service support mechanisms and the Federal Communications Commission, that the above-listed eligible telecommunications carriers will use federal high-cost support only for the provision, maintenance, and upgrading of facilities and/or service for which the support is intended, in accordance with section 254(e) of the Telecommunications Act of 1996, as amended.

IT IS FURTHER ORDERED that the Department certify to the Federal Communications Commission that the above-listed non-rural carriers are charging rates reasonably comparable to the nationwide urban rate benchmark as described herein.

MADE AND ENTERED at Lincoln, Nebraska this 11th day of September, 2007.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Chairman

ATTEST:

Deputy Director