

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application) Application No. C-2618
of Citistream Communications,)
Inc. of Lincoln, Nebraska,)
seeking authority to operate as a)
reseller and facilities based) GRANTED
common carrier of local exchange)
and interexchange telecommunica-)
tions services in the state of)
Nebraska.) Entered December 4, 2001

BY THE COMMISSION:

By its application filed October 16, 2001, Citistream Communications, Inc. (Citistream) of Lincoln, Nebraska, seeks authority to operate as a reseller and facilities-based common carrier of local exchange and interexchange telecommunications services in the state of Nebraska. Notice of the application appeared in The Daily Record, Omaha, Nebraska on October 17, 2001. No protests or petitions to intervene in the application were filed. Therefore, the Commission deems it reasonable and proper to proceed with the disposition of this application by its modified procedure in accordance with Rule 018.03 of the Rules of Commission Procedure.

E V I D E N C E

Citistream is a limited-liability company formed under the laws of the state of Nebraska which has its headquarters in Lincoln, Nebraska. Citistream has been authorized by the Secretary of State to transact business as a corporation within Nebraska.

Citistream has not yet begun transacting business in any state, but has neither been refused certification in any state nor has been subject to any formal investigatory proceeding.

Citistream seeks the authority to provide full scale communications and data services. Citistream intends to operate as a competitive local exchange service provider on a facilities-based and resale basis, as well as an interexchange service provider on a resale basis, within the state of Nebraska. Specifically, Citistream seeks authority to provide all forms of switched and dedicated telecommunications services, including, but not limited to the following: plain old telephone service, access service, private line, data transmission service, internet service and broadband services. In addition, Citistream seeks authority to provide the following interexchange telecommunications services: basic "1+" long distance service, wide area telecommunications service and toll-free telecommunications service. Citistream will provide its Nebraska customers with access to directory assistance, operator services, emergency 911 services and telephone relay service through arrangements with other carriers.

Citistream is planning on providing interexchange services by reselling another carrier's interexchange service. At present, Citistream has not entered into a resale agreement with any providers of interexchange service. Citistream will provide the Commission with at least 30 days notice of when it will begin to offer such service.

Citistream requests authority to operate as a competitive local exchange carrier and as an interexchange carrier for the entire state of Nebraska.

Citistream states that granting this application will be in the public interest because customers will receive the benefits of downward pressure on prices, increased choice, improved quality of service and customer responsiveness, innovative service offerings, and access to advanced telecommunications technology.

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 and all other criteria necessary to provide interexchange and local exchange service in the state of Nebraska. No party in this proceeding refuted the applicant's competence.

These opinions and findings carry no precedential value other than establishing minimum standards and criteria to apply when considering applications to provide interexchange and local exchange 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.

Prior to providing interexchange or local exchange service in any area in the state of Nebraska, applicant must file and the Commission must approve, tariffs in accordance with the provisions of Section 002.21 of the Neb. Admin. R. & Regs. Title 291, ch. 5.

As a provider of interexchange and local exchange service 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 incumbent local exchange carriers 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-2618 be, and hereby is, granted and Citistream Communications, Inc. is authorized to operate as a reseller and facilities-based common carrier of local exchange and interexchange telecommunications service in the state of Nebraska.

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. §§ 86-1302 - 86-1306 (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 before commencing service in Nebraska 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 interexchange and local exchange telecommunications services in the state of Nebraska.

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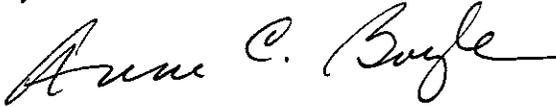
MADE AND ENTERED at Lincoln, Nebraska, this 4th day of December, 2001.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:



ATTEST:



Acting Executive Director



//s//Frank E. Landis

