

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application ) Application No. NUSF-43  
of Nebraska Technology & )  
Telecommunications, Inc. )  
requesting universal service ) GRANTED  
support for supported services )  
provided in Alltel exchanges. ) Entered: July 19, 2005

BY THE COMMISSION:

By Application filed March 31, 2005, Nebraska Technology & Telecommunications, Inc. (NT&T or Applicant) of Lincoln, Nebraska requests support from the Nebraska Universal Service Fund for supported services provided in ALLTEL exchanges. Notice of the application was published in The Daily Record, Omaha, Nebraska, on April 7, 2005.

A hearing on this application was held on June 28, 2005, in the Commission Hearing Room in Lincoln, Nebraska. Mr. Michael Orcutt filed testimony on behalf of the applicant.

Mr. Orcutt, Chief Executive Officer of NT&T testified as follows:

In Application Nos. C-1523 and C-1627, NT&T was granted a certificate of public convenience and necessity to provide local exchange and interexchange telecommunications services in areas served by Qwest, ALLTEL, Citizens and United Telephone Company of the West. NT&T currently provides local telecommunications services in various exchanges in Nebraska. NT&T provides local telecommunications services as a reseller of the incumbent local exchange carrier's (ILEC's) services as well as through a combination of network elements that it leases from the ILECs and additional services offered by the ILEC that NT&T resells.

NT&T offers voice-grade access to the public switched network, local usage for both data and voice, dual tone multi-frequency signaling, single party service, access to emergency service, access to operator service, equal access to interexchange service, access to directory assistance and toll limitation for qualifying low-income consumers. NT&T ensures that its customers have the option of receiving a standard "white page" listing through separate agreements with ILECs and/or their directory publishers.

On May 8, 2001, NT&T filed an application with the Commission seeking designation as an eligible telecommunications carrier (ETC) for the purpose of federal universal service support.

That application was docketed as Application No. C-2528. On October 4, 2001, the Commission entered an order granting NT&T such designation. The Commission also granted NT&T's Application No. NUSF-27 requesting support for services provided in the Qwest and Citizens exchanges only on June 5, 2002.

NT&T's present application requests NUSF support for high-cost customers it serves in the ALLTEL exchanges in Nebraska. NT&T believes that this application should be granted for the same reasons the Commission chose to grant NT&T's previous application because NT&T has and will continue to satisfy all of the Commission's requirements for receiving NUSF support.

NT&T states it is currently satisfying and will continue to satisfy each and every requirement of "supported services" as defined by the NUSF Rules and Regulation, specifically Title 291, Chapter 10, Section 004.02. NT&T meets these requirements including:

- (1) Basic local exchange service in the relevant service area consisting of the following: a) single party basic local exchange service within an exchange for which an ETC is receiving support; b) dual tone multi-frequency signaling or the functional equivalent; c) a standard white page or alpha directory listing at the customer's request; d) access to directory assistance services; e) equal access to interexchange services; f) access to emergency 911 or E911 services; g) access to operator services; and h) toll blocking for qualifying low-income subscribers;
- (2) Pricing its basic local exchange service at the benchmark rates established by the Commission which, pursuant to the Commission's order in NUSF-26, is \$17.50;
- (3) Advertisement of such services and the applicable charges using media of general distribution; and
- (4) Agreement to file all forms, data and information required by the Commission and be subject to such requirements as the Commission may adopt from time to time with respect to NETC's receiving NUSF support.

Although NT&T does not publish its own directory, NT&T has entered into directory agreements with ALLTEL, which provide that NT&T customers are listed in the "white page" directory listing at the customer's request. Mr. Orcutt further testified that NT&T offers equal access to interexchange services. NT&T prices its basic local exchange service offering at an amount not less than the benchmark rates established by the Commission. Also, a list of media outlets in which NT&T will advertise the availability of its services was filed as attachment 1. Mr. Orcutt further testified that NT&T would comply with any requirements the Commission may adopt that apply to all ETCs receiving NUSF support.

In response to the requirements imposed upon ETCs desiring NUSF support, NT&T is required to file information with the NUSF Director as needed so that the NUSF Director can determine the amount of support to be given. Mr. Orcutt testified that NT&T will provide any necessary information to the NUSF Director in compliance with this and any other applicable Commission order.

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

The Commission considers this application against the backdrop of its findings and conclusions in Application No. NUSF-26. In that docket, the Commission carried forward from its findings in Docket No. C-1628 guidelines for the operation of the Nebraska Universal Service Fund (NUSF) as it relates to Nebraska eligible telecommunications carriers providing service through the leasing of UNE-P. Specifically, the Commission has found, "[a]dditional carriers other than ILECs will be eligible for interim funding after they have applied for and have been granted state ETC designation pursuant to Commission guidelines and existing law and have provided documentation acceptable to the Commission on the amount of support they should receive on an interim basis for providing service to high-cost customers." In Application No. NUSF-26, the Commission established permanent methodology for establishing program support amounts. Therefore, the Commission will rely on these particular findings for the purposes of considering this application.

At the hearing on this application, the Commission staff provided documentation which was offered and received into evidence as Exhibit No. 4, to demonstrate the amount of high-cost support NT&T should receive. NT&T did not oppose the Commission staff's calculation. Specifically, the average support per residential line will be as follows:

| <u>Zone 1</u> | <u>Zone 2</u> | <u>Zone 3</u> |
|---------------|---------------|---------------|
| \$.14         | \$5.80        | \$19.82       |

NT&T intends to provide service through loop and other unbundled network elements provided by ALLTEL on a platform basis or "UNE-P". To demonstrate cost, NT&T highlighted the amounts it pays to ALLTEL, the underlying carrier, for the lease of unbundled network elements on a UNE-P basis. This amount was derived from its interconnection agreement with ALLTEL that is currently on file with the Commission.

The Commission finds that NT&T has demonstrated its cost to provide service in high cost zones and NUSF support shall be granted as proposed by the Commission staff in Exhibit No. 4 and as specified herein. NUSF support shall be limited to residential lines.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that the application of Nebraska Technology & Telecommunications, Inc. requesting NUSF support for supported services provided to high-cost customers in the service areas served by ALLTEL shall be and is hereby granted.

IT IS FURTHER ORDERED that in order to be eligible and retain eligibility to receive ongoing NUSF support that NT&T must provide the supported services as defined by current and future Commission orders and rules and regulations and that NT&T offer such services in a reasonable time period.

IT IS FURTHER ORDERED that if the Commission determines that NT&T has failed to provide all supported services as defined by the Commission, then, upon notice and hearing, the Commission may withhold or adjust NT&T's interim NUSF support.

IT IS FURTHER ORDERED that NT&T may begin receiving NUSF distributions for its provision of supported services as set forth herein effective August 1, 2005.

IT IS FURTHER ORDERED that in order to be eligible to receive NUSF support NT&T must advertise the availability and price of its universal service offering in those high-cost service areas in which it is seeking support, and that the price for that offering shall not be less than the benchmark rates established in the NUSF-26 Order.

IT IS FINALLY ORDERED that NT&T file any information required by the NUSF Director necessary to determine support amounts as set forth in this Order.

MADE AND ENTERED at Lincoln, Nebraska, this 19th day of July, 2005.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Chair

ATTEST:

Executive Director