

ANNUAL REPORT TO THE LEGISLATURE
ON THE STATUS OF
THE NEBRASKA TELECOMMUNICATIONS INDUSTRY

NEBRASKA PUBLIC SERVICE COMMISSION

September 30, 1998

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1998 ANNUAL REPORT TO THE LEGISLATURE

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Chairman

Frank Landis
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Lincoln
Vice-Chairman

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2nd District
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Dawn McFarland - Secretary
Rose Price - Secretary

September 30, 1998

From the Chairman:

I take pleasure in providing you the 1998 Annual Telecommunications Report of the Nebraska Public Service Commission. This year has been exciting and fast paced, as reflected in the various sections of this report. Technology, economics, and changes in state and federal policy are driving major changes across the communications industry at an unprecedented tempo.

The major force behind many changes is the federal Telecommunications Act of 1996. In this report, you will find information on a number of issues including universal service, access charges, and competition in the local marketplace, all of which are driven by the Act.

Telephone complaints have increased by 25 percent over the past year. Long distance companies accounted for 57.2 percent of the complaints while local phone companies accounted for 42.8 percent. The major areas of complaints are billing, slamming, and service.

There are 47 incumbent local exchange carriers (ILEC) and 22 competitive local exchange carriers (CLEC), but the number of long distance companies in Nebraska has grown to over 250. The long distance market is a highly-competitive market nationally as well as in our state.

Our Commission is currently addressing some of the most important telecommunications issues to come before it in recent memory. We have several pending dockets concerning US West, which is Nebraska's largest phone company. We are poised to enter a very significant order dealing with access charge reform and universal service. We have also examined Internet telephony and its impact on the telecommunications industry. Most recently, the Commission reaffirmed its policy of requiring local phone companies to maintain a 24-hour, public telephone in every Nebraska community.

Seventy petitions seeking extended area service (EAS) were filed with the Commission this past year. This is certainly an indication of the high interest and desire of a great number of telephone subscribers for expanded service. Thus far, only one has been granted. Sixty-three petitions were dismissed for either failure to meet traffic criteria or failure to approve the proposed EAS rate through balloting prescribed by Commission rules. Six petitions remain pending.

Telephone companies continue to rebalance their rates in light of the

Telecommunications Act of 1996. Companies are adjusting their rates to come into compliance with the Act's provisions that services must pay for themselves, thereby removing reliance on implicit revenue subsidies from other services.

Part IV of this report indicates areas in which the Public Service Commission recommends legislation be considered for the 1998 Legislative Session.

The Commission has expanded its outreach to the public in two specific ways. The first is expanding the information available on its web site. Our site now contains pending dockets, comments filed in pending dockets, and certificated carrier lists. Secondly, the Commission has made a concerted effort to reach the public through state and local media releases.

The Nebraska Public Service Commission is working diligently to meet the challenges of a changing telecommunications industry. My warm appreciation and recognition are extended to my fellow Commissioners and to the Nebraska Public Service Commission staff for their diligence, hard work, and dedication in our mutual quest of just, reasonable, and affordable service for all Nebraska's citizens.

Please feel free to provide us with comments or questions on this report at any time.

Sincerely,

Lowell C. Johnson
Chairman

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ACCESS LINE & EXCHANGE DATA

January 1, 1998

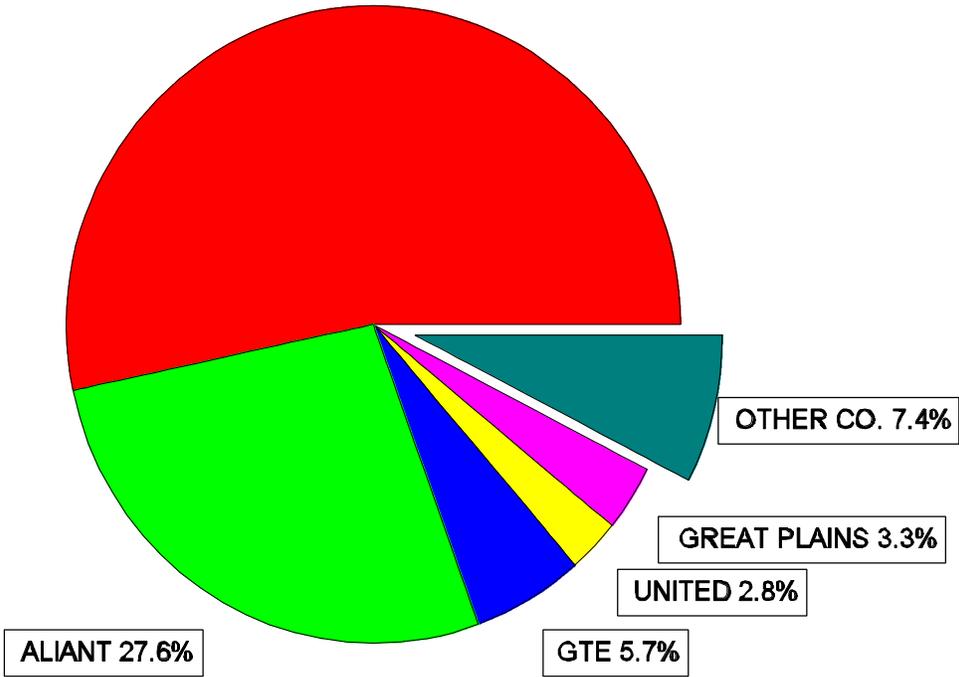
| COMPANY | ACCESS LINES | | | NUMBER OF EXCHANGES |
|--------------------|--------------|--------|--------|---------------------|
| | BUS. | RES. | TOTAL | |
| US WEST | 159091 | 366121 | 525212 | 69 |
| ALiant | 84696 | 188312 | 273008 | 137 |
| GTE | 18691 | 38097 | 56788 | 37 |
| GREAT PLAINS | 7215 | 25877 | 33092 | 63 |
| SPRINT/UNITED | 8741 | 19456 | 28197 | 13 |
| NEBRASKA CENTRAL | 1587 | 7196 | 8783 | 20 |
| BLAIR | 1949 | 5530 | 7479 | 3 |
| HAMILTON | 1835 | 4437 | 6272 | 9 |
| SOUTHEAST NEBRASKA | 855 | 3282 | 4137 | 2 |
| NORTHEAST NEBRASKA | 629 | 3505 | 4134 | 12 |
| CONSOLIDATED | 767 | 2268 | 3035 | 15 |
| NEBCOM | 492 | 2499 | 2991 | 7 |
| COZAD | 745 | 2233 | 2978 | 1 |
| EASTERN NEBRASKA | 793 | 2030 | 2823 | 8 |
| GLENWOOD | 495 | 2256 | 2751 | 9 |
| ARAPAHOE | 485 | 1984 | 2469 | 7 |
| PIERCE | 409 | 1512 | 1921 | 2 |
| HARTINGTON | 525 | 1069 | 1594 | 1 |
| CONSOLIDATED TELCO | 369 | 1214 | 1583 | 5 |
| DALTON | 297 | 984 | 1299 | 5 |
| CAMBRIDGE | 372 | 927 | 1281 | 2 |
| HOOPER | 262 | 1002 | 1264 | 2 |
| THREE RIVER | 231 | 1020 | 1251 | 5 |
| BENKELMAN | 345 | 898 | 1243 | 1 |
| PLAINVIEW | 241 | 923 | 1164 | 1 |
| STANTON | 295 | 862 | 1157 | 1 |
| ARLINGTON | 139 | 923 | 1062 | 1 |
| ROCK COUNTY | 242 | 768 | 1010 | 2 |
| HENDERSON | 260 | 729 | 989 | 1 |
| CLARKS | 136 | 831 | 967 | 3 |
| HEMINGFORD | 157 | 772 | 929 | 1 |
| DILLER | 120 | 787 | 907 | 4 |
| HERSHEY | 184 | 668 | 852 | 1 |
| HOME | 102 | 723 | 834 | 2 |
| CURTIS | 220 | 614 | 825 | 1 |
| WAUNETA | 143 | 518 | 661 | 1 |
| K&M | 126 | 523 | 650 | 2 |
| KEYSTONE-ARTHUR | 83 | 535 | 618 | 2 |
| EUSTIS | 85 | 399 | 484 | 1 |
| HARTMAN | 3 | 438 | 441 | 3 |
| ELSIE | 43 | 166 | 209 | 1 |
| SODTOWN | 4 | 83 | 87 | 1 |
| TOTAL | 294459 | 694971 | 989431 | 464 |

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| SOUTHEAST NEBRASKA | 855 | 3282 | 4137 | 2 |
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| HOME | 102 | 723 | 825 | 2 |
| K&M | 126 | 523 | 650 | 2 |
| KEYSTONE-ARTHUR | 83 | 535 | 618 | 2 |
| COZAD | 745 | 2233 | 2978 | 1 |
| HARTINGTON | 525 | 1069 | 1594 | 1 |
| BENKELMAN | 345 | 898 | 1243 | 1 |
| PLAINVIEW | 241 | 923 | 1164 | 1 |
| STANTON | 295 | 862 | 1157 | 1 |
| ARLINGTON | 139 | 923 | 1062 | 1 |
| HENDERSON | 260 | 729 | 989 | 1 |
| HEMINGFORD | 157 | 772 | 929 | 1 |
| HERSHEY | 184 | 668 | 852 | 1 |
| CURTIS | 220 | 614 | 834 | 1 |
| WAUNETA | 143 | 518 | 661 | 1 |
| EUSTIS | 85 | 399 | 484 | 1 |
| ELSIE | 43 | 166 | 209 | 1 |
| SODTOWN | 4 | 83 | 87 | 1 |
| TOTAL | 294459 | 694971 | 989431 | 464 |

ACCESS LINES - 1997

State of Nebraska

US WEST 53.1%



Part I

PART I

Review of the Quality of Telecommunications Service Provided to Nebraska Citizens

1. Telephone Complaints

The following table shows the total number of complaints filed this year and divides the complaints between local exchange carriers (LECs) and interexchange carriers (IXCs), also known as long distance companies. The complaints catalogued in the "other" category include complaints filed against non-regulated utilities, such as cellular and cable television providers.

| COMPLAINTS | 1996-1997 Complaints | 1996-1997 Complaint Percentage | 1997-1998 Complaints | 1997-1998 Complaint Percentage |
|------------|-------------------------|--------------------------------------|-------------------------|--------------------------------------|
| LECs | 288 | 53.5% | 289 | 42.8% |
| IXCs | 246 | 45.7% | 386 | 57.2% |
| Other | 4 | 0.8% | 0 | 0% |
| TOTAL | 538 | 100.0% | 675 | 100.0% |

Complaints were separated into the following categories:

| COMPLAINTS | 7/01/94 6/30/95 | 7/01/95 6/30/96 | 7/01/96 6/30/97 | 7/01/97 6/30/98 |
|------------|--------------------|--------------------|--------------------|--------------------|
| Service | 162 | 310 | 158 | 114 |
| Billing | 179 | 222 | 178 | 204 |
| 800/900 | 179 | 7 | 11 | 9 |
| Misc. | 78 | 129 | 116 | 184 |
| Slammed | * | 66 | 65 | 148 |
| Disconnect | * | 16 | 9 | 15 |
| Cellular | * | 3 | 1 | 1 |
| TOTAL | 598 | 753 | 538 | 675 |

* Statistics not available for these periods.

Miscellaneous complaints include harassing calls, unfilled requests to establish various optional features (e.g., Caller ID), lack of the availability for Extended Area Service (EAS), equal access, as well as local Internet access and availability. Billing complaints primarily consist of billing errors and large deposit requests imposed by both LECs and IXC's, as well as costly surcharges imposed by private payphone providers. A noticeable reduction in service complaints was made by US West, as described below.

A. Local Exchange Carriers (LECs)

There are 69 LECs in Nebraska (including the cooperative telephone companies). US West is the largest LEC with 525,212 access lines, while Sodtoun Telephone Company has only 87 access lines. The following table shows the LEC complaints by company. As one would expect, the largest number of complaints involved the two largest LECs, US West and Aliant (formerly known as Lincoln Telephone).

| LECs | 96-97 Complaints | 96-97 Access Lines | 96-97 Percent of Total Lines | 97-98 Complaints | 97-98 Access Lines | 97-98 Percent of Total Lines |
|-----------------------|---------------------|--------------------------|------------------------------------|---------------------|--------------------------|---------------------------------------|
| US West | 223 | 517,410 | 53.3% | 171 | 525,212 | 59.2% |
| Aliant | 35 | 282,947 | 29.2% | 63 | 273,008 | 21.8% |
| GTE of the Midwest | 15 | 52,873 | 5.5% | 22 | 56,788 | 7.6% |
| Great Plains | 5 | 26,032 | 2.7% | 3 | 33,092 | 1.1% |
| United Tel. | 4 | 26,751 | 2.8% | 10 | 28,197 | 3.4% |
| Others | 6 | 63,701 | 6.5% | 20 | 73,134 | 6.9% |
| TOTAL | 288 | 969,714 | 100.0% | 289 | 989,431 | 100.0% |

B. Interexchange Carriers (IXCs)

The number of long distance companies certificated to operate continues to grow. Currently, there are over 250 companies authorized to provide long distance services in Nebraska. The following table shows the number of complaints filed against long distance companies. The largest number of complaints involved AT&T and MCI. Customers can be sure they have the long distance carrier of their choice by dialing the toll-free telephone number (700) 555-4141.

| Interexchange Carrier | 1997-98 Complaints |
|-----------------------|--------------------|
| AT&T | 56 |
| MCI | 54 |
| Sprint | 34 |
| Minimum Rate Pricing | 24 |
| LCI International | 18 |
| Excel | 8 |
| Misc. | 192 |
| TOTAL | 386 |

C. Formal Complaints

The following formal complaints were filed with the Commission during the past year:

Wentworth Apartments, Inc., by and through its agent, Cox Nebraska Telecom II, LLC, vs. US West Communications, Inc.

Cox filed a formal complaint against US West charging that US West would not reconfigure its existing network to allow competitive access to multi dwelling unit (MDU) property. The Commission opened Docket No. C-1878 to examine this issue and develop a policy to apply to all carriers. Pursuant to C-1878 being opened, Cox dismissed its complaint.

The Commission received comments on the issue from diverse interests from throughout the country. It held a hearing in mid-September and asked interested parties to file post-hearing briefs.

Thomas A. or Chana J. Marsh (of Shelby) vs. Aliant Communications

Thomas and Chana Marsh filed a formal complaint against Aliant for additional charges related to the construction of a telephone line to their residence. Aliant proposed charging the Marshes a reduced rate of \$769.50 for approximately one-half mile of construction. The Marshes were informed of Aliant's proposal but rejected the offer. This matter has been set for hearing on October 26, 1998.

Tel-Save, Inc. (a Delaware corporation) vs. US West Communications, Inc.

Tel-Save, Inc. filed a formal complaint against US West for violation of Sections 201(b) and 202 of the Communications Act, as amended, and violation of Neb. Rev. Stat. Section 75-126. The basis of the complaint is that US West does not permit end-user customers to lift primary interexchange carrier (PIC) freezes by means of e-mail, whether transmitted directly by the customer or forwarded by Tel-Save, Inc. A request was made to hold the complaint in abeyance until August 10, 1998, so that the parties could resolve the issue. On August 7, 1998, both parties requested the Commission recommence the proceedings since an agreement could not be reached.

D. Relay System Complaints

Consumer complaints related to the relay system totaled 30 for the 1997-98 fiscal year, as compared to 27 in 1996-97. Of the 30 complaints received, nearly two thirds involved Communications Assistants (CA) related issues. The "CA Other" category in the table below consists of three complaints relating to errors in CA unfamiliarity with voice carry over (VCO), one involving a computer monitor malfunction, and two related to answering machine procedures.

| Type of Complaint | Total Number |
|--------------------------|--------------|
| Network - Appl. Software | 2 |
| Network - Infrastructure | 9 |
| CA# Dialed | 0 |
| CA Spelling | 1 |
| CA Speed | 1 |
| CA Staffing | 6 |
| CA Etiquette | 5 |
| CA Other | 6 |
| TOTAL | 30 |

2. Service Testing

The Commission ensures Nebraskans are receiving quality telecommunications service by independently testing telephone companies. During the past year, the Commission staff made numerous test calls in a number of telephone exchanges. All local exchange carriers are now using digital switches; as of the end of 1997, 100 percent of Nebraska switches were digital. Besides providing independent testing, the Commission's technical staff offers consumer assistance. Our technician visited several homes and businesses across the state to assist the Commission in resolving service complaints. For example, the staff jointly conducted tests with US West, Omaha Public Power District and Fox/Channel 42 designed to isolate interference problems experienced by telephone customers who live near Gretna. Similar tests were performed at a power pumping station in Lincoln County to assist Curtis Telephone Company and McCook Public Power in resolving a power influence problem affecting some Curtis customers. Another problem currently under investigation is suspected to be interference caused by a commercial radio station in Western Nebraska.

Part II

PART II

Review of the Availability of Diverse and Affordable Telecommunications Services to the People of Nebraska

1. The Telecommunications Act of 1996

In February of 1996, the President signed into law the Telecommunications Act of 1996. The passage of the Act culminates the efforts of the United States Congress to establish a pro-competitive, deregulatory national policy framework for the telecommunications industry. Congress made the significant policy decision that the monopoly markets of local exchange carriers would be opened to, and subject to, competition by other eligible telecommunications carriers. In enacting the Telecommunications Act of 1996, it was the intent of Congress to replace economic regulation with robust competition as the primary protection of consumer interests in telecommunications markets. To achieve that goal and end, the Act provides for the removal of legal and regulatory barriers to market entry, removes economic obstacles to market entry, encourages and promotes new technological development, and promotes, develops, and encourages a regulatory environment in which the given telecommunications provider's success or failure will be directly tied to its ability to satisfactorily serve its subscribers.

In light of this federal legislation, the Nebraska Unicameral passed the two following bills in 1997 related to the telecommunications industry: (1) the provision of telecommunications service and (2) the responsibilities of the Public Service Commission. LB 660 and 686 sought to achieve the general goals specified in the federal legislation.

Promoting Competition (LB 660) - LB 660 vested the Public Service Commission with the statutory powers and duties to discharge the functions that have been delegated to the states under the federal Act. Among the duties of the Commission are:

- ▶ To conduct, approve, and enforce mediated and arbitrated interconnection agreements between competing companies;
- ▶ To administer the exemption and waiver provisions of the federal Act as applied to pro-competitive entry into the markets of rural and mid-size telephone companies;
- ▶ To establish wholesale prices for companies;
- ▶ To certify new entrants;
- ▶ To exercise state authority related to the establishment and administration of a state universal service fund.

Universal Service (LB 686) - LB 686 provided the specific statutory authority to the Commission to establish mechanisms which supplement federal universal service support mechanisms. To perform its duties under LB 686, the Commission is required to determine issues such as which services will be supported, what is considered "affordable" phone service, what the universal service needs are for the State, and who will pay into the fund and in what amounts.

The Commission is actively examining many of these topics through Commission investigative dockets specifically designed to address a particular issue or series of issues. These issues raised by state and federal legislation and addressed further below have been the subject of a great deal of study, hearings, debate, Commission investigation, and litigation.

Cost model docket (Docket C-1633)

The federal act prescribed that states are to ensure that advanced, affordable telecommunications services would be available to high-cost consumers, schools, rural health care facilities, and libraries. Universal service assistance would be provided from both a federal fund and a state fund. The Federal Communications Commission (FCC) determined that the states would be responsible for 75 percent of the state need, and the federal fund would provide the additional 25 percent of aid. The Public Service Commission opened Docket No. C-1633 upon its own motion to determine the universal service needs of Nebraska from the federal fund. Through that docket, the Commission conducted an extensive study of cost models sponsored by various segments of the telecommunications industry. To determine the needs of the state, each model proposed a mechanism to locate customers and build networks to them. After extensive hearings, the Commission selected the Benchmark Cost Proxy Model (BCPM) and submitted its recommendation to the FCC. After selection of the model, several carriers requested that the Commission change some of the specific inputs recommended to the FCC. That matter is still under advisement. The model and inputs selected by the Commission determined a combined state and federal need of roughly \$100 million. If the Commission were to select the inputs requested upon rehearing, that figure would increase by \$15.5 million.

Access Charge Reform and Universal Service (Docket C-1628)

The Commission on its own motion opened Docket C-1628 on September 15, 1997, to conduct an investigation into intrastate access charge reform and the creation of a Nebraska universal service fund. This "super-docket" initiated a Commission investigation into the structure of intrastate access charges and the feasibility and/or necessity for creation of a universal service fund to ensure that all Nebraskans, without regard to their location, have comparable accessibility to telecommunications services at affordable prices.

Due to the importance of the issues to be considered in this investigation, the Commission deemed all currently-certificated local exchange carriers and interexchange carriers to be parties to this proceeding.

A prehearing conference was scheduled and initial comments were requested on January 6, 1998. Comments were received on March 6, 1998, with reply comments due on April 27, 1998. Then on May 22, 1998, a petition was filed with the Nebraska Secretary of State seeking to place an initiative on the November ballot which would revise Section 75-609 and require the Commission to implement access charge reform on an expedited basis upon application by a requesting party.

In an effort to gain a better understanding of the potential effect of the initiative on Docket C-1628, the Commission entered Progression Order #2 on August 11, 1998, to specifically seek

further comments from parties. Comments were received by this Commission on September 15, 1998, and are currently being reviewed.

The Commission issued preliminary findings and conclusions regarding the issues on October 2, 1998, with a hearing on those findings scheduled to begin October 27, 1998.

Internet Telephony (Docket C-1825)

Over the past several years, the possibilities created through advances in Internet technology have increased dramatically. With these technological advances, the public use and popularity of the Internet has also grown. One such advance has been the ability to transmit voice communications over the Internet. In general, the Commission does not have oversight responsibilities with regard to the Internet. However, the Commission may have jurisdiction when a provider of Internet protocol begins to offer communications services. This evolving technology could have a significant effect upon the telecommunications industry and the public in general.

The Commission opened Docket No. C-1825 upon its own motion to define what voice over Internet protocol (VoIP) is, to determine the Commission's role in regard to VoIP, to determine what responsibilities providers have to Nebraska consumers, and otherwise examine the place of VoIP in the telecommunications industry. After reviewing the comments filed in this docket, the Commission determined that Docket C-1628 is the appropriate vehicle to address whether VoIP providers should be obligated for access charges and universal service contributions.

US West and Long Distance Service (Docket C-1830)

Section 271 of the Federal Communications Act sets out a number of preconditions that must be met before a Bell operating company (BOC), like US West, may provide interLATA services within its own local telephone region. The FCC determines whether these preconditions are satisfied after consulting with the state commission.

BOCs have been prohibited from offering interLATA services since the break up of the Bell system. If the BOC can demonstrate that competition exists in its local markets by meeting the 14-point checklist found in Section 271 of the Act, then it will be allowed to provide interLATA services.

US West filed Application No. C-1830 requesting the Public Service Commission to certify that it has met each of the competitive preconditions. The application has been hotly contested. Several intervenors who oppose US West's application withdrew their evidence and pre-filed testimony due to discovery disputes. A hearing is currently scheduled for mid-October 1998.

NPPD & the Supreme Court (Docket C-1481)

The subject of whether public entities in Nebraska should be able to enter the telecommunications market may be the subject of debate during the 1999 legislative session. In 1997, the Legislature removed the explicit statutory barrier prohibiting public power districts from offering telecommunications services. However, explicit authority granting public power districts the ability to provide such service was not given.

The Nebraska Public Power District (NPPD) has provided special services in and around Norfolk to the schools, library, and the city. The Commission held a hearing in March 1997 to determine whether the services NPPD was offering were “telecommunications services” and therefore subject to regulation. After receiving the evidence, the Commission found NPPD was indeed offering telecommunications services. The Commission requested the Attorney General to advise on how it should proceed. The Attorney General’s Opinion, No. 97045, stated the Commission could not issue a certificate to NPPD, nor could NPPD legally provide such services as no public power district had statutory authority to offer telecommunications services. Accordingly, the Commission ordered NPPD to cease and desist from offering such services. That order is currently under appeal to the Nebraska Supreme Court. Given this legal opinion, it is likely the power districts will be approaching the Legislature requesting statutory authority to provide telecommunications services. However, the purpose of the Telecommunications Act of 1996 was to replace economic regulation with robust competition as the primary protection of consumer interests in telecommunications markets. Effective competition cannot exist if private companies are asked to compete with publicly-supported arms of government, such as NPPD.

Eligible Telecommunications Carriers (Docket C-1604)

Before a carrier is eligible to receive assistance from the universal service fund to support high-cost, rural and insular customers, it first must be designated an “eligible telecommunications carrier” (ETC) by the Commission. In August of 1997, the Commission initiated a docket to determine which companies would be designated ETCs and define the service areas in which they should receive support. The Commission designated carriers and continues to receive other applications requesting ETC status.

Public Interest Payphones (Docket C-1882)

Pursuant to a directive of the FCC, the Commission was to develop a policy on “public interest payphones” (PIPs). These are phones that serve the public interests in health, safety, and welfare and cannot otherwise be supported by the market place. The Commission was to determine if PIPs were necessary in Nebraska and develop a means to continue to maintain such phones. If the Commission was to determine that Nebraskans did not have a need for PIPs, then carriers would be allowed to remove unprofitable payphones. The Commission determined that if companies were allowed to remove unprofitable paystations, that many Nebraska communities would not have 24-hour access to public telephones. This would jeopardize the safety of motorists and other individuals in the more isolated parts of the state. The Commission determined that Nebraska does have a need for PIPs and is continuing to examine how such phones should be supported.

Access to Multiple Dwelling Units (Docket C-1878)

Cox Nebraska Telecom II filed a formal complaint with the Commission against US West complaining that US West would not reconfigure its existing network to allow facilities-based competitive access to multi dwelling units (MDUs). The Commission opened Docket No. C-1878 to examine this issue and develop a policy to apply to all carriers. Pursuant to C-1878 being opened, Cox dismissed its complaint. The Commission received comments on the issue from diverse interests from throughout the country. It held a hearing in mid-September and asked interested parties to file post-hearing briefs.

2. Local Competition

A. Competitive Local Exchange Carriers

The Commission has promulgated rules setting forth the requirements that a carrier must fulfill to be issued a certificate of public convenience and necessity to provide local exchange services. The following companies have received authority to provide local service in the corresponding territories in Nebraska:

| Carrier | Territory to be Served | Granted Authority |
|------------------------------|-------------------------------|--------------------------|
| AT&T | Statewide | 10/08/96 |
| Aliant Midwest | Statewide, except Aliant | 03/10/97 07/07/98 |
| Atlas Communications | GTE, US West | 06/30/98 |
| Cox Nebraska Telcom | US West | 12/10/96 |
| Dial & Save of Nebraska | GTE, United, US West | 03/17/97 |
| Easton Telecom Services | GTE, US West | 04/07/98 |
| Eclipse Communications Corp. | Aliant, GTE, US West | 06/09/98 |
| Excel Telecommunications | GTE, United, US West | 07/15/97 |
| Firstel | GTE, US West | 04/29/97 |
| Group Long Distance | US West | 01/27/98 |
| Intermedia Communications | GTE, US West | 05/06/97 |

| Carrier | Territory to be Served | Granted Authority |
|-------------------------------|-------------------------------|--------------------------|
| LDM Systems | GTE, US West | 03/24/98 |
| Long Distance Direct Holdings | GTE, United, US West | 08/26/97 |
| MCI | Statewide | 05/06/97 |
| NT&T | Aliant, GTE, United, US West | 09/15/97 |
| Paramount Wireless | US West | 07/15/97 |
| Quintelco | GTE, United, US West | 06/09/98 |
| Reconex | US West | 02/18/98 |
| Sprint Communications Company | Aliant, GTE, United, US West | 03/10/97 |
| TCG Omaha | US West | 12/03/96 |
| Teligent | GTE, United, US West | 04/14/98 |
| WorldCom Technologies | Statewide | 12/16/97 |

AT&T, Aliant Midwest, Cox, Firstel and TCG have filed interconnection agreements and tariffs with the Commission and are currently positioned to offer local service in their authorized territories.

B. Interconnection Agreements

Under the Act, a company wanting to compete with a LEC needs to enter into an interconnection agreement with the LEC whose territory it wishes to offer service in. A company may reach an interconnection agreement with a LEC in one of three ways. It may ask for mediation or arbitration if voluntary negotiations are not successful at reaching a mutually-acceptable interconnection agreement, voluntarily negotiate an interconnection agreement, or request adoption of a Commission-approved interconnection agreement in accordance with Section 252(i) of the Act. When the Act first came into effect, the majority of the interconnection agreements were reached by the filing of petitions for arbitration with the Commission. However, during the past year, the Commission has seen a shift from arbitrated interconnection agreements to voluntarily negotiated interconnection agreements and Section 252(i) interconnection agreements. All interconnection agreements that have been approved by the Commission can be found on the Commission's web site at <http://www.nol.org/home/NPSC>. The agreements are divided into the following three sections: arbitrated interconnection agreements, voluntarily negotiated interconnection agreements, and Section 252(i) interconnection agreements.

3. Central Office Data

Quality telecommunications services are dependent upon the condition and type of equipment telephone companies utilize. In Nebraska, all telephone companies have now upgraded their central offices to digital switches. Digital switches offer customers more advanced features, such as call waiting, call forwarding, equal access, and caller ID. Just five years ago, only 75 percent of the state's access lines were digital or electronic.

4. Outage Reports

Reports are required to be filed with the Commission by LECs when service outages are experienced. The report provides the date and time of the outage, the geographic area affected, the cause of the outage, if known, and an estimate of the access lines affected. Within five days, a final report is filed showing the number of customer trouble reports received related to the outage and the corrective action taken. The following tables show the number of service outages and causes, as well as the total number of outages and access lines affected during the past three years.

| | Cable Cuts | Telephone Equipment Malfunction | Weather | Accidental | Maintenance | Unknown |
|----------------|-------------------|--|----------------|-------------------|--------------------|----------------|
| 1995-96 | 29 | 18 | 7 | 4 | 0 | 5 |
| 1996-97 | 40 | 33 | 8 | 6 | 0 | 12 |
| 1997-98 | 98 | 33 | 12 | 4 | 4 | 13 |

| | Total Service Outages | Total Affected Access Lines | Avg. No. Of Access Lines Affected per Outage |
|----------------|------------------------------|------------------------------------|---|
| 1995-96 | 63 | 43,210 | 847 |
| 1996-97 | 99 | 244,899 | 2,474 |
| 1997-98 | 164 | 199,900 | 1,219 |

5. Equal Access

Equal access allows customers the option to choose the long distance company of their choice. With equal access, customers place their long distance calls using their chosen long distance carrier by simply dialing 1+ the called party's number. To reach other long distance companies, the customer must use access codes or a calling card. By year-end 1998, all Nebraska customers should have interLATA equal access.

By February 15, 1999, all Nebraska telephone companies will, with the exception of a few exchanges, have offered their customers a choice of choosing not only their interLATA long distance provider, or local long distance company, but their intraLATA provider as well. However, those few remaining exchanges will be fully converted by midyear 1999. In the past, Aliant carried all calls made within the southern portion of the 402 area code and US West carried calls in the northern part of the 402 area code plus calls made within the 308 area code. By Commission order, local exchange carriers that have not received a waiver must provide both interLATA and intraLATA equal access to customers on or before February 15, 1999.

6. Link-Up/Lifeline Assistance

On May 8, 1997, the Federal Communications Commission (FCC) released its Report and Order on Universal Service, CC Docket No. 96-45, FCC Order No. 97-157 (Order), which restructured both the Link-Up and Lifeline programs. On October 15, 1997, the Public Service Commission opened Docket C-1645 to establish for the first time a Lifeline program and redefine the existing Nebraska Link-Up program in accordance with the FCC's order. The Lifeline program is a retail local service offering for which qualifying low-income consumers pay reduced monthly charges.

The FCC order provided that effective January 1, 1998, each state is eligible to receive federal baseline support of \$3.50 per subscriber. This support is available regardless of whether intrastate support is provided. An additional \$1.75 per month in federal support is available to Nebraska customers since the Commission requires Eligible Telecommunications Carriers (ETCs) to offer Lifeline rates at \$1.75 below their published local service rates. Thus, the Nebraska Lifeline program provides \$5.25 in monthly support for each eligible subscriber. Should the state see a need for future support, the federal fund will match one-half (up to \$1.75) of the state funds resulting in a maximum assistance of \$10.50 per month.

To qualify to receive Lifeline service, a consumer must participate in one of the following programs:

- 1) Medicaid
- 2) Food Stamps
- 3) Supplemental Security Income
- 4) Federal Public Housing assistance
- 5) Low-Income Home Energy Assistance Program (LIHEAP).

Link-Up Program Defined

The Link-Up program's eligibility requirements mirror the requirements for Lifeline assistance. The Link-Up program provides for a credit to the consumer for the carrier's customary connection charges to establish service for a single telecommunications connection at a consumer's principal place of residence. The reduction is one-half of the customary connection charges or \$30.00, whichever is less, and provides for a deferred schedule for payment of the charges for establishing service on which the consumer does not pay interest. The interest charges that are not assessed shall be for connection charges of up to \$200.00 that are deferred for a period not to exceed one year, excluding security deposits.

The Link-Up program also allows a consumer to receive the benefit of Link-Up support for a second or subsequent time only for a principal place of residence with an address different from the residence address at which the Link-Up assistance was provided previously.

Lifeline/Link-Up Implementation

This Commission, with the assistance of Nebraska Health and Human Services, identified 65,000 Nebraska customers eligible for these assistance programs. Application forms were provided to these customers and processed through the Commission. Customer lists are being provided periodically to all LECs notifying them of their customers who have met the eligibility criteria. Local exchange carriers provide the credits on the customer bills until they are notified of a change in the eligibility of the customer. As of June 30, 1998, 11,355 subscribers have received credits of \$5.25 monthly through the Lifeline program. In addition, 435 of these applicants also received one-time credits on their installation charges through the Link-Up program.

The results of these programs could not have been achieved without the effort and cooperation of the Department of Health and Human Services, who assisted in the identification and notification of eligible customers. We appreciate their assistance to this industry and the Commission in developing a successful Lifeline/Link-Up program for Nebraska subscribers.

7. Telecommunications Relay System

The Relay System allows hearing and/or speech impaired persons to communicate using the telephone network. Communications Assistants (CAs) transmit written communication from a text telephone to a person using a standard telephone. The person using the standard telephone speaks to the CA who types the message to the hearing impaired individual. The relay is funded through a monthly surcharge on all access lines, including cellular lines. The monthly surcharge was 10 cents per access line in 1993 and 1994. It was 7 cents in 1995, 1996 and 1997. The Commission reduced the surcharge for 1998 to 6 cents and is currently reviewing a recommendation to reduce the surcharge again for 1999.

In 1995, the Legislature created the Nebraska Equipment Distribution Program which enabled low income citizens to obtain specialized telecommunications equipment at reduced rates. Funded

by the relay surcharge, expensive telecommunications equipment, such as text telephones, amplifiers, and signaling devices have been made available to low income, hearing impaired consumers. Since the program was initiated in April 1996, over \$139,000 has been spent on specialized telecommunications equipment for low income individuals.

Recent Developments in Telecommunications Relay Services

On January 14, 1997, the Federal Communications Commission (FCC) released a Notice of Inquiry (NOI) seeking comments on ways in which the Telecommunications Relay Services (TRS) for persons with hearing and speech disabilities can be improved. The Commission also sought comment on technological advances that yield qualitative improvements in TRS and effectiveness of the current TRS regulation. The NOI also sought comment on competition in telecommunications markets on TRS and whether competition in the TRS environment would have a positive impact on the quality of relay services. As a result of that NOI, a Notice of Proposed Rule Making (NPRM), CC Docket 98-67, was issued on May 20, 1998, which would propose rule amendments to the current TRS federal regulations. The comment due date was July 20, 1998, and reply comments were due September 14, 1998.

The NPRM deals with five major issues: 1) Coverage of Improved TRS Under Title IV of the ADA; 2) Mandatory Minimum Standards; 3) Competition Issues; 4) Enforcement and Certification Issues; and 5) Other Issues. The major issues are addressed in the following summary.

Coverage of Improved TRS Under Title IV of the ADA.

- 1) **Speech-to-Speech (STS) Relay Service.** STS is an improved TRS service that utilizes specially-trained CAs to relay or “voice” for persons with severe speech disabilities. The FCC is seeking comment on the feasibility of making STS a mandatory minimum requirement of TRS service.
- 2) **Video Relay Interpreting (VRI) Services.** VRI is an improved TRS service that utilizes personal computer (PC) video conferencing equipment, sign language interpreting services, and high-speed transmission services to enable a deaf or hard of hearing individual to communicate with voice users in sign language or other forms of visual communication. Comments should address: 1) the technical feasibility of VRI services; 2) potential benefits; 3) the availability of sign language interpreters; 4) privacy and confidentiality aspects; and 5) costs of VRI.
- 3) **Multilingual Relay Services (MRS) and Translation Services.** Multilingual relay services (MRS) allow persons with hearing and speech disabilities who use languages other than English to communicate with voice users in a shared foreign language, through a CA who is fluent in the selected language. Translation services would involve communication between two parties who each use a different language, including Spanish-language and American Sign Language (ASL) services. The tentative conclusion by the FCC is that their intervention in MRS services would not be needed due to satisfactory coverage of this service by state TRS programs.

Translation services would be deemed to be a “value-added” service and as such would go beyond the “relaying” of conversations between two end users. Therefore, the interstate portion of those costs would not be reimbursable from the interstate TRS fund. Comments on allowing ASL translation as an exception are being solicited.

- 4) Access to Emergency Services. The FCC is seeking comments to adopt uniform and consistent procedures among TRS providers regarding the handling of these types of calls to ensure public safety. Specifically, comments should address: 1) whether TRS centers should be required under the FCC’s rules to pass a caller’s Automatic Number Identification (ANI) to an emergency services operator; and 2) how “emergency calls” should be defined.
- 5) Access to Enhanced Services. Of particular concern to the FCC is the increased use of computer-driven voice-menu systems (or “audiotext” systems), which presents a barrier to current TRS centers. TRS platforms in many states cannot effectively interact with the prompts and time limits built into many enhanced services applications, and charges for pay-per-call services cannot be properly billed to the TRS user. Commenters are encouraged to address the FCC’s legal authority to require access to such services and technical issues involved in handling pay-per-call services.

Mandatory Minimum Standards.

- 1) Speed-of-Answer Requirements. The ability of a TRS user to reach a CA to place his or her call without experiencing delays that a voice telephone user would not experience in placing a telephone call is of primary importance in defining “functional equivalence.” The FCC is seeking a uniform practice in defining this measurement. Specifically, the revised practice would require TRS providers to answer 85 percent of all calls within 10 seconds *by a CA prepared to place the TRS call at that time* (revised wording italicized). Additionally, the FCC is proposing to require that the calculation of whether a provider is in compliance with the 85- percent, 10-second rule is to require the computation on a daily basis.

The FCC is also seeking comments on requiring that the 10-second speed-of-answer time frame be triggered when a call initially arrives at the TRS center (regardless of whether the call hits a call distribution platform or the call is routed directly to a TRS center switch). In particular, the FCC is seeking comments on allowing abandoned and re-dialed calls to be part of the computations.

- 2) CA Quality and Training. The FCC is seeking comment on adopting a minimum CA typing speed. The FCC’s tentative conclusion is that a federal rule for a minimum speed would not be appropriate, due to possible difficulties in obtaining appropriate personnel within the existing labor pool.

Competition Issues.

- 1) Multi-vendoring. Though the FCC exercises authority over intrastate TRS by setting mandatory minimum standards that TRS providers are to meet, the FCC has no direct jurisdiction over the cost recovery methodology of state-specific intrastate TRS costs and the FCC is not involved in the intrastate rate-setting or state contractual processes in implementing state TRS programs. Interestingly, Title IV of the ADA permits carriers to comply with their statutory obligation “individually, through designees, through a competitively selected vendor, or in concert with other carriers.” This seems to impose a limitation on the ability of the FCC to require a multiple- vendor environment as a mandatory minimum standard.

Other Issues

The FCC seeks comment on a variety of other issues including;

- 1) The extent to which carriers are currently offering TTY users the option of having their numbers designated as a TTY number, either in published directories or a Directory Assistance service;
- 2) The extent to which states have implemented TTY, Telebraille, and other specialized equipment distribution programs; and
- 3) The effectiveness of carrier information and outreach activities.

The FCC is not proposing any rulemaking proceedings to evolve from these inquires.

The following table displays statistics that reflect the operation of the Nebraska Relay System since its inception January 1, 1991.

Nebraska Relay System

Usage Statistics

8/28/98

| Month | Calls | Minutes | Converted Minutes | Average Minutes Per Call | Monthly Cost | | Surcharge Revenue at \$.06 | Surcharge Revenue at \$.07 | Surcharge Revenue at \$.08 | Surcharge Revenue at \$.10 |
|--------|--------|---------|----------------------|--------------------------------|----------------|--------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | | | | | TRS Program | Equipment Program [2] | | | | |
| Jan 91 | 5,243 | 33,453 | 33,453 | 6.38 | \$44,081 | | | \$51,213 | | |
| Feb | 5,112 | 36,197 | 40,075 | 7.08 | 47,380 | | | 52,678 | | |
| Mar | 5,530 | 38,219 | 38,219 | 6.91 | 49,803 | | | 52,849 | | |
| Apr | 5,260 | 40,144 | 41,482 | 7.63 | 49,427 | | | 53,182 | | |
| May | 6,119 | 42,362 | 42,362 | 6.92 | 47,173 | | | 52,414 | | |
| Jun | 5,758 | 41,066 | 42,435 | 7.13 | 52,608 | | | 54,239 | | |
| Jul | 5,931 | 42,505 | 42,505 | 7.17 | 47,167 | | | 53,761 | | |
| Aug | 6,639 | 45,908 | 45,908 | 6.91 | 50,565 | | | 53,689 | | |
| Sep | 6,472 | 47,169 | 48,741 | 7.29 | 51,953 | | | 54,052 | | |
| Oct | 7,178 | 50,058 | 50,058 | 6.97 | 54,755 | | | 54,163 | | |
| Nov | 7,628 | 50,684 | 52,373 | 6.64 | 55,135 | | | 54,277 | | |
| Dec | 6,954 | 43,785 | 43,785 | 6.30 | 48,287 | | | 54,385 | | |
| Jan 92 | 7,514 | 53,218 | 53,218 | 7.08 | 54,922 | | | | \$60,829 | |
| Feb | 7,310 | 50,862 | 54,370 | 6.96 | 52,450 | | | | 62,179 | |
| Mar | 8,665 | 57,264 | 57,264 | 6.61 | 60,178 | | | | 62,535 | |
| Apr | 8,635 | 56,624 | 58,511 | 6.56 | 59,734 | | | | 62,803 | |
| May | 9,085 | 58,115 | 58,115 | 6.40 | 61,255 | | | | 62,919 | |
| Jun | 9,321 | 63,053 | 65,155 | 6.76 | 66,340 | | | | 62,909 | |
| Jul | 9,618 | 62,667 | 62,667 | 6.52 | 67,178 | | | | 63,241 | |
| Aug | 10,238 | 64,494 | 64,494 | 6.30 | 66,550 | | | | 63,387 | |
| Sep | 9,385 | 64,989 | 67,155 | 6.92 | 68,473 | | | | 65,134 | |
| Oct | 9,577 | 65,928 | 65,928 | 6.88 | 69,493 | | | | 65,839 | |
| Nov | 9,114 | 65,319 | 67,496 | 7.17 | 68,795 | | | | 66,071 | |
| Dec | 9,519 | 67,768 | 67,768 | 7.12 | 71,275 | | | | 66,283 | |
| Jan 93 | 10,373 | 78,957 | 78,957 | 7.61 | 78,515 | | | | | \$84,850 |
| Feb | 9,514 | 71,133 | 78,754 | 7.48 | 70,843 | | | | | 83,572 |
| Mar | 11,442 | 85,048 | 85,048 | 7.43 | 82,381 | | | | | 83,912 |
| Apr | 11,196 | 78,965 | 81,597 | 7.05 | 78,670 | | | | | 84,307 |
| May | 10,801 | 72,888 | 72,888 | 6.75 | 72,273 | | | | | 84,581 |
| June | 10,408 | 74,576 | 77,062 | 7.17 | 74,291 | | | | | 84,905 |
| July | 10,755 | 75,559 | 75,559 | 7.03 | 71,799 | | | | | 85,169 |
| Aug. | 10,986 | 77,727 | 77,727 | 7.08 | 63,599 | | | | | 85,375 |
| Sept. | 10,947 | 78,905 | 81,535 | 7.21 | 64,254 | | | | | 86,103 |
| Oct. | 11,597 | 84,077 | 84,077 | 7.25 | 67,821 | | | | | 88,176 |
| Nov. | 11,623 | 84,359 | 87,171 | 7.26 | 66,414 | | | | | 88,632 |
| Dec. | 12,003 | 85,532 | 85,532 | 7.13 | 70,025 | | | | | 89,458 |
| Jan 94 | 9,450 | 90,178 | 90,178 | 9.54 | 73,453 | | | | | 90,409 |

Nebraska Relay System

Usage Statistics

8/28/98

| Month | Calls | Minutes | Converted Minutes | Average Minutes Per Call | Monthly Cost | | Surcharge Revenue at \$.06 | Surcharge Revenue at \$.07 | Surcharge Revenue at \$.08 | Surcharge Revenue at \$.10 |
|--------|--------|---------|----------------------|--------------------------------|----------------|--------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | | | | | TRS Program | Equipment Program [2] | | | | |
| Feb | 11,774 | 82,179 | 90,984 | 6.98 | \$67,930 | | | | | \$91,061 |
| Mar | 13,104 | 90,363 | 90,363 | 6.90 | 74,945 | | | | | 91,595 |
| Apr | 13,230 | 91,737 | 94,795 | 6.93 | 74,286 | | | | | 92,166 |
| May | 14,067 | 94,585 | 94,585 | 6.72 | 75,698 | | | | | 93,673 |
| Jun | 13,316 | 87,503 | 90,420 | 6.57 | 71,225 | | | | | 93,160 |
| Jul | 13,114 | 86,723 | 86,723 | 6.61 | 69,641 | | | | | 93,966 |
| Aug | 14,215 | 94,426 | 94,426 | 6.64 | 77,204 | | | | | 94,465 |
| Sep | 13,128 | 87,909 | 90,839 | 6.70 | 72,104 | | | | | 95,368 |
| Oct | 13,460 | 86,032 | 86,032 | 6.39 | 69,272 | | | | | 95,725 |
| Nov | 14,605 | 90,868 | 93,897 | 6.22 | 73,582 | | | | | 96,697 |
| Dec | 15,461 | 101,593 | 101,593 | 6.57 | 76,226 | | | | | 97,093 |
| Jan 95 | 15,096 | 103,226 | 103,226 | 6.84 | 76,197 | | | \$73,780 | | |
| Feb | 12,900 | 85,937 | 95,144 | 6.66 | 63,587 | | | 69,815 | | |
| Mar | 15,563 | 104,597 | 104,597 | 6.72 | 76,410 | | | 70,824 | | |
| Apr | 14,896 | 99,780 | 103,106 | 6.70 | 75,568 | | | 70,873 | | |
| May | 16,714 | 108,346 | 108,346 | 6.48 | 77,773 | | | 71,473 | | |
| Jun | 16,130 | 103,240 | 106,682 | 6.40 | 76,026 | | | 72,180 | | |
| Jul | 15,851 | 101,543 | 101,543 | 6.41 | 75,001 | | | 72,638 | | |
| Aug | 16,049 | 103,802 | 103,802 | 6.47 | 76,723 | | | 72,997 | | |
| Sep | 14,611 | 92,501 | 95,584 | 6.33 | 70,201 | | | 73,508 | | |
| Oct | 14,905 | 95,463 | 95,463 | 6.40 | 72,556 | | | 74,112 | | |
| Nov | 15,274 | 96,948 | 100,180 | 6.35 | 73,683 | | | 74,444 | | |
| Dec | 14,780 | 98,677 | 98,677 | 6.68 | 75,011 | | | 75,614 | | |
| Jan 96 | 16,713 | 116,640 | 116,640 | 6.98 | 84,926 | | | 76,432 | | |
| Feb | 15,227 | 105,033 | 116,286 | 6.90 | 78,921 | | | 77,104 | | |
| Mar | 17,025 | 117,286 | 117,286 | 6.89 | 83,194 | | | 79,152 | | |
| Apr | 17,016 | 112,339 | 116,084 | 6.60 | 79,178 | \$ 3,229 | | 78,459 | | |
| May | 17,302 | 117,276 | 117,276 | 6.78 | 82,911 | 13,525 | | 79,056 | | |
| Jun | 16,638 | 112,724 | 116,482 | 6.78 | 81,091 | 7,641 | | 79,784 | | |
| Jul | 17,290 | 113,706 | 113,706 | 6.58 | 79,184 | 19,448 | | 80,262 | | |
| Aug | 17,574 | 114,690 | 114,690 | 6.53 | 80,845 | 10,994 | | 81,509 | | |
| Sep | 16,747 | 111,173 | 114,878 | 6.64 | 80,414 | 2,465 | | 81,206 | | |
| Oct | 17,765 | 116,725 | 116,725 | 6.57 | 81,708 | 3,898 | | 81,456 | | |
| Nov | 16,729 | 113,255 | 117,030 | 6.77 | 82,134 | 6,954 | | 82,193 | | |
| Dec | 16,736 | 112,816 | 112,816 | 6.74 | 79,204 | 9,017 | | 84,028 | | |
| Jan 97 | 18,846 | 128,819 | 128,819 | 6.84 | 92,336 | 0 | | 84,598 | | |
| Feb | 17,606 | 123,677 | 136,928 | 7.02 | 88,666 | 7,033 | | 85,146 | | |

Nebraska Relay System

Usage Statistics

8/28/98

| Month | Calls | Minutes | Converted Minutes | Average Minutes Per Call | Monthly Cost | | Surcharge Revenue at \$.06 | Surcharge Revenue at \$.07 | Surcharge Revenue at \$.08 | Surcharge Revenue at \$.10 |
|--------|--------|---------|----------------------|--------------------------------|----------------|--------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | | | | | TRS Program | Equipment Program [2] | | | | |
| Mar | 18,657 | 125,025 | 125,025 | 6.70 | \$ 88,726 | \$4,728 | | \$85,710 | | |
| Apr | 17,979 | 119,541 | 123,525 | 6.65 | 84,762 | 8,857 | | 86,492 | | |
| May | 17,841 | 120,129 | 120,129 | 6.73 | 93,268 | 2,442 | | 82,756 | | |
| Jun | 19,781 | 131,689 | 136,079 | 6.66 | 100,864 | 3,349 | | 87,524 | | |
| Jul | 19,321 | 133,714 | 133,714 | 6.92 | 77,779 | 9,048 | | 87,927 | | |
| Aug | 20,182 | 134,831 | 134,831 | 6.68 | 79,903 | 4,390 | | 88,326 | | |
| Sep | 19,056 | 121,306 | 125,350 | 6.37 | 70,291 | 1,692 | | 89,483 | | |
| Oct | 19,582 | 126,834 | 126,834 | 6.48 | 73,830 | 1,412 | | 89,598 | | |
| Nov | 18,717 | 122,245 | 126,320 | 6.53 | 70,646 | 2,157 | | 90,400 | | |
| Dec | 19,295 | 125,655 | 125,655 | 6.51 | 73,128 | 2,937 | | 91,040 | | |
| Jan 98 | 19,182 | 124,389 | 124,389 | 6.48 | 73,607 | 2,180 | \$81,067 | | | |
| Feb | 17,105 | 111,317 | 123,244 | 6.51 | 65,438 | 951 | 78,627 | | | |
| Mar | 20,712 | 137,052 | 137,052 | 6.62 | 79,940 | 4,986 | 79,521 | | | |
| Apr | 18,662 | 117,377 | 121,290 | 6.29 | 65,872 | 2,011 | 80,691 | | | |
| May | 17,831 | 110,088 | 110,088 | 6.17 | 62,894 | 2,804 | 80,855 | | | |
| Jun | 18,419 | 119,269 | 123,244 | 6.48 | 68,129 | 1,082 | 76,671 | | | |

8. Extended Area Service

Extended Area Service (EAS) allows customers in one exchange to place calls to and receive calls from another exchange without paying toll charges. Since July 1997, EAS petitions have been filed by residents of the following communities:

| <u>Petitioning Community</u> | <u>Community Requested in the EAS Petition</u> |
|------------------------------|--|
| Cedar Bluffs | Fremont |
| Hooper | Fremont |
| Carroll | Wayne |
| Carroll | Winside |
| Carroll | Randolph |
| Carroll | Laurel |
| Carroll | Dixon/Concord |
| Carroll | Hoskins |
| Carroll | Pilger |
| Carroll | Wisner |
| Carroll | Emerson |
| Carroll | Wakefield |
| Carroll | Pender |
| Carroll | Allen |
| Winside | Wayne |
| Winside | Pierce |
| Winside | Norfolk |
| Winside | Carroll |
| Winside | Pilger |
| Tobias | Geneva |
| Tobias | Fairbury |
| Western | Fairbury |
| Wakefield | Pender |
| Merriman-Eli | Cody |
| Merriman-Eli | Kilgore |
| Merriman-Eli | Valentine |
| Wakefield | Emerson |
| Wakefield | Ponca |
| Wakefield | Wayne |
| Wakefield | Allen |
| Emerson | Hubbard |
| Emerson | Allen |
| Emerson | Pender |
| Emerson | Wakefield |
| Emerson | Wayne |
| | Community Requested |

Petitioning Community

in the EAS Petition

| | |
|------------|-----------------|
| Wood Lake | Valentine |
| Wayne | Allen |
| Wayne | Carroll |
| Wayne | Dixon-Concord |
| Wayne | Laurel |
| Wayne | Pender |
| Wayne | Pilger |
| Wayne | Wakefield |
| Wayne | Winside |
| Wayne | Wisner |
| Broadwater | Bridgeport |
| Wisner | Pilger |
| Pilger | Wisner |
| Homer | Sioux City |
| Herman | Tekamah |
| Hooper | Uehling/Fremont |
| Hoskins | Norfolk |
| Bassett | Johnstown |
| Bassett | Ainsworth |
| Bassett | Long Pine |
| Long Pine | Johnstown |
| Bassett | Springview |
| Long Pine | Bassett |
| Long Pine | Springview |
| Johnstown | Long Pine |
| Johnstown | Bassett |
| Johnstown | Ainsworth |
| Springview | Johnstown |
| Johnstown | Springview |
| Springview | Long Pine |
| Springview | Ainsworth |
| Springview | Bassett |
| Ainsworth | Bassett |
| Ainsworth | Springview |
| Ainsworth | Johnstown |

Of the 70 petitions filed with the Commission for EAS, only one has been granted Commission approval. Sixty-three petitions have been dismissed for either failure to meet traffic criteria or failure to approve the proposed EAS rate through the balloting process prescribed by Commission Rules, and the other six petitions are still pending.

9. 911 Information

Recent Developments in 911/E-911 Activities

The increased use of 911 service by wireless customers exacerbates the need for emergency service providers to identify locations of these users to respond to the emergency in a timely manner. Currently, most 911 emergency service agencies cannot identify the geographic location or telephone number of the wireless caller, creating a potentially dangerous situation if the 911 dispatcher cannot reestablish contact with the calling party to facilitate the proper response.

According to the Cellular Telecommunications Industry Association (CTIA), wireless 911 calls increased from over 5 million in 1990 to more than 20 million calls in 1996. Currently, there are over 50 million wireless communications subscribers making these 20 million calls to 911 or other emergency services centers.

The Federal Communications Commission (FCC) is requiring all cellular carriers to make appropriate changes to their networks in order to provide wireless E-911 (enhanced 911) service to emergency service agencies within six months of a request date. Last December 1997, the FCC issued its final reconsideration of the Wireless E-911 Report and Order 94-102 requiring wireless carriers to provide the public safety community with new E-911 services. Phase I of the FCC's mandate requires wireless carriers to provide a 10-digit call-back number and the originating cell location information back to the Public Safety Answering Point (PSAP) with each emergency call.

911/E911 Information - 1997

| EXCHANGE | COMPANY | 911 | E-911 | MONTHLY SURCHARGE | MONTHLY REVENUE | PSAP | INTERLOCAL AGREEMENT |
|-----------------|----------------|------------|--------------|--------------------------|------------------------|---------------|-----------------------------|
| Adams | Aliant | | X | \$0.50 | \$ 216.87 | Beatrice | No |
| Alexandria | Aliant | | X | 0.50 | 77.11 | Hebron | No |
| Ashland | Aliant | | X | 0.50 | 1,158.19 | W a hoo | No |
| Auburn | Aliant | | X | 0.50 | 1,289.15 | Auburn | No |
| Avoca | Aliant | | X | 0.50 | 106.00 | Plattsmouth | No |
| Barneston | Aliant | | X | 0.50 | 73.29 | Beatrice | No |
| Beatrice | Aliant | | X | 0.75 | 6,018.22 | Beatrice | No |
| Beaver Crossing | Aliant | | X | 1.00 | 357.94 | Seward | No |
| Bellwood | Aliant | | X | 1.00 | 415.22 | David City | No |
| Benedict | Aliant | | X | 0.50 | 126.79 | York County | Yes |
| Bennet | Aliant | | X | 0.50 | 287.39 | Lincoln | No |
| Bradshaw | Aliant | | X | 0.50 | 126.30 | York County | Yes |
| Brainard | Aliant | | X | 1.00 | 393.58 | David City | No |
| Brock | Aliant | | X | 0.50 | 70.00 | Auburn | No |
| Brownville | Aliant | | X | 0.50 | 97.22 | Auburn | No |
| Bruning | Aliant | | X | 0.50 | 152.77 | Hebron | No |
| Bruno | Aliant | | X | 1.00 | 214.50 | David City | No |
| Burchard | Aliant | | X | 0.60 | 109.79 | Tecumseh | Yes |
| Burr | Aliant | | X | 0.50 | 54.16 | Nebraska City | No |
| Carleton | Aliant | | X | 0.50 | 59.17 | Hebron | No |
| Cedar Bluffs | Aliant | | X | 0.50 | 250.01 | Wahoo | No |
| Ceresco | Aliant | | X | 0.50 | 276.71 | Wahoo | No |
| Clatonia | Aliant | | X | 0.50 | 115.66 | Beatrice | No |
| Clay Center | Aliant | | X | 0.50 | 303.25 | Clay Center | No |
| Colon | Aliant | | X | 0.50 | 69.91 | Wahoo | No |
| Cook | Aliant | | X | 0.50 | 167.40 | Tecumseh | No |
| Cordova | Aliant | | X | 1.00 | 133.37 | Seward | No |
| Cortland | Aliant | | X | 0.50 | 177.37 | Beatrice | No |
| Crab Orchard | Aliant | | X | 0.50 | 36.43 | Tecumseh | No |
| Crete | Aliant | | X | 0.50 | 1,600.03 | Crete | No |
| Davenport | Aliant | | X | 0.50 | 166.35 | Hebron | No |
| Davey | Aliant | | X | 0.50 | 183.65 | Lincoln | No |
| David City | Aliant | | X | 1.00 | 1,855.71 | David City | No |
| Dawson | Aliant | | X | 0.50 | 105.88 | Tecumseh | Yes |
| Daykin | Aliant | | X | 1.00 | 110.01 | Fairbury | No |
| Denton | Aliant | | X | 0.50 | 174.44 | Lincoln | No |
| Deweese | Aliant | | X | 0.50 | 66.05 | Clay Center | No |

911/E911 Information - 1997

| EXCHANGE | COMPANY | 911 | E-911 | MONTHLY SURCHARGE | MONTHLY REVENUE | PSAP | INTERLOCAL AGREEMENT |
|------------|---------|-----|-------|-------------------|-----------------|---------------|----------------------|
| DeWitt | Aliant | | X | \$0.50 | \$ 237.43 | Wilber | No |
| Dorchester | Aliant | | X | 0.50 | 217.93 | Wilber | Yes |
| Douglas | Aliant | | X | 0.50 | 96.97 | Nebraska City | No |
| DuBois | Aliant | | X | 0.60 | 90.90 | Tecumseh | Yes |
| Dunbar | Aliant | | X | 0.50 | 138.39 | Nebraska City | No |
| Dwight | Aliant | | X | 1.00 | 194.82 | David City | No |
| Eagle | Aliant | | X | 0.50 | 398.67 | Lincoln | No |
| Edgar | Aliant | | X | 0.50 | 195.25 | Clay Center | No |
| Elk Creek | Aliant | | X | 0.50 | 140.00 | Tecumseh | Yes |
| Elmwood | Aliant | | X | 0.50 | 242.36 | Plattsmouth | No |
| Exeter | Aliant | X | | 0.50 | 238.54 | Geneva | No |
| Fairbury | Aliant | | X | 0.50 | 1,566.03 | Fairbury | No |
| Fairfield | Aliant | | X | 0.50 | 160.06 | Clay Center | No |
| Fairmont | Aliant | X | | 0.50 | 221.33 | Geneva | No |
| Filley | Aliant | | X | 0.50 | 100.71 | Beatrice | No |
| Firth | Aliant | | X | 0.50 | 207.07 | Lincoln | No |
| Friend | Aliant | | X | 0.50 | 406.12 | Wilber | Yes |
| Garland | Aliant | | X | 0.50 | 249.09 | Seward | No |
| Geneva | Aliant | X | | 0.50 | 890.23 | Geneva | No |
| Glenvil | Aliant | | X | 0.50 | 160.54 | Clay Center | No |
| Grafton | Aliant | X | | 0.50 | 65.91 | Geneva | No |
| Greenwood | Aliant | | X | 0.50 | 150.18 | Lincoln | No |
| Gresham | Aliant | | X | 0.50 | 124.37 | York County | Yes |
| Guide Rock | Aliant | X | | 0.00 | | Guide Rock | No |
| Hallam | Aliant | | X | 0.50 | 108.76 | Lincoln | No |
| Hansen | Aliant | | X | 0.50 | 152.13 | Hastings | Yes |
| Hardy | Aliant | | X | 0.50 | 41.74 | Nelson | No |
| Harvard | Aliant | | X | 0.50 | 276.25 | Clay Center | No |
| Hastings | Aliant | | X | 0.50 | 7,080.29 | Hastings | Yes |
| Hebron | Aliant | | X | 0.50 | 663.47 | Hebron | No |
| Hickman | Aliant | | X | 0.50 | 379.00 | Lincoln | No |
| Humboldt | Aliant | | X | 0.50 | 430.58 | Tecumseh | Yes |
| Ithaca | Aliant | | X | 0.50 | 74.76 | Wahoo | No |
| Jansen | Aliant | | X | 1.00 | 77.74 | Fairbury | No |
| Johnson | Aliant | | X | 0.50 | 177.91 | Auburn | No |
| Julian | Aliant | | X | 0.50 | 42.78 | Auburn | No |
| Juniata | Aliant | | X | 0.50 | 295.54 | Hastings | Yes |
| Kenesaw | Aliant | | X | 0.50 | 245.63 | Hastings | Yes |

911/E911 Information - 1997

| EXCHANGE | COMPANY | 911 | E-911 | MONTHLY SURCHARGE | MONTHLY REVENUE | PSAP | INTERLOCAL AGREEMENT |
|---------------|---------|-----|-------|-------------------|-----------------|---------------|----------------------|
| Liberty | Aliant | | X | \$0.50 | \$ 65.31 | Beatrice | No |
| Lincoln | Aliant | | X | 0.50 | 63,584.81 | Lincoln | No |
| Louisville | Aliant | | X | 0.50 | 600.83 | Plattsmouth | No |
| Malcolm | Aliant | | X | 0.50 | 236.35 | Lincoln | No |
| Martell | Aliant | | X | 0.50 | 156.45 | Lincoln | No |
| McCool Junct. | Aliant | | X | 0.50 | 196.47 | York | No |
| Mead | Aliant | | X | 0.50 | 219.91 | Wahoo | No |
| Milford | Aliant | | X | 1.00 | 1,422.94 | Seward | No |
| Milligan | Aliant | X | | 0.50 | 144.11 | Geneva | No |
| Murdock | Aliant | | X | 0.50 | 148.40 | Plattsmouth | No |
| Murray | Aliant | | X | 0.50 | 565.17 | Plattsmouth | No |
| Nebraska City | Aliant | | X | 0.50 | 2,289.30 | Nebraska City | No |
| Nehawka | Aliant | | X | 0.50 | 119.97 | Plattsmouth | No |
| Nelson | Aliant | | X | 0.50 | 186.89 | Nelson | No |
| Nemaha | Aliant | | X | 0.50 | 64.65 | Auburn | No |
| Octavia | Aliant | | X | 1.00 | 124.96 | David City | No |
| Ohiova | Aliant | X | | 0.50 | 78.20 | Geneva | No |
| Ong | Aliant | | X | 0.50 | 39.05 | Clay Center | No |
| Osceola | Aliant | X | | 0.50 | 405.20 | Osceola | No |
| Otoe | Aliant | | X | 0.50 | 65.30 | Nebraska City | No |
| Palmyra | Aliant | | X | 0.50 | 252.42 | Nebraska City | No |
| Panama | Aliant | | X | 0.50 | 112.53 | Lincoln | No |
| Pawnee City | Aliant | | X | 0.60 | 471.02 | Tecumseh | Yes |
| Peru | Aliant | | X | 0.50 | 299.44 | Auburn | No |
| Pickrell | Aliant | | X | 0.50 | 144.08 | Beatrice | No |
| Plattsmouth | Aliant | | X | 0.50 | 2,329.12 | Plattsmouth | No |
| Pleasant Dale | Aliant | | X | 0.50 | 137.21 | Lincoln | No |
| Plymouth | Aliant | | X | 0.50 | 215.13 | Fairbury | Yes |
| Polk | Aliant | X | | 0.50 | 196.95 | Osceola | No |
| Raymond | Aliant | | X | 0.50 | 176.53 | Lincoln | No |
| Rising City | Aliant | | X | 1.00 | 325.68 | David City | No |
| Ruskin | Aliant | | X | 0.50 | 49.71 | Nelson | No |
| Seward | Aliant | | X | 1.00 | 3,916.77 | Seward | No |
| Shelby | Aliant | X | | 0.50 | 285.85 | Osceola | No |
| Shickley | Aliant | X | | 0.50 | 181.98 | Geneva | No |
| Steele City | Aliant | | X | 0.50 | 41.07 | Fairbury | No |
| Steinauer | Aliant | | X | 0.60 | 69.06 | Tecumseh | Yes |
| Sterling | Aliant | | X | 0.50 | 238.30 | Tecumseh | No |

911/E911 Information - 1997

| EXCHANGE | COMPANY | 911 | E-911 | MONTHLY SURCHARGE | MONTHLY REVENUE | PSAP | INTERLOCAL AGREEMENT |
|-----------------|----------------|-----|-------|-------------------|-----------------|---------------|----------------------|
| Stromsburg | Aliant | X | | \$0.50 | \$ 460.70 | Osceola | No |
| Superior | Aliant | | X | 0.50 | 513.10 | Nelson | No |
| Surprise | Aliant | | X | 1.00 | 85.60 | David City | No |
| Sutton | Aliant | | X | 0.50 | 551.53 | Clay Center | No |
| Swanton | Aliant | | X | 0.50 | 55.09 | Wilber | No |
| Syracuse | Aliant | | X | 0.50 | 660.77 | Nebraska City | No |
| Table Rock | Aliant | | X | 0.60 | 154.05 | Tecumseh | Yes |
| Talmage | Aliant | | X | 0.50 | 109.15 | Nebraska City | No |
| Tamora | Aliant | | X | 1.00 | 215.75 | Seward | No |
| Tecumseh | Aliant | | X | 0.50 | 699.14 | Tecumseh | No |
| Tobias | Aliant | | X | 0.50 | 71.67 | Wilber | Yes |
| Unadilla | Aliant | | X | 0.50 | 141.32 | Nebraska City | No |
| Union | Aliant | | X | 0.50 | 198.99 | Plattsmouth | No |
| Utica | Aliant | | X | 1.00 | 556.04 | Seward | No |
| Valparaiso | Aliant | | X | 0.50 | 238.86 | Lincoln | No |
| Waco | Aliant | | X | 0.50 | 182.92 | York County | Yes |
| Wahoo | Aliant | | X | 0.50 | 1,295.19 | Wahoo | No |
| Waverly | Aliant | | X | 0.50 | 589.84 | Lincoln | No |
| Weeping Water | Aliant | | X | 0.50 | 431.71 | Plattsmouth | No |
| Western | Aliant | | X | 0.50 | 117.01 | Wilber | Yes |
| Wilber | Aliant | | X | 0.50 | 581.00 | Wilber | Yes |
| Wymore | Aliant | | X | 0.50 | 591.12 | Beatrice | Yes |
| York | Aliant | | X | 0.50 | 2,791.44 | York | No |
| Yutan | Aliant | | X | 0.50 | 363.12 | Wahoo | No |
| Bellevue | Aliant Midwest | | X | 1.00 | 20.50 | Sarpy County | Yes |
| Grand Island | Aliant Midwest | N/A | N/A | 0.00 | | Hall County | Yes |
| Omaha | Aliant Midwest | | X | 0.50 | 91.00 | Douglas Co. | Yes |
| Arapahoe | Arapahoe | X | | 1.00 | 790.50 | Beaver City | Yes |
| Brule | Arapahoe | X | | 1.00 | 339.00 | Ogallala | Yes |
| Farnum | Arapahoe | X | | 0.50 | 95.50 | Curtis | Yes |
| Hendley | Arapahoe | X | | 1.00 | 54.00 | Beaver City | Yes |
| Holbrook | Arapahoe | X | | 1.00 | 214.00 | Beaver City | Yes |
| Loomis | Arapahoe | | X | 1.00 | 349.00 | Holdrege | Yes |
| Overton | Arapahoe | | X | 0.50 | 265.50 | Lexington | Yes |
| Arlington-City | Arlington | | X | 0.75 | 435.75 | Arlington | Yes |
| Arlington-Rural | Arlington | | X | 1.00 | 470.00 | Arlington | Yes |
| Benkelman | Benkelman | X | | 0.00 | | Benkelman | No |
| Blair-426 City | Blair | | X | 0.75 | 2,946.75 | Blair | Yes |

911/E911 Information - 1997

| EXCHANGE | COMPANY | 911 | E-911 | MONTHLY SURCHARGE | MONTHLY REVENUE | PSAP | INTERLOCAL AGREEMENT |
|-------------------|--------------------|-----------------------------|-------|-------------------|-----------------|----------------|----------------------|
| Blair-426 Rural | Blair | | X | \$1.00 | \$1,100.00 | Blair | Yes |
| Blair-533 City | Blair | | X | 0.75 | 533.25 | Blair | Yes |
| Blair-533 Rural | Blair | | X | 1.00 | 257.00 | Blair | Yes |
| Ft. Calhoun-City | Blair | | X | 0.75 | 333.75 | Blair | Yes |
| Ft. Calhoun-Rural | Blair | | X | 1.00 | 461.00 | Blair | Yes |
| Kennard-City | Blair | | X | 0.75 | 114.00 | Blair | Yes |
| Kennard-Rural | Blair | | X | 1.00 | 173.00 | Blair | Yes |
| No. Summerfield | Blue Valley | | X | 0.00 | | Marysville, KS | Yes |
| Bartley | Cambridge | X | | 0.00 | | N/A | No |
| Cambridge | Cambridge | | X | 1.00 | 1,132.00 | Beaver City | Yes |
| Clarks | Clarks | X | | 1.00 | 458.00 | Central City | Yes |
| Staplehurst | Clarks | | X | 1.00 | 270.00 | Seward | Yes |
| Ulysses | Clarks | | X | 1.00 | 239.00 | David City | Yes |
| Anselmo | Consolidated | | X | 0.50 | 113.88 | Broken Bow | Yes |
| Arthur | Consolidated | X | | 0.00 | | Arthur | No |
| Ashby | Consolidated | N/A | N/A | 0.00 | | | No |
| Bingham | Consolidated | N/A | N/A | 0.00 | | | No |
| Brewster | Consolidated | X | | 0.75 | 86.00 | Taylor | No |
| Brownlee | Consolidated | X | | 0.50 | 46.22 | Theford | Yes |
| Dunning | Consolidated | X | | 0.75 | 116.52 | Taylor | No |
| Halsey | Consolidated | X | | 0.50 | 49.10 | Taylor | Yes |
| Hyannis | Consolidated | N/A | N/A | 0.00 | | | No |
| Merna | Consolidated | | X | 0.50 | 170.82 | Broken Bow | No |
| Mullen | Consolidated | N/A | N/A | 0.00 | | | No |
| Purdum | Consolidated | X | | 0.50 | 74.90 | Taylor | No |
| Seneca | Consolidated | X | | 0.50 | 31.78 | Taylor | Yes |
| Theford | Consolidated | X | | 0.50 | 161.78 | Taylor | Yes |
| Whitman | Consolidated | N/A | N/A | 0.00 | | | No |
| Madrid | Consolidated Telco | X | | 0.00 | | Grant | No |
| Maywood | Consolidated Telco | X | | 0.50 | 289.62 | Curtis | Yes |
| Paxton | Consolidated Telco | | X | 1.00 | 500.73 | Ogallala | No |
| Wallace | Consolidated Telco | X | | 0.50 | 164.61 | Wallace | No |
| Wellfleet | Consolidated Telco | X | | 0.50 | 136.30 | Curtis | Yes |
| Cozad | Cozad | | X | 0.50 | 1,450.00 | Cozad | Yes |
| Curtis | Curtis | | X | 1.00 | 800.00 | Frontier Co. | Yes |
| Bushnell | Dalton | | X | 1.00 | 214.00 | Bushnell | Yes |
| Dalton | Dalton | | X | 1.00 | 353.00 | Dalton | Yes |
| Dix | Dalton | | X | 1.00 | 197.00 | Dix | Yes |
| | | 911/E911 Information - 1997 | | | | | |
| | | | | MONTHLY | MONTHLY | | INTERLOCAL |

| EXCHANGE | COMPANY | 911 | E-911 | SURCHARGE | REVENUE | PSAP | AGREEMENT |
|---------------------------|--------------|-----|-------|-----------|-----------|-----------------|-----------|
| Gurley | Dalton | | X | \$1.00 | \$ 212.00 | Gurley | Yes |
| Lodgepole | Dalton | | X | 1.00 | 360.00 | Lodgepole | Yes |
| Diller | Diller | | X | 0.50 | 140.00 | Fairbury | Yes |
| Harbine | Diller | | X | 0.50 | 60.00 | Fairbury | Yes |
| Odell | Diller | | X | 0.50 | 170.00 | Beatrice | Yes |
| Virginia | Diller | | X | 0.50 | 42.00 | Beatrice | Yes |
| Belden | Eastern | | X | 1.00 | 110.00 | Belden | Yes |
| Carroll | Eastern | X | | 0.50 | 138.00 | Carroll | Yes |
| Macy | Eastern | N/A | N/A | 0.00 | | | No |
| Meadow Grove | Eastern | N/A | N/A | 0.00 | | | No |
| Osmond | Eastern | N/A | N/A | 0.00 | | | No |
| Rosalie | Eastern | N/A | N/A | 0.00 | | | No |
| Walthill | Eastern | N/A | N/A | 0.00 | | | No |
| Winnebago | Eastern | N/A | N/A | 0.00 | | | No |
| Elsie | Elsie | X | | 0.00 | | Grant | Yes |
| Eustis | Eustis | | X | 1.00 | 490.00 | Curtis | Yes |
| Bladen | Glenwood | | X | 1.00 | 187.00 | Campbell | Yes |
| Blue Hill | Glenwood | | X | 1.00 | 830.00 | Campbell | Yes |
| Campbell | Glenwood | | X | 1.00 | 307.00 | Campbell | Yes |
| Funk | Glenwood | | X | 1.00 | 301.00 | Holdrege | Yes |
| Holstein | Glenwood | | X | 1.00 | 215.00 | Campbell | Yes |
| Lawrence | Glenwood | | X | 1.00 | 362.00 | Campbell | Yes |
| Norman | Glenwood | N/A | N/A | 0.00 | | | No |
| Roseland | Glenwood | | X | 1.00 | 285.00 | Campbell | Yes |
| Upland | Glenwood | | X | 1.00 | 121.00 | Campbell | Yes |
| South Ardmore | Golden West | X | | 0.50 | 22.00 | Hot Springs | No |
| White Clay | Golden West | | X | 0.50 | 23.00 | Sheridan Co. | Yes |
| Archer | Great Plains | X | | 1.00 | 111.00 | Central City | Yes |
| Arnold | Great Plains | X | | 0.50 | 343.00 | Broken Bow | No |
| Bancroft | Great Plains | | X | 1.00 | 503.00 | West Point | Yes |
| Beemer | Great Plains | | X | 1.00 | 575.00 | West Point | Yes |
| Belgrade | Great Plains | X | | 0.50 | 76.00 | Belgrade | No |
| Bloomfield (counties): | Great Plains | | | | | | |
| (Knox Co.) | Great Plains | X | | 1.00 | 1,230.00 | Center-Knox Co. | Yes |
| (Cedar Co.) | Great Plains | | X | 1.00 | 1.00 | Hartgtn-Cedar | Yes |
| S Byron (KS) | Great Plains | | X | 0.50 | 116.00 | Hebron | Yes |
| Callaway | Great Plains | X | | 0.00 | | | No |
| Cedar Rapids | Great Plains | X | | 0.00 | | Boone Co. | No |

911/E911 Information - 1997

| | | | | | | | |
|--|--|--|--|---------|---------|--|------------|
| | | | | MONTHLY | MONTHLY | | INTERLOCAL |
|--|--|--|--|---------|---------|--|------------|

| EXCHANGE | COMPANY | 911 | E-911 | SURCHARGE | REVENUE | PSAP | AGREEMENT |
|--------------------------|--------------|-----------------------------|-------|-----------|-----------|-----------------|------------|
| Center | Great Plains | X | | \$1.00 | \$ 146.00 | Knox Co. | Yes |
| Chapman | Great Plains | X | | 1.00 | 366.00 | Central City | Yes |
| S Chester (KS) | Great Plains | | X | 0.50 | 46.00 | Hebron | Yes |
| Chester/(Hubbell) | Great Plains | | X | 0.50 | 182.00 | Hebron | Yes |
| Chester/(Reynolds) | Great Plains | | X | 0.50 | 0.00 | Fairbury | Yes |
| Cody / N Cody | Great Plains | X | | N/A | N/A | Cherry Co. | Yes |
| Cotesfield | Great Plains | | X | 1.00 | 94.00 | Saint Paul | Yes |
| Creighton | Great Plains | X | | 1.00 | 1,021.00 | Knox Co. | Yes |
| Crofton (counties): | Great Plains | | | | | | |
| (Knox Co.) | Great Plains | X | | 1.00 | 819.00 | Center-Knox Co. | Yes |
| (Cedar Co.) | Great Plains | | X | 1.00 | 189.00 | Hartgtn-Cedar | Yes |
| Crookston / N Crkstn | Great Plains | X | | N/A | N/A | | No |
| Culbertson | Great Plains | X | | 0.50 | 298.00 | Hitchcock Co. | No |
| Deshler | Great Plains | | X | 0.50 | 358.00 | Hebron | Yes |
| Dodge | Great Plains | | X | 0.50 | 316.00 | Fremont | Yes |
| Elgin | Great Plains | | X | 0.50 | 419.00 | Neligh | Yes |
| Ewing | Great Plains | N/A | N/A | 0.00 | | | No |
| Gordon | Great Plains | X | | 0.50 | 819.00 | Rushville | No |
| N Gordon | Great Plains | X | | 0.00 | | | No |
| Grant | Great Plains | X | | 0.00 | | Grant | No |
| Hay Springs | Great Plains | | X | 0.50 | 306.00 | Rushville | No |
| Hayes Center | Great Plains | N/A | N/A | 0.00 | | | No |
| Herman | Great Plains | X | | .75/1.00 | 410.00 | Blair/Wash Co. | Yes |
| Imperial | Great Plains | X | | 0.00 | | Imperial | No |
| Indianola/(Frontier Co.) | Great Plains | X | | 1.00 | 41.00 | Curtis | No |
| N Kilgore (SD) | Great Plains | N/A | N/A | 0.00 | | | No |
| Merriman | Great Plains | X | | 0.00 | | | No |
| Mirage Flats | Great Plains | X | | 0.50 | 67.00 | Rushville | No |
| Niabrara | Great Plains | X | | 1.00 | 542.00 | Center | Yes |
| Niobrara/(Santee Resv) | Great Plains | X | | N/A | N/A | Center | Yes |
| North Bend | Great Plains | | X | 0.50 | 505.00 | Fremont | Yes |
| Oakdale | Great Plains | | X | 0.50 | 117.00 | Neligh | Yes |
| Oconto | Great Plains | X | | 0.50 | 106.00 | Broken Bow | No |
| Oconto/(Eddyville) | Great Plains | X | | 0.50 | 50.00 | Dawson Co. | Yes |
| Page | Great Plains | N/A | N/A | 0.00 | | | No |
| Palisade | Great Plains | X | | 0.00 | | | No |
| | | 911/E911 Information - 1997 | | | | | |
| | | | | MONTHLY | MONTHLY | | INTERLOCAL |

| EXCHANGE | COMPANY | 911 | E-911 | SURCHARGE | REVENUE | PSAP | AGREEMENT |
|--------------------------|--------------|-----|-------|-----------|------------|-----------------|-----------|
| Petersburg | Great Plains | X | | \$0.00 | | | No |
| Ponca | Great Plains | X | | 0.00 | | Ponca | No |
| Primrose | Great Plains | N/A | N/A | 0.00 | | | No |
| Ragan | Great Plains | N/A | N/A | 0.00 | | | No |
| Ragan/(Huntley) | Great Plains | N/A | N/A | 0.00 | | | No |
| Red Cloud | Great Plains | | X | 1.00 | \$1,200.00 | Campbell | Yes |
| Red Cloud/ (Riverton) | Great Plains | N/A | N/A | 0.00 | | | No |
| Rushville | Great Plains | X | | 0.50 | 429.00 | Sheridan Co. | No |
| Saint Edward | Great Plains | N/A | N/A | 0.00 | | | No |
| Scribner | Great Plains | | X | 0.50 | 394.00 | Fremont | No |
| Snyder | Great Plains | | X | 0.50 | 179.00 | Fremont | No |
| Spalding | Great Plains | X | | 0.75 | 390.00 | | No |
| Stapleton | Great Plains | X | | 0.00 | | | No |
| Stratton | Great Plains | X | | 0.50 | 178.00 | Hitchcock Co. | No |
| Sutherland | Great Plains | | X | 0.50 | 419.00 | North Platte | Yes |
| Trenton | Great Plains | X | | 0.50 | 262.00 | Hitchcock Co. | No |
| Tryon | Great Plains | X | | 0.00 | | | No |
| Venango | Great Plains | X | | 0.00 | | Grant | No |
| Verdigre | Great Plains | X | | 1.00 | 523.00 | Center | Yes |
| Walnut | Great Plains | X | | 1.00 | 68.00 | Center | Yes |
| Wausa (counties): | Great Plains | | | | | | |
| (Knox Co.) | Great Plains | X | | 1.00 | 579.00 | Center-Knox Co. | Yes |
| (Cedar Co.) | Great Plains | | X | 1.00 | 93.00 | Hartgtn-Cedar | Yes |
| Wilcox | Great Plains | X | | 0.00 | | Minden | No |
| Winnetoon | Great Plains | X | | 1.00 | 137.00 | Center | Yes |
| Wisner | Great Plains | | X | 1.00 | 1,161.00 | West Point | Yes |
| Wolbach | Great Plains | N/A | N/A | 0.00 | | | No |
| Woodlake | Great Plains | N/A | N/A | 0.00 | | | No |
| Wynot | Great Plains | | X | 1.00 | 684.00 | Hartington | Yes |
| Wynot/(Fordyce) | Great Plains | | X | N/A | N/A | Hartington | Yes |
| Wynot/(St. Helena) | Great Plains | | X | N/A | N/A | Hartington | Yes |
| Albion | GTE-Midwest | X | | 0.00 | | Albion | No |
| Alma | GTE-Midwest | X | | 0.00 | | Alma | No |
| Amherst | GTE-Midwest | X | | 0.65 | 208.45 | Kearney | No |
| Battle Creek | GTE-Midwest | N/A | N/A | 0.00 | | | No |
| Beaver City | GTE-Midwest | | X | 1.00 | 494.00 | Beaver City | No |
| Bertrand | GTE-Midwest | X | | 1.00 | 668.94 | Holdrege | No |
| Bloomington | GTE-Midwest | | X | 1.00 | 138.31 | Franklin | No |

911/E911 Information - 1997

MONTHLY MONTHLY INTERLOCAL

| EXCHANGE | COMPANY | 911 | E-911 | SURCHARGE | REVENUE | PSAP | AGREEMENT |
|-----------------------------|-------------|-----|-------|-------------------|-----------------|--------------|----------------------|
| Brunswick | GTE-Midwest | X | | \$0.50 | \$ 106.00 | Neligh | No |
| Columbus | GTE-Midwest | | X | 0.50 | 6,785.43 | Columbus | No |
| Duncan | GTE-Midwest | | X | 0.50 | 180.00 | Columbus | No |
| Edison | GTE-Midwest | | X | 1.00 | 153.00 | Beaver City | No |
| Franklin | GTE-Midwest | | X | 1.00 | 868.08 | Franklin | No |
| Genoa | GTE-Midwest | X | | 0.50 | 362.78 | Fullerton | Yes |
| Greeley | GTE-Midwest | N/A | N/A | 0.00 | | | No |
| Heartwell | GTE-Midwest | N/A | N/A | 0.00 | | | No |
| Hildreth | GTE-Midwest | | X | 1.00 | 379.00 | Franklin | No |
| Kearney | GTE-Midwest | X | | 1.00 | 11,708.50 | Kearney | Yes |
| Kearney | GTE-Midwest | X | | 0.00 | | Kearney | Yes |
| Leigh | GTE-Midwest | X | | 1.00 | 446.20 | Schyler | No |
| Lindsay | GTE-Midwest | N/A | N/A | 0.00 | | | No |
| Madison | GTE-Midwest | X | | 0.00 | | | No |
| Miller | GTE-Midwest | X | | 0.65 | 89.78 | Franklin | No |
| Monroe | GTE-Midwest | | X | 0.50 | 143.00 | Columbus | No |
| Naponee | GTE-Midwest | | X | 1.00 | 127.45 | Franklin | No |
| Neligh | GTE-Midwest | X | | 0.50 | 593.45 | Neligh | No |
| Newman Grove | GTE-Midwest | X | | 0.00 | | Newman Grove | No |
| Orchard | GTE-Midwest | X | | 0.50 | 225.48 | Neligh | No |
| Ord | GTE-Midwest | X | | 0.00 | | Ord | No |
| Orleans | GTE-Midwest | X | | 0.00 | | Orleans | No |
| Palmer | GTE-Midwest | X | | 1.00 | 497.08 | Central City | No |
| Platte Center | GTE-Midwest | | X | 0.50 | 265.41 | Columbus | No |
| Pleasanton | GTE-Midwest | X | | 0.65 | 273.33 | Kearney | No |
| Republican City | GTE-Midwest | X | | 0.00 | | Alma | No |
| Riverdale | GTE-Midwest | X | | 0.65 | 198.25 | Kearney | No |
| Stamford | GTE-Midwest | X | | 0.00 | | Alma | No |
| Sumner | GTE-Midwest | | X | 0.50 | 67.50 | Lexington | No |
| Tilden | GTE-Midwest | X | | 0.50 | 392.49 | Neligh | No |
| Wilsonville | GTE-Midwest | | X | 1.00 | 133.92 | Beaver City | No |
| Aurora | Hamilton | | X | 0.50 | 1,695.50 | Hamilton | No |
| Doniphan | Hamilton | | X | 0.50 | 368.50 | Hall | No |
| Giltner | Hamilton | | X | 0.50 | 175.00 | Hamilton | No |
| Hampton | Hamilton | | X | 0.50 | 213.00 | Hamilton | No |
| Hordville | Hamilton | | X | 0.50 | 74.50 | Hamilton | No |
| Marquette | Hamilton | | X | 0.50 | 169.50 | Hamilton | No |
| Phillips | Hamilton | | X | 0.50 | 223.50 | Hamilton | No |
| 911/E911 Information - 1997 | | | | | | | |
| EXCHANGE | COMPANY | 911 | E-911 | MONTHLY SURCHARGE | MONTHLY REVENUE | PSAP | INTERLOCAL AGREEMENT |

| | | | | | | | |
|------------------------------------|------------------|------------|--------------|--------------------------|------------------------|--------------|-----------------------------|
| Stockham | Hamilton | | X | \$0.50 | \$ 35.50 | Hamilton | No |
| Trumbull | Hamilton | | X | 0.50 | 94.00 | Hamilton | No |
| Hartington | Hartington | | X | 1.00 | 1,590.32 | Hartington | Yes |
| Danbury | Hartman | N/A | N/A | 0.00 | | | No |
| Haigler | Hartman | N/A | N/A | 0.00 | | | No |
| Lebanon | Hartman | N/A | N/A | 0.00 | | | No |
| Hemmingford | Hemmingford Coop | | X | 1.00 | 932.00 | Hemmingford | Yes |
| Henderson | Henderson Coop | | X | 0.50 | 673.00 | York | No |
| Hershey | Hershey Coop | | X | 0.50 | 414.50 | Hershey | Yes |
| Brady | Home Telephone | | X | 0.50 | 248.50 | Gothenburg | Yes |
| Maxwell | Home Telephone | | X | 0.50 | 173.00 | North Platte | Yes |
| Hooper | Hooper | | X | 1.00 | 82.00 | Fremont | Yes |
| Hooper & Uehling | Hooper | | X | 0.50 | 581.50 | Fremont | Yes |
| Uehling | Hooper | | X | 0.50 | 7.00 | Fremont | Yes |
| Uehling | Hooper | | X | 0.50 | 18.00 | Fremont | Yes |
| North Mahaska | JBN Telephone | | X | 0.00 | | Washington | Yes |
| Keystone | Keystone-Arthur | | X | 1.00 | 200.00 | Ogallala | Yes |
| Lemoyne | Keystone-Arthur | | X | 1.00 | 400.00 | Ogallala | Yes |
| Chambers | K&M | X | | 0.50 | 222.50 | Chambers | Yes |
| Inman | K&M | X | | 0.00 | | Inman | No |
| Allen | NebCom, Inc. | X | | 0.50 | 148.00 | Ponca | Yes |
| Bristow | NebCom, Inc. | N/A | N/A | 0.00 | | | No |
| Butte | NebCom, Inc. | N/A | N/A | 0.00 | | | No |
| Decatur | NebCom, Inc. | | X | 0.50 | 206.00 | Tekamah | No |
| Long Pine | NebCom, Inc. | N/A | N/A | 0.00 | | | No |
| North Bristow | NebCom, Inc. | N/A | N/A | 0.00 | | | No |
| Spencer | NebCom, Inc. | N/A | N/A | 0.00 | | | No |
| Stuart | NebCom, Inc. | N/A | N/A | 0.00 | | | No |
| Waterbury | NebCom, Inc. | X | | 0.50 | 48.00 | Ponca | Yes |
| Winside | NebCom, Inc. | X | | 0.50 | 186.50 | Wayne | Yes |
| Ansley | Nebraska Central | X | | 0.75 | 389.71 | Taylor | Yes |
| Arcadia | Nebraska Central | X | | 0.75 | 242.59 | Taylor | Yes |
| Ashton | Nebraska Central | X | | 0.75 | 140.70 | Taylor | Yes |
| Boelus | Nebraska Central | | X | 1.00 | 190.30 | St. Paul | Yes |
| Burwell | Nebraska Central | X | | 0.75 | 962.39 | Taylor | Yes |
| Comstock | Nebraska Central | X | | 0.50 | 68.11 | Broken Bow | Yes |
| Dannebrog | Nebraska Central | | X | 1.00 | 344.62 | St. Paul | Yes |
| Elba | Nebraska Central | | X | 1.00 | 162.65 | St. Paul | Yes |
| 911/E911 Information - 1997 | | | | | | | |
| EXCHANGE | COMPANY | 911 | E-911 | MONTHLY SURCHARGE | MONTHLY REVENUE | PSAP | INTERLOCAL AGREEMENT |
| Ericson | Nebraska Central | X | | \$0.75 | \$ 144.94 | Taylor | Yes |

| | | | | | | | |
|------------------------------------|--------------------|------------|--------------|--------------------------|------------------------|-------------------|-----------------------------|
| Gibbon | Nebraska Central | X | | 0.65 | 845.11 | Kearney | Yes |
| Litchfield | Nebraska Central | X | | 0.75 | 199.69 | Taylor | Yes |
| Mason City | Nebraska Central | X | | 0.50 | 98.09 | Broken Bow | Yes |
| North Burwell | Nebraska Central | X | | 0.75 | 83.44 | Taylor | Yes |
| North Loup | Nebraska Central | X | | 0.75 | 260.66 | Taylor | Yes |
| Ravenna | Nebraska Central | X | | 0.65 | 741.31 | Kearney | Yes |
| Rockville | Nebraska Central | X | | 0.75 | 64.35 | Taylor | Yes |
| Sargent | Nebraska Central | X | | 0.50 | 298.66 | Broken Bow | Yes |
| Scotia | Nebraska Central | X | | 0.75 | 231.15 | Taylor | Yes |
| Shelton | Nebraska Central | X | | 0.65 | 554.40 | Kearney | Yes |
| Taylor | Nebraska Central | X | | 0.75 | 218.29 | Taylor | Yes |
| Bartlett | Northeast Nebraska | N/A | N/A | 0.00 | | | No |
| Clearwater | Northeast Nebraska | | X | 0.50 | 243.00 | Neligh | Yes |
| Coleridge | Northeast Nebraska | | X | 1.00 | 510.00 | Hartington | Yes |
| Craig | Northeast Nebraska | | X | 0.50 | 141.50 | Tekamah | Yes |
| Dixon/Concord | Northeast Nebraska | | X | 1.00 | 317.00 | Hartington | Yes |
| Jackson/Hubbard | Northeast Nebraska | | X | 1.00 | 545.00 | S. Sioux City | Yes |
| Linwood | Northeast Nebraska | | X | 1.00 | 138.00 | David City | Yes |
| Martinsburg | Northeast Nebraska | N/A | N/A | 0.00 | | | No |
| Morsebluff | Northeast Nebraska | | X | 0.50 | 103.00 | Wahoo | Yes |
| Newcastle | Northeast Nebraska | N/A | N/A | 0.00 | | | No |
| Obert/Maskell | Northeast Nebraska | | X | 1.00 | 116.00 | Hartington | Yes |
| Prague | Northeast Nebraska | | X | 0.50 | 206.50 | Wahoo | Yes |
| Weston/Malmo | Northeast Nebraska | | X | 0.50 | 239.50 | Wahoo | Yes |
| North Peetz | Peetz Coop | | X | 0.70 | 7.00 | Sterling Hwy Ptrl | Yes |
| Hoskins | Pierce | X | | 0.50 | 191.00 | Norfolk | Yes |
| Pierce | Pierce | X | | 0.00 | | Pierce | No |
| Plainview | Plainview | X | | 0.00 | | Plainview | No |
| Bassett | Rock County | N/A | N/A | 0.00 | | | No |
| Newport | Rock County | N/A | N/A | 0.00 | | | No |
| Sodtown | Sodtown | X | | 0.50 | 43.50 | Kearney | Yes |
| Falls City | Southeast Nebraska | | X | 0.30 | 1,012.50 | Falls City | No |
| Tri City | Southeast Nebraska | | X | 0.30 | 183.00 | Falls City | No |
| Stanton - City | Stanton | X | | 1.00 | 836.00 | Madison | Yes |
| Stanton - Rural | Stanton | X | | 1.00 | 336.00 | Madison | Yes |
| Johnstown | Three River Telco | N/A | N/A | 0.00 | | | No |
| Lynch | Three River Telco | N/A | N/A | 0.00 | | | No |
| 911/E911 Information - 1997 | | | | | | | |
| EXCHANGE | COMPANY | 911 | E-911 | MONTHLY SURCHARGE | MONTHLY REVENUE | PSAP | INTERLOCAL AGREEMENT |
| Naper | Three River Telco | X | | \$0.00 | | | Yes |
| Springview | Three River Telco | X | | 0.00 | | | Yes |

| Verdel | Three River Telco | X | | 1.00 | \$ 108.00 | | Yes |
|------------------------------------|-------------------|-----|-------|-------------------|-----------------|--------------|----------------------|
| Bayard | United | X | | 1.00 | 985.00 | Bridgeport | No |
| Broadwater | United | X | | 1.00 | 173.00 | Bridgeport | No |
| Chappell | United | | X | 1.00 | 798.00 | Ogallala | No |
| East Lagrange | United | N/A | N/A | 0.00 | | | No |
| East Lyman | United | | X | 1.00 | 243.00 | Gering | Yes |
| Gering | United | | X | 1.00 | 4,789.00 | Gering | No |
| Kimball | United | X | | 1.00 | 2,015.00 | Kimball | No |
| Lewellen | United | X | | 1.00 | 341.00 | Oshkosh | Yes |
| Minatare | United | | X | 1.00 | 1,235.00 | Gering | Yes |
| Mitchell | United | | X | 1.00 | 1,523.00 | Gering | Yes |
| Morrill | United | | X | 1.00 | 1,203.00 | Gering | Yes |
| Oshkosh | United | X | | 1.00 | 922.00 | Oshkosh | No |
| Potter | United | X | | 1.00 | 276.00 | Sidney | No |
| Scottsbluff | United | | X | 1.00 | 12,043.00 | Gering | Yes |
| Ainsworth | US West | X | | 0.00 | | Ainsworth | No |
| Alliance | US West | | X | 1.00 | 5,818.08 | Alliance | Yes |
| Axtell | US West | | X | 1.00 | 468.03 | Minden | Yes |
| Bellevue | US West | | X | 1.00 | 14,304.60 | Bellevue | Yes |
| Bennington | US West | | X | 0.50 | 576.19 | Douglas Co. | Yes |
| Big Springs | US West | | X | 0.50 | 218.92 | Ogallala | Yes |
| Boystown(Omaha/ Ralston) | US West | | X | 0.50 | | Douglas Co. | Yes |
| Bridgeport | US West | X | | 1.00 | 1,343.58 | Bridgeport | Yes |
| Broken Bow | US West | | X | 0.50 | 1,401.33 | Broken Bow | Yes |
| Cairo | US West | | X | 0.50 | 267.87 | Grand Island | Yes |
| Central City | US West | X | | 0.50 | 1,046.38 | Central City | Yes |
| Chadron | US West | | X | 1.00 | 3,494.24 | Chadron | Yes |
| Clarkson | US West | X | | 1.00 | 635.61 | Schuyler | Yes |
| Crawford/Whitney | US West | | X | 1.00/.50 | 1,017.30 | Chadron | Yes |
| Creston/Humphrey | US West | | X | 0.50 | 508.63 | Columbus | Yes |
| Dakota City/So. Sioux | US West | | X | 1.00 | 7,658.35 | Dakota City | Yes |
| Elkhorn/Waterloo | US West | | X | 0.50 | 2,576.41 | Douglas Co. | Yes |
| Elm Creek | US West | | X | 0.65 | 500.34 | Kearney | Yes |
| Elwood | US West | | X | 0.50 | 580.00 | Lexington | Yes |
| Emerson | US West | | X | 1.00 | 853.48 | Dakota City | Yes |
| 911/E911 Information - 1997 | | | | | | | |
| EXCHANGE | COMPANY | 911 | E-911 | MONTHLY SURCHARGE | MONTHLY REVENUE | PSAP | INTERLOCAL AGREEMENT |
| Farwell | US West | | X | \$1.00 | \$ 159.87 | St. Paul | Yes |
| Fremont | US West | | X | 0.50 | 7,609.92 | Fremont | Yes |

| | | | | | | | |
|------------------------------------|----------------|------------|--------------|--------------------------|------------------------|--------------|-----------------------------|
| Fullerton | US West | X | | 0.50 | 488.25 | Fullerton | Yes |
| Gothenburg | US West | | X | 0.50 | 1,169.67 | Gothenburg | Yes |
| Grand Island/Alda | US West | | X | 0.50 | 12,504.43 | Grand Island | Yes |
| Gretna | US West | | X | 1.00 | 1,658.09 | Sarpy Co. | Yes |
| Holdrege | US West | X | | 1.00 | 3,939.60 | Holdrege | No |
| Howells | US West | X | | 0.50 | 599.09 | Schuyler | Yes |
| Humphrey/Creston | US West | | X | 0.50 | 501.88 | Columbus | Yes |
| Laurel | US West | | X | 1.00 | 772.68 | Laurel | Yes |
| Lavista/Papillion | US West | | X | 1.00 | 24,360.94 | Sarpy Co. | Yes |
| Lexington | US West | | X | 0.50 | 2,475.54 | Lexington | Yes |
| Loup City | US West | | X | 0.75 | 727.19 | Taylor | Yes |
| Lyons | US West | | X | 0.50 | 404.85 | Tekamah | Yes |
| McCook | US West | X | | 0.00 | | McCook | No |
| Millard | US West | | X | 1.00 | 15,323.55 | Sarpy Co. | Yes |
| Minden | US West | | X | 1.00 | 1,975.80 | Minden | Yes |
| Norfolk | US West | | X | 0.50 | 7,392.71 | Norfolk | Yes |
| North Platte | US West | | X | 0.50 | 7,392.71 | North Platte | Yes |
| Oakland | US West | | X | 0.50 | 517.58 | Tekamah | Yes |
| Ogallala | US West | | X | 1.00 | 3,801.25 | Ogallala | Yes |
| Omaha(Boystown/ Ralston) | US West | | X | 0.50 | 128,027.25 | Douglas Co. | Yes |
| O'Neill | US West | X | | 0.00 | | O'Neil | No |
| Oxford | US West | | X | 1.00 | 610.58 | Beaver City | Yes |
| Pender | US West | X | | 0.00 | | Pender | No |
| Pilger | US West | N/A | N/A | 0.00 | | | No |
| Ralston(Boystown/ Omaha) | US West | | X | 0.50 | | Douglas Co. | Yes |
| Randolph | US West | | X | 1.00 | 828.99 | Laurel | Yes |
| Schuyler | US West | X | | 0.50 | 3,059.61 | Schuyler | No |
| Sidney | US West | X | | 1.00 | 4,356.83 | Sidney | Yes |
| Silver Creek | US West | X | | 1.00 | 2,389.50 | Central City | Yes |
| Springfield | US West | | X | 1.00 | 857.90 | Sarpy Co. | Yes |
| St. Libory | US West | | X | 1.00 | 364.98 | St. Paul | Yes |
| St. Paul | US West | | X | 1.00 | 1,454.08 | St. Paul | Yes |
| Tekamah | US West | | X | 0.50 | 705.61 | Tekamah | Yes |
| Valentine | US West | X | | 0.00 | | Valentine | No |
| Valley | US West | | X | 0.50 | 1,115.15 | Douglas Co. | Yes |
| 911/E911 Information - 1997 | | | | | | | |
| EXCHANGE | COMPANY | 911 | E-911 | MONTHLY SURCHARGE | MONTHLY REVENUE | PSAP | INTERLOCAL AGREEMENT |
| Wakefield | US West | X | | \$0.50 | \$ 461.38 | Wayne | Yes |
| Wayne | US West | X | | 0.50 | 1,552.54 | Wayne | No |

| | | | | | | | |
|-------------------|----------------|----------|----------|-------------|-----------------|---------------------|------------|
| West Point | US West | X | | 1.00 | 2,410.25 | West Point | No |
| Wood River | US West | | X | 0.50 | 428.41 | Grand Island | Yes |
| Wauneta | Wauneta | X | | 0.00 | | Imperial | No |

PART III

PART III

Review of the Level of Rates of Local Exchange and Interexchange Companies

This section of the report discusses local rate changes implemented from July 1, 1997, to June 30, 1998. It also includes current local rate levels along with long distance and access charge information. By request of certain local exchange companies, financial information, specifically the financial status of local exchange companies, has again been omitted from this report. As the local exchange market slowly becomes competitive, we acknowledge that some changes will need to be made in releasing information that could be used to gain a competitive advantage.

1. Basic Local Rate Changes

The Federal Telecommunications Act of 1996 is now two and a half years old. Since its enactment, 29 local rate increases have been implemented in Nebraska and five proposals are pending at this time. Of the 37 regulated local exchange carriers, 24 have increased local rates during this period. The number of increases since the Act exceeds the number of increases experienced by Nebraska customers for the previous 12 years spanning the period from Divestiture in 1984 to the passage of the Act in 1996.

In many cases, companies are re-balancing their rates by increasing their local rates and reducing their access charges. In a few cases, business customers are receiving lower local rates. Rates for residential service range from \$5.00 a month in Dalton to \$16.35 for customers served by Aliant and US West. Business rates range from a low of \$7.00 in Dalton to \$37.55 for customers served by US West.

The competitive local exchange carriers (CLECs) have priced their local service similar to those provided by the incumbent local exchange carrier. The CLEC tariffs filed with the Commission to date show the following residential and business rates:

| Company | R-1 | B-1 |
|----------------------|---------|----------------|
| AT&T Digital Link | (1) | Measured Basis |
| TCG Standard Line | (1) | \$37.02 |
| Aliant Midwest | \$16.00 | 37.00 |

| Company | R-1 | B-1 |
|--|------------------------|----------------|
| Cox Nebraska Telecom Flat Rate Combination Service | \$17.65 | \$35.00 |
| Flat Rate 2 nd Line | 15.89 7.89 | 35.00 35.00 |
| Firstel, Inc. | Mirror US West's Rates | |
| Nebraska Technology & Telecommunications | | |
| Rate Group 1 | 16.35 | 37.55 |
| Rate Group 2 | 8.22 | 14.83 |
| Rate Group 3 | 9.88 | 17.83 |

(1) Company has no residential service offering at this time.

The following tables in this section reflect the rate changes since the Act was passed, historical rate changes, and current local service rates for all incumbent local exchange carriers.

**Local Basic Rate Changes
July 1, 1997 to Present**

| COMPANY | DOCKET # | SERVICE | DATE FILED | DATE EFFECTIVE | PRESENT RATE | PERCENT INCREASE | NEW RATE |
|------------------|----------|---------|------------|----------------|--------------|------------------|----------|
| BENKELMAN | C-1643 | RES. | 10/27/97 | 1/1/98 | \$10.70 | 29.91% | \$13.90 |
| | | BUS. | 10/27/97 | 1/1/98 | 14.00 | 12.14 | 15.70 |
| WAUNETA | C-1644 | RES. | 10/27/97 | 1/1/98 | 10.70 | 29.91 | 13.90 |
| | | BUS. | 10/27/97 | 1/1/98 | 14.00 | 12.14 | 15.70 |
| ALIAN | C-1683 | RES.(A) | 11/18/97 | 3/10/98 | 13.75 | 18.91 | 16.35 |
| | | RES.(B) | 11/18/97 | 3/10/98 | 12.65 | 29.25 | 16.35 |
| | | RES.(C) | 11/18/97 | 3/10/98 | 12.10 | 35.12 | 16.35 |
| | | RES.(D) | 11/18/97 | 3/10/98 | 11.00 | 48.64 | 16.35 |
| | | BUS.(A) | 11/18/97 | 3/10/98 | 39.00 | -19.49 | 31.40 |
| | | BUS.(B) | 11/18/97 | 3/10/98 | 37.00 | -15.14 | 31.40 |
| | | BUS.(C) | 11/18/97 | 3/10/98 | 35.00 | -10.29 | 31.40 |
| | | BUS.(D) | 11/18/97 | 3/10/98 | 33.00 | -4.85 | 31.40 |

| COMPANY | DOCKET # | SERVICE | DATE FILED | DATE EFFECTIVE | PRESENT RATE | PERCENT INCREASE | NEW RATE | |
|------------------|----------|---------------------------------------|------------|----------------|--------------|------------------|----------|-------|
| NEBRASKA CENTRAL | C-1767 | RES.(A) | 2/26/98 | 6/1/98 | \$ 9.25 | 29.73% | \$12.00 | |
| | | RES.(B) | 2/26/98 | 6/1/98 | 9.70 | 23.71 | 12.00 | |
| | | BUS.(A) | 2/26/98 | 6/1/98 | 16.25 | 13.85 | 18.50 | |
| | | BUS.(B) | 2/26/98 | 6/1/98 | 14.30 | 29.37 | 18.50 | |
| | | TRKS.(A) | 2/26/98 | 6/1/98 | 19.25 | -3.90 | 18.50 | |
| | | TRKS.(B) | 2/26/98 | 6/1/98 | 14.30 | 29.37 | 18.50 | |
| ARLINGTON | C-1864 | RES. | 7/27/98 | PENDING | 8.60 | 29.65 | 11.15 | |
| | | BUS. | 7/27/98 | PENDING | 12.80 | 29.69 | 16.60 | |
| BLAIR | C-1865 | RES. | 7/27/98 | PENDING | 10.15 | 29.56 | 13.15 | |
| ROCK CO. | C-1866 | RES. | 7/27/98 | PENDING | 9.65 | 29.53 | 12.50 | |
| | | BUS. | 7/27/98 | PENDING | 15.65 | 29.71 | 20.30 | |
| EASTERN | C-1867 | RES. | 7/27/98 | PENDING | 10.95 | 29.68 | 14.20 | |
| | | BUS. | 7/27/98 | PENDING | 16.95 | 29.79 | 22.00 | |
| US WEST | C-1874 | RES. | 7/31/98 | PENDING | | | | |
| | | FLAT RATE SERVICE - BASE RATE | | | | 16.35 | 11.01 | 18.15 |
| | | ZONE A | | | | 17.60 | 10.23 | 19.40 |
| | | ZONE B | | | | 19.60 | 9.18 | 21.40 |
| | | ZONE C | | | | 22.10 | 8.14 | 23.90 |
| | | MEASURED 1 HOUR SERVICE - BASE | | | | 9.25 | 19.46 | 11.05 |
| | | ZONE A | | | | 10.50 | 17.14 | 12.30 |
| | | ZONE B | | | | 12.50 | 14.40 | 14.30 |
| | | ZONE C | | | | 15.00 | 12.00 | 16.80 |
| | | MEASURED 3 HOUR SERVICE - BASE | | | | 11.50 | 15.65 | 13.30 |
| | | ZONE A | | | | 12.75 | 14.12 | 14.55 |
| | | ZONE B | | | | 14.75 | 12.20 | 16.55 |
| | | ZONE C | | | | 17.25 | 10.43 | 19.05 |

| COMPANY | DOCKET # | SERVICE | DATE FILED | DATE EFFECTIVE | PRESENT RATE | PERCENT INCREASE | NEW RATE |
|------------------------|----------|------------------------------------|------------|----------------|--------------|------------------|----------|
| US WEST (CONTINUED) | | MEASURED 6 HOURS SERVICE - BASE | | | \$13.45 | 13.38% | \$15.25 |
| | | ZONE A | | | 14.70 | 12.24 | 16.50 |
| | | ZONE B | | | 16.70 | 10.78 | 18.50 |
| | | ZONE C | | | 19.20 | 9.38 | 21.00 |

Basic Local Rate Changes
Local Exchange Companies

| Company | 1998 | 1997 | 1996 | 1995 | 1994 | 1993 | 1992 | 1991 | 1990 | 1989 | 1988 | Previous Rate Change |
|--------------------|------|------|------|------|------|------|------|------|------|------|------|----------------------|
| Aliant | X | X | | | | | | X | | X | | |
| Arapahoe | | X | | | | | | | | | | 1979 |
| Arlington | 3 | | | | | | | | | | | 1976 |
| Benkelman | X | X | X | | | X | | | | | | |
| Blair | 3 | | | | | | | | | | | 1978 |
| Cambridge | | X | | | | | | | X | | | |
| Clarks | | X | | | | | | | | | | 1985 |
| Consolidated | | X | | | | | | | | | | 1974 |
| Consolidated Telco | | X | | | | | | | | | | 1973 |
| Cozad | | X | | | | | | | | | | 1983 |
| Curtis | | X | 2 | | | | | | | | | |
| Dalton | | | | | | | | | | | | 1973 |
| Diller | | X | | | | | | | | | | 1980 |
| Eastern | 3 | | | | | | | | | | | 1987 |
| Eustis | | X | | | | | | | | | | 1971 |
| GTE | | | X | | | | | | | | | 1987 |
| Glenwood | | X | | | X | | | | | | | |
| Great Plains | | X | | | | | | | X | | | |
| Hamilton | | X | | | | | | | | | | 1976 |
| Hartington | | X | | | | X | | | | | | |
| Hartman | | | | | | | 1 | | | | | 1978 |
| Home | | X | | | | | | | | | | 1959 |
| Hooper | | X | | | | | | | | | | 1979 |
| K & M | | | | | | | | | | | | 1984 |
| Keystone-Arthur | | X | | | | | | | | | | 1978 |
| NEBCOM | | | | | | | | | | | | |
| Nebraska Central | X | | | | | | | | | | | 1987 |
| Northeast | | | | | | | | | | | | 1974 |
| Pierce | | | | | | | | | | | | 1987 |
| Plainview | | | X | | | | | | | X | | |
| Rock County | 3 | | | | | | | | | | | 1976 |
| Southeast Nebraska | | | | | | | | | | | | 1981 |
| Stanton | | | | | | | | | | | | 1985 |
| Three River | | X | | | | | | | | | | 1978 |
| United | | | | | | | | | | X | | |
| US West | 3 | | X | | | | | | | | | 1987 |
| Wauneta | X | X | X | | | X | | | | | | |

(1) Proposed increase withdrawn after protests from 5 percent of subscribers were received.

(2) Petitions were received from customers for the Commission to review the rate proposal, and the application was approved on 9/30/97.

(3) Company has local rate increase pending.

**NEBRASKA LOCAL EXCHANGE CARRIERS
BASIC LOCAL EXCHANGE RATES**

| Company | Exchange | B-1 | R-1 |
|-----------------------|---|--|---|
| Aliant | | \$31.40 | \$16.35 |
| Arapahoe Tel. Co. | Group 1 Group 2 | 13.25 37.55 | 10.50 14.90 |
| Arlington Tel Co. | Arlington | 12.80 | 8.60 |
| Benkelman Tel. Co. | Benkelman | 14.00 | 10.70 |
| Blair Tel. Co. | Blair Ft Calhoun Kennard | 20.80 20.80 20.80 | 10.15 10.15 10.15 |
| Cambridge Tel. Co. | Bartley Cambridge | 15.90 15.90 | 13.40 13.40 |
| Clarks Tel. Co. | Clarks Staplehurst Ulysses | 17.55 17.55 17.55 | 12.35 12.35 12.35 |
| Consolidated Telco | Dickens Madrid Maywood Paxton Wallace Wellfleet | 14.00 14.65 20.50 14.65 14.65 19.75 | 13.50 11.25 14.50 11.25 11.25 14.50 |
| Consolidated Tel. Co. | Anselmo Arthur Ashby Bingham Brewster Brownlee Dunning Halsey Hyannis Merna Mullen Purdum Seneca Thedford Whitman | 10.10 18.50 19.75 19.75 10.10 19.75 10.10 10.10 10.10 10.10 10.10 8.10 10.10 10.10 19.75 | 6.70 11.00 19.25 19.25 6.70 19.25 6.70 6.70 8.30 6.70 6.70 5.20 6.70 6.70 19.25 |
| Cozad Tel. Co. | Cozad | 11.00 | 7.00 |
| Curtis Tel. Co. | Curtis | 17.50 | 16.00 |

NEBRASKA LOCAL EXCHANGE CARRIERS
BASIC LOCAL EXCHANGE RATES

| Company | Exchange | B-1 | R-1 |
|---------------------------|-----------------|------------|------------|
| Dalton Tel. Co. | Bushnell | \$11.50 | \$10.00 |
| | Dalton | 7.00 | 5.00 |
| | Dix | 11.50 | 10.00 |
| | Gurley | 7.00 | 5.00 |
| | Lodgepole | 7.00 | 5.00 |
| Diller Tel Co. | Diller | 9.75 | 9.75 |
| | Harbine | 9.75 | 9.75 |
| | Odell | 9.75 | 9.75 |
| | Virginia | 9.75 | 9.75 |
| Eastern Neb. Tel. Co. | Belden | 16.95 | 10.95 |
| | Carroll | 16.95 | 10.95 |
| | Macy | 16.95 | 10.95 |
| | Meadow Grove | 16.95 | 10.95 |
| | Osmond | 16.95 | 10.95 |
| | Rosalie | 16.95 | 10.95 |
| | Walthill | 16.95 | 10.95 |
| | Winnebago | 16.95 | 10.95 |
| Eustis Tel. Exchange | Eustis | 10.40 | 6.50 |
| GTE North Inc. | Group I | 14.83 | 8.22 |
| | Group II | 17.83 | 9.88 |
| Glenwood Tel. Memb. Corp. | Bladen | 17.55 | 11.70 |
| | Blue Hill | 17.55 | 11.70 |
| | Campbell | 17.55 | 11.70 |
| | Funk | 17.55 | 11.70 |
| | Holstein | 17.55 | 11.70 |
| | Lawrence | 17.55 | 11.70 |
| | Norman | 17.55 | 11.70 |
| | Roseland | 17.55 | 11.70 |
| | Upland | 17.55 | 11.70 |
| Great Plains Comm. | Schedule A | 20.00 | 14.00 |
| | Schedule B | 30.55 | 14.90 |
| Hamilton Tel. Co. | Aurora | 10.75 | 10.75 |
| | Doniphan | 10.75 | 10.75 |
| | Giltner | 10.75 | 10.75 |
| | Hampton | 10.75 | 10.75 |
| | Hordville | 10.75 | 10.75 |
| | Marquette | 10.75 | 10.75 |
| | Phillips | 10.75 | 10.75 |
| | Stockham | 10.75 | 10.75 |
| | Trumbull | 10.75 | 10.75 |
| Hartington Tel. Co. | Hartington | 16.55 | 10.70 |

NEBRASKA LOCAL EXCHANGE CARRIERS
BASIC LOCAL EXCHANGE RATES

| Company | Exchange | B-1 | R-1 | |
|--------------------------|--------------------------|------------|------------|-------|
| Hartman Tel. Exchange | Danbury | \$ 9.50 | \$ 9.50 | |
| | Haigler | 9.50 | 9.50 | |
| | Lebanon | 9.50 | 9.50 | |
| Home Tel Co. of Neb. | Brady | 9.40 | 5.85 | |
| | Maxwell | 9.40 | 5.85 | |
| Hooper Tel. Co. | Hooper | 10.85 | 8.25 | |
| | Uehling | 10.85 | 8.25 | |
| K & M Tel. Co. | Chambers | 15.50 | 12.25 | |
| | Inman | 15.50 | 12.25 | |
| Keystone-Arthur Tel. Co. | Keystone | 17.50 | 14.50 | |
| | Lemoyne | 17.50 | 14.50 | |
| NebCom | Allen/ Waterbury | 37.55 | 14.90 | |
| | Butte | 37.55 | 14.90 | |
| | Decatur | 37.55 | 14.90 | |
| | Long Pine | 37.55 | 14.90 | |
| | Spencer/ Bristow | 37.55 | 14.90 | |
| | Stuart | 37.55 | 14.90 | |
| | Winside | 37.55 | 14.90 | |
| | | | | |
| Neb. Central Tel. Co. | Group 1 | 18.50 | 12.00 | |
| | Group 2 | 18.50 | 12.00 | |
| | Group 3 | 31.50 | 14.90 | |
| Northeast Neb. Tel. Co. | Bartlett | 7.75 | 5.25 | |
| | Clearwater | 7.75 | 5.25 | |
| | Coleridge | 7.75 | 5.25 | |
| | Craig | 8.00 | 6.25 | |
| | Dixon | 7.75 | 5.25 | |
| | Jackson | 7.75 | 5.25 | |
| | Linwood/ Morse Bluffs | 9.25 | 6.25 | |
| | Martinsburg | 7.75 | 5.25 | |
| | Newcastle | 7.75 | 5.25 | |
| | Obert | 7.75 | 5.25 | |
| | Prague | 9.25 | 6.25 | |
| | Weston | 9.25 | 6.25 | |
| | Pierce Tel. Co., Inc. | Hoskins | 14.60 | 10.10 |
| | | Pierce | 14.60 | 10.10 |
| Plainview Tel. Co. | Plainview | 19.50 | 15.50 | |
| Rock County Tel. Co. | Bassett | 15.65 | 9.65 | |
| | Newport | 15.65 | 9.65 | |

**NEBRASKA LOCAL EXCHANGE CARRIERS
BASIC LOCAL EXCHANGE RATES**

| Company | Exchange | B-1 | R-1 |
|-----------------------------|---|---|---|
| Southeast Neb. Tel. Co. | Falls City Tri-City | \$27.50 27.50 | \$10.50 10.50 |
| Stanton Tel. Co. Inc. | Stanton | 1st Line: 17.50 Ea Add'l: 16.50 | 1st Line: 17.50 Ea Add'l: 8.50 |
| Three River Telco | Johnstown Lynch Naper Springview Verdel | 13.25 13.25 13.25 13.25 13.25 | 11.70 11.70 11.70 11.70 11.70 |
| United Tel. Co. of the West | Group 1 Group 2 Group 3 | 18.15 18.92 21.93 | 9.07 9.46 10.96 |
| US West | Group A | 37.55 | 16.35 |
| Wauneta Tel. Co. | Wauneta | 15.70 | 13.90 |

NEBRASKA LOCAL EXCHANGE CARRIERS
BASIC LOCAL EXCHANGE RATES

| Company | Exchanges |
|---------|---|
| | <p>Aliant:</p> <p>Group A: Alvo-Eagle, Bennet, Ceresco, Clatonia, Cortland, Davey, Denton, Dorchester, Douglas, Dwight, Elmwood, Firth, Garland, Greenwood, Hallam, Hickman, Ithaca, Lincoln, Malcolm, Martell, Milford, Murdock, Palmyra, Panama, Plattsmouth, Pleasant Dale, Raymond, Seward, Unadilla, Valparaiso, Waverly</p> <p>Group B: Ashland, Crete</p> <p>Group C: Alexandria, Avoca, Barneston, Beatrice, Beaver Crossing, Bellwood, Benedict, Bradshaw, Brainard, Brock, Brownville, Bruning, Bruno, Burchard, Carleton, Cedar Bluffs, Colon, Cook, Cordova, Crab Orchard, David City, Dawson, Daykin, Deweese, DeWitt, DuBois, Dunbar, Edgar, Elk Creek, Fairfield, Fairmont, Filley, Glenvil, Grafton, Gresham, Hansen, Hardy, Harvard, Hastings, Jansen, Johnson, Julian, Juniata, Kenesaw, Liberty, McCool, Mead, Murray, Nemaha, Octavia, Ohiowa, Ong, Otoe, Pawnee City, Peru, Pickrell, Plymouth, Polk, Rising City, Ruskin, Shelby, Shickley, Steele City, Steinauer, Sterling, Superior, Surprise, Sutton, Swanton, Syracuse, Table Rock, Talmage, Tamora, Union, Utica, Waco, Weeping Water, Western, Wymore, Yutan</p> <p>Group D: Adams, Auburn, Burr, Clay Center, Davenport, Exeter, Fairbury, Friend, Geneva, Guide Rock, Hebron, Humboldt, Louisville, Milligan, Nebraska City, Nehawka, Nelson, Osceola, Stromsburg, Tecumseh, Tobias, Wahoo, Wilber, York</p> |
| | <p>Arapahoe:</p> <p>Group 1: Arapahoe, Hendley, Holbrook</p> <p>Group 2: Brule, Farnam, Loomis, Overton</p> |
| | <p>Great Plains Communications:</p> <p>Schedule A: Archer, Arnold, Bancroft, Beemer, Bloomfield, Bryan, Callaway, Center, Chapman, Chester/Hubbell/Reynolds, Cotesfield, Creighton, Crofton, Deshler, Dodge, Elgin, Ewing, Grant, Hay Springs, Hayes Center, Herman, Huntley/Ragan, Imperial, Indianola, Kilgore, Merriman, Mirage Flats, Niobrara, North Bend, Oakdale, Oconto, Page, Palisade, Petersburg, Ponca, Red Cloud/Riverton, St. Edward, Scribner, Snyder, Stapleton, Sutherland, Tryon, Venango, Verdigre, Walnut, Wausa, Wilcox, Winnetoon, Wisner, Wolbach, Wood Lake, Wynot</p> <p>Schedule B: Cedar Rapids, Cody, Crookston, Culbertson, Gordon, Rushville, Stratton, Spalding, Trenton</p> |
| | <p>GTE:</p> <p>Group 1: Albion, Alma, Amherst, Battle Creek, Beaver City, Bertrand, Bloomington, Brunswick, Duncan, Edison, Franklin, Genoa, Greeley, Heartwell, Hildreth, Leigh, Lindsay, Madison, Miller, Monroe, Naponee, Neligh, Newman Grove, Riverdale, Stamford, Sumner, Tilden, Wilsonville</p> <p>Group 2: Columbus, Kearney</p> |
| | <p>NebCom, Inc.: Allen-Waterbury, Butte, Decatur, Long Pine, Spencer-Bristow, Stuart, Winside</p> |
| | <p>Nebr. Central:</p> <p>Group 1: Ansley, Arcadia, Comstock, Gibbon, Sargent, Shelton</p> <p>Group 2: Burwell, Erickson, North Loup, Scotia, Taylor, N. Burwell</p> <p>Group 3: Ashton, Boelus, Dannebrog, Elba, Litchfield, Mason City, Ravenna, Rockville</p> |
| | <p>US West:</p> <p>Group A: Ainsworth, Alliance, Atkinson, Atlanta, Axtell, Belgrade, Bennington, Big Springs, Bridgeport, Broken Bow, Cairo, Central City, Chadron, Clarkson, Crawford, Creston, Dakota City, Elkhorn, Elm Creek, Elwood, Emerson, Farwell, Fremont, Fullerton, Gothenburg, Grand Island, Gretna, Harrison, Holdrege, Homer, Howells, Humphrey, Laurel, Lexington, Loup City, Lyons, McCook, Minden, Norfolk, North Platte, Oakland, Ogallala, Omaha, O'Neill, Oxford, Pender, Pilger, Primrose, Randolph, St. Libory, St. Paul, Schuyler, Sidney, Silver Creek, South Sioux City, Springfield, Tekamah, Valentine, Valley, Wakefield, Waterloo, Wayne, West Point, Whitney, Wood River</p> |
| | <p>United Telephone Company of the West:</p> <p>Group 1: Bayard, Broadwater, Chappell, Lewellen, Lyman, Minatare, Mitchell, Morrill, Oshkosh, Potter</p> <p>Group 2: Kimball</p> <p>Group 3: Gering, Scottsbluff</p> |

**2. Federal and State Universal Service Funds and Nebraska
Universal Service Advisory Board**

Pursuant to LB 686, the 1997 Legislature authorized the creation of a state universal service fund. The fund, while not yet operational, is intended to assist low-income customers, as well as customers in high-cost, rural areas, obtain affordable basic local service. LB 686 also makes assistance available for schools, libraries, and health care providers. The financial size of the fund is unknown at this time, as several variables remain unanswered. The state fund will supplement the federal fund. Access charge reform has not been completed, which may heavily impact a state fund. Some local companies rely on access charges as a significant source of revenue. The Commission has opened a docket (C-1628) to review the structure of access charges in Nebraska.

LB 686 directed the Public Service Commission to oversee the fund and the administrator, if a third-party administrator is selected. The legislation also created an advisory board whose members are appointed by the Commission. The advisory board, by statute, will include the following representatives: one member to represent the Commission; one member to represent elementary and secondary schools; one to represent libraries; one for rural health care providers; two members, but not more than three, shall represent telecommunications companies; and one member, but not more than two members, shall represent the public. The advisory board is to provide recommendations to the Commission, as well as recommend the services to be supported by the fund. Additionally, the functions of the board will be to monitor the Lifeline/Link-Up program penetration levels, provide guidance on the level of State funding, review the administration of the fund, and assure that all support received by carriers is competitively neutral.

The following members serve on the advisory board:

- 1) Floyd Olson - Representing the Commission;
- 2) Alan Wibbels - Representing elementary and secondary schools;
- 3) Rod Wagner - Representing libraries;
- 4) Ted Schultz - Representing health care providers;
- 5) Vacant - Representing telecommunications industry;
- 6) Charles Fast - Representing telecommunications industry;
- 7) Bob Lanphier - Representing telecommunications industry;
- 8) Richard Fleming - Representing the public; and
- 9) Dave Rosenbaum - Representing the public.

Issues that will require increased involvement and evaluation by the board include:

- The 25/75 percent federal/state support split. The 25/75 decision is based on the Federal Communications Commission's (FCC) determination that the federal fund will provide at least 25 percent of the total support necessary for non-rural carriers serving rural, insular, and high-cost areas (collectively known as "high-cost areas"). The FCC originally determined that non-rural carriers would begin to receive support based on forward-looking economic cost beginning January 1, 1999. However, that date was subsequently changed to July 1, 1999. The challenge before the board would be to determine the disproportionate share of the federal funding the state will have to pick up as well as the state's share.
- Access Reform Initiative and Docket C-1628 which evaluates state universal service

funding and intrastate access charge reform. To the extent implicit subsidies in access charges can be identified, a state universal funding mechanism could be utilized to create explicit subsidies with the intent of reducing access charges. The board could be instrumental in determining the size of this state universal service fund.

- Lifeline/Link-Up program activities: 1) Educating the elderly and low-income individuals regarding the program; 2) Agencies involved in community services need to be educated regarding this program; and 3) Directors of Federal Housing Assistance programs, likewise, need to inform their tenants.

The Commission greatly appreciates the efforts of these members who donate their time and expertise to ensure that the goals of universal service in Nebraska are met.

The following table shows by company the projected universal service fund payments for 1997.

| Federal Universal Service Fund | | | |
|---------------------------------------|---------------------|---|---|
| Company | Access Lines | Projected View USF Payments 1997 | Projected USF Per Line Monthly |
| Arapahoe | 2,594 | \$ 246,417 | \$ 7.92 |
| Arlington | 1,085 | 110,117 | 8.46 |
| Benkelman | 1,266 | 438,413 | 28.86 |
| Blair | 8,372 | 0 | 0.00 |
| Cambridge | 1,388 | 238,462 | 14.32 |
| Clarks | 1,034 | 145,375 | 11.72 |
| Consolidated Telco | 1,593 | 66,498 | 3.48 |
| Consolidated Tel. | 3,033 | 223,426 | 6.14 |
| Cozad | 2,921 | 0 | 0.00 |
| Curtis | 848 | 354,945 | 34.88 |
| Dalton | 1,313 | 312,609 | 19.84 |
| Diller | 960 | 32,436 | 2.82 |
| Eastern Nebraska | 2,906 | 256,266 | 7.35 |
| Elsie Mutual | 217 | 60,608 | 23.27 |
| Eustis | 489 | 16,869 | 2.87 |
| GTE Midwest | 57,537 | 0 | 0.00 |
| Glenwood | 2,673 | 203,221 | 6.34 |
| Great Plains | 33,078 | 1,182,571 | 2.98 |
| Hamilton | 6,304 | 160,755 | 2.13 |
| Hartington | 1,614 | 0 | 0.00 |
| Hartman | 451 | 128,122 | 23.67 |
| Hemingford Co-op | 967 | 100,930 | 8.70 |
| Henderson Co-op | 1,030 | 11,831 | 0.96 |
| Hershey | 844 | 16,371 | 1.62 |
| Home | 845 | 31,539 | 3.11 |
| Hooper | 1,285 | 35,934 | 2.33 |
| K & M | 662 | 27,286 | 3.43 |
| Keystone-Arthur | 643 | 100,419 | 13.01 |
| Aliant | 279,581 | 0 | 0.00 |
| Nebraska Central | 9,067 | 232,038 | 2.13 |
| Northeast Nebraska | 7,094 | 279,578 | 3.28 |
| Pierce | 1,875 | 28,911 | 1.28 |
| Plainview | 1,175 | 6,249 | 0.44 |
| Rock County | 1,040 | 290,355 | 23.27 |
| Sodtown | 85 | 13,911 | 13.64 |
| Southeast Nebraska | 4,252 | 804,999 | 15.78 |
| Stanton | 1,183 | 226,364 | 15.95 |
| Three River | 1,343 | 120,789 | 7.49 |
| U.S. West | 522,260 | 0 | 0.00 |
| United Telephone | 27,852 | 0 | 0.00 |
| Wauneta | 685 | 400,822 | 48.76 |
| TOTAL | 995,444 | \$6,905,436 | |

3. Commission Audits

The Commission's authority to review local rate increases is invoked if either (1) the rate increase is petitioned by a certain percentage of the affected customers, or (2) if the rate increase exceeds a certain annual percentage. Companies having less than 5 percent of the state's access lines (approximately 50,000) may propose increases up to 30 percent per year and be subject to the petition process. This process allows customers to petition the Commission for a determination of the local rate. Companies serving more than 5 percent of the state's access lines are limited to annual increases up to 10 percent under the petition process. The percentage of customers needed to bring the matter before the Commission varies with the size of the company involved. All proposed increases which exceed these guidelines are automatically reviewed by the Commission.

Curtis Telephone Company proposed increasing residential rates from \$13.50 to \$16.00, maintaining its current business rates, and lowering its access charges in a revenue-neutral proposal subject to the petition process. A sufficient number of petitions in opposition to the rate increase were filed with the Commission. Therefore, staff reviewed the company's financial information and the Commission held a hearing on the matter. The staff found the increase in local rates and reduction in access rates to be reasonable, and the Commission granted the application in September of 1997.

Aliant Communications filed an application with the Commission under provisions of LB 660 proposing to increase local rates, decrease business rates, decrease toll rates, and decrease one element of their access charges. The statutory requirements relevant to this filing provide that the company must prove that the rate changes proposed will not increase the company's aggregate annual revenues by more than 1 percent and that the basic local rate does not exceed the actual cost of providing local service.

The Commission received testimony and held a hearing on the application in February of 1998. The application was approved in March of 1998 resulting in the following rates:

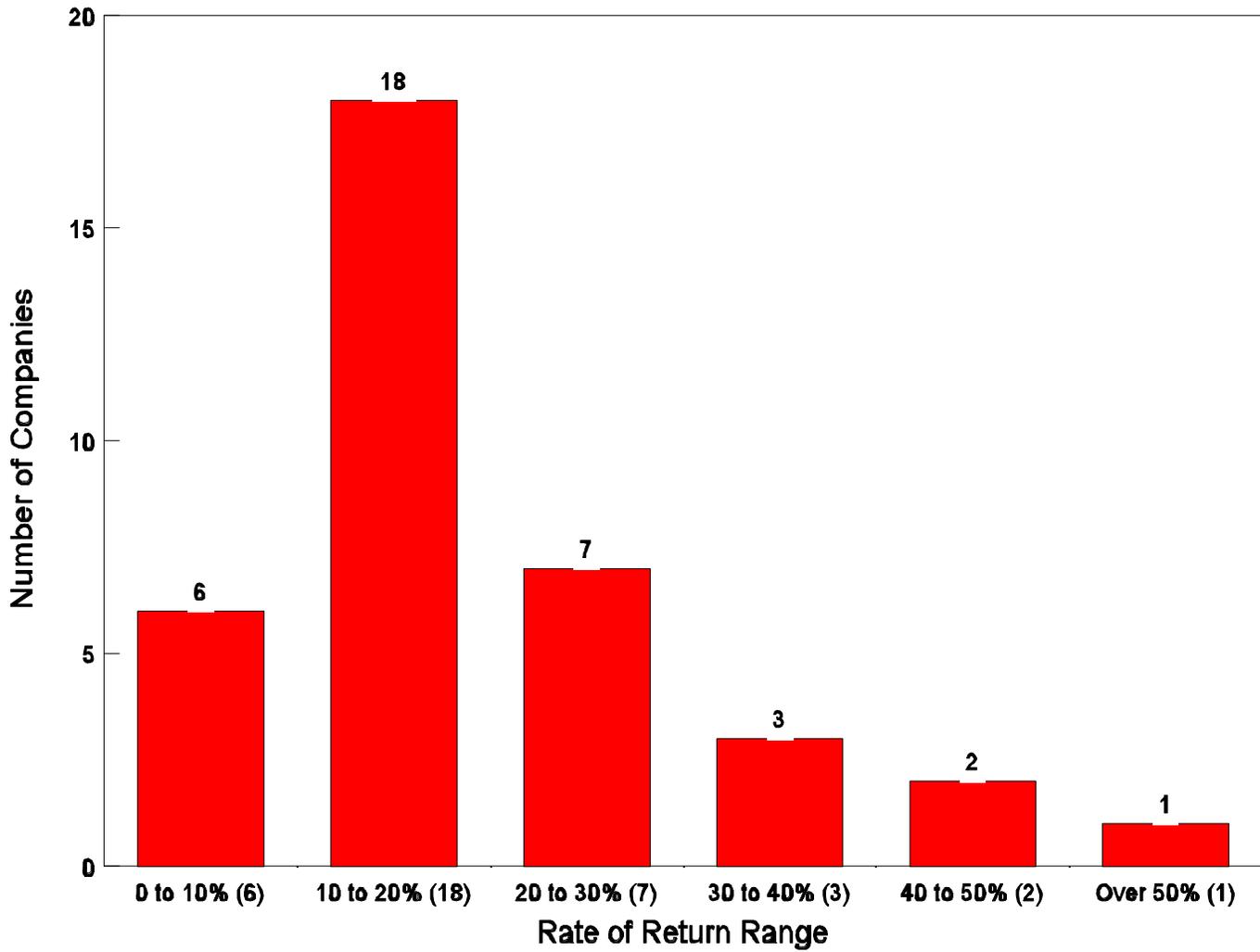
| Service | Rate |
|--|-------------|
| Residential one-party service (includes touch tone) | \$16.35 |
| Business one-party service (includes touch tone) | \$31.40 |
| IntraLATA long distance calling - per minute | \$.13 |

4. Financial Statistics

The financial information related to local exchange company earnings is not being reported for 1997. Competition is being introduced into this market and company-specific data may reveal competitively-sensitive information. The annual reports filed by local exchange companies remain available at the Commission.

Nebraska Local Exchange Carriers

1997 Rate of Return



5. Long Distance Telephone Rates/Access Charges

A. Competition in the Long Distance Market

The Commission has authorized in excess of 250 long distance carriers to compete in the Nebraska market. Some of these carriers use their own facilities to provide service but most are resellers using existing networks. This last year, the Commission has issued three certificates to incumbent local exchange carriers to provide long distance service as an interexchange carrier in their own service area. Almost all Nebraska subscribers have their choice of carriers for interLATA calling (calls originating in one LATA and terminating in another LATA). Customers who wanted to use their carrier of choice for intraLATA calls could do this only by using a dial-around method, such as 10-10-321 plus the long distance number.

In a Commission order entered September 15, 1997, local exchange carriers were ordered to open the intraLATA toll market to competition by requiring the implementation of intraLATA dialing parity. The provisions of the order require incumbent local carriers to allow customers to choose their intraLATA carrier, sometimes referred to as a local toll provider. By December 31, 1998, all carriers, with the exception of US West, must provide this option for their customers or apply for a waiver or extension from the Commission. Provisions of the Federal Telecommunications Act prevent the Commission from requiring US West to provide this option by December 31, 1998, but they are required to provide it by February of 1999 (three years after the Act was passed).

B. Access Charges/Universal Service Fund

The issue of the removal of implicit subsidies from all services, including access charges, became law with the Federal Telecommunications Act of 1996. At that time, the Commission set up a task force to compile public comment and develop a plan for implementation of a Nebraska universal service fund. Its report in July of 1997 indicated in part, "To the extent that intrastate access revenues are reduced, these reductions may need to be replaced by a Nebraska universal service fund."

The Nebraska Legislature in the 1997 session adopted the Nebraska Telecommunications Universal Service Fund Act. One of the principles identified by the Legislature as supporting the Act was that "the implicit support mechanisms in the intrastate access rates throughout the state may be replaced while ensuring that local service rates in all areas of the state remain affordable."

The Commission, in September of 1997, consolidated its investigation of intrastate access charges and the need for a state universal service fund. Subsequent orders were issued by the Commission in October of 1997 and in January of 1998 to study these issues and provide for a comment period for interested parties by April of 1998.

In May of 1998, a ballot initiative was filed with the Secretary of State which if adopted by voters during the November election will mandate that the Commission set access charges using forward-looking costs and eliminate implicit subsidies. The petition initiative has been successful, and the matter will appear on the November ballot. In July of 1998, the Federal Communications Commission (FCC) delayed its implementation of the federal universal service fund for non-rural

carriers until July 1, 1999. Based on these developments, this Commission issued an order in August providing for an additional period for parties to amend their comments filed in this proceeding. Under provisions of the order, amended comments were filed and the Commission issued preliminary findings and conclusions on October 2, with hearings to begin October 27, 1998.

The largest element of access charges which has been the subject of controversy is the carrier common line element. It is argued by some that this element has no cost and represents a subsidy to other services, while other parties argue that long distance companies should be paying this cost as a part of the connection to the local network. In Nebraska, the access charge structure was implemented by the Commission in 1987. The carrier common line rates were set at that time, and some changes have taken place on a voluntary basis since that time. The attached schedule reflects the current carrier common line rates for the local exchange carriers in Nebraska.

**Access Charges - Carrier Common Line Rates
Local Exchange Companies**

| Exchange | Originating Per Minute | Terminating Per Minute |
|--------------------|-----------------------------------|-----------------------------------|
| Aliant | \$0.0288 | \$0.0288 |
| Arapahoe | 0.0880 | 0.0880 |
| Arlington | 0.0312 | 0.0312 |
| Benkelman | 0.1575 | 0.1575 |
| Blair | 0.0316 | 0.0316 |
| Cambridge | 0.1379 | 0.1379 |
| Clarks | 0.0688 | 0.0688 |
| Consolidated | 0.0580 | 0.0580 |
| Consolidated Telco | 0.0330 | 0.0330 |
| Cozad | 0.0384 | 0.0384 |
| Curtis | 0.1578 | 0.1578 |
| Dalton | 0.0835 | 0.0835 |
| Diller | 0.1159 | 0.1159 |
| Eastern | 0.0456 | 0.0456 |
| Elsie | 0.0951 | 0.0951 |
| Exchange | Originating Per Minute | Terminating Per Minute |
| Eustis | \$0.0421 | \$0.0421 |
| Glenwood | 0.0508 | 0.0508 |
| Great Plains | 0.0200 | 0.0300 |

| | | |
|-----------------------|---------|---------|
| GTE | 0.0100 | 0.04304 |
| Hamilton | 0.02869 | 0.02869 |
| Hartington | 0.0616 | 0.0616 |
| Hartman | 0.1600 | 0.1600 |
| Hemingford | 0.1103 | 0.1103 |
| Henderson | 0.0536 | 0.0536 |
| Hershey | 0.0286 | 0.0286 |
| Home | 0.0380 | 0.0380 |
| Hooper | 0.0334 | 0.0334 |
| K & M | 0.1085 | 0.1085 |
| Keystone-Arthur | 0.1481 | 0.1481 |
| NebCom, Inc. | 0.0408 | 0.0408 |
| Nebraska Central | 0.0425 | 0.0425 |
| Northeast | 0.0408 | 0.0408 |
| Pierce | 0.0346 | 0.0346 |
| Plainview | 0.0466 | 0.0466 |
| Rock County | 0.0995 | 0.0995 |
| Sodtown | 0.0366 | 0.0366 |
| Southeast Nebraska | 0.1730 | 0.1730 |
| Stanton | 0.0720 | 0.0720 |
| Three River | 0.1020 | 0.1020 |
| United | 0.0294 | 0.0695 |
| US West Zones 1 and 2 | 0.0200 | 0.0270 |
| US West Zone 3 | 0.0224 | 0.0415 |
| Wauneta | 0.1575 | 0.1575 |

6. Long Distance Carriers

During the last year, 71 companies filed for long distance authority. There are over 250 long distance companies certificated to operate in the state. Long distance companies may offer any combination of pre-subscribed 1+ services, operator services, calling cards, debit cards, and 800/888 services. Most companies serve both residential and business customers; however, some focus solely on providing service to payphones and inmate facilities.

Part IV

PART IV

Recommendations for the 1998 Legislative Session

1. Removal of the Sunset Date on the Universal Service Fund Act.

With the passage of LB 686 in 1997, the Legislature created the Nebraska Universal Service Fund Act. That act authorized the Commission to establish a universal service fund that, in conjunction with federal universal service funds, would ensure that all Nebraskans have comparable access to telecommunications services at affordable prices. The provisions authorizing a state universal service fund are due to expire June 30, 1999. The Commission has worked toward both the promotion of competition and the assurance of universal service. As competition grows in local phone markets, the implicit subsidies that historically kept phone service affordable will disappear. As this happens, the need for a state universal service fund is drastically exacerbated. The Legislature should consider abolishing the sunset date written into LB 686 (1997), thereby providing a stable and reliable mechanism to transition to cost-based access charges and explicit high-cost support.

2. Judicial Deliberations and Ex Parte Communications

Like other public bodies, the Public Service Commission is bound by the state's open meetings laws. In most instances, this is appropriate. The Commissioners are elected officials. Actions taken as such should be open to public scrutiny, and members of the public should have access to their representatives.

However, unlike most public bodies, the Commission must also function in a judicial capacity. Sophisticated parties ask the Commission to make multimillion dollar decisions. Appeals from Commission rulings, like those from District Court, are heard by the Court of Appeals. However, unlike a judicial body, whenever a quorum of Commissioners wants to discuss the merits of a case, it must be done in a public forum. This means that the Commission cannot fully deliberate upon issues unless it does so in the presence of the effected litigants. This restriction greatly hinders the Commission's ability to make sound, consistent, well reasoned, and thoughtful decisions.

When applied to the Commission, the state's open meetings and ex parte laws should recognize the multifaceted nature of the Commission. Ex parte communications should continue to be allowed to elected officials if it does not concern a contested case. In such an instance, the Commission should continue to be bound to the open meetings restriction that all business of a quorum of the Commission be conducted in public.

However, when the Commission is operating in a judicial capacity it should be treated like judges. It should have the ability to deliberate outside of the gaze of the effected litigants, and the ex parte restrictions on judges should also apply to Commissioners.

3. Scope of Authority in Light of Supreme Court's McLeod Ruling

Prior to the passage of the Federal Communications Act of 1996, US West removed one of

its services (centrex) from its tariff. In doing so, it provided that centrex would continue to be available to existing customers for a “grandfather” period. When the Act passed, it provided that any tariffed service must be made available to competitors at a wholesale rate. MCI, McLeod, and AT&T filed formal complaints with the Commission alleging that US West’s action violated the law and was anti-competitive. The Commission held a hearing and a majority determined that US West’s actions were appropriate. The complainants appealed the Commission’s order to the Court of Appeals, and the Supreme Court took jurisdiction of the matter. On its own motion, the Court ruled that under Neb. Rev. Stat. § 86-811, the District Court, and not the Commission, had jurisdiction to hear the complaint. This ruling creates a question as to the scope of the Commission’s jurisdiction. Particularly, in light of Neb. Rev. Stat. § 75-131 (which was not addressed by the Court), which provides in part:

That any person who complains of anything done or omitted to be done by any common or contract carrier may request that the Commission investigate and impose sanctions on such carriers by filing a petition which briefly states the facts constituting the complaint.

Therefore, the Legislature should examine where the bounds of the Commission’s jurisdiction lie in light of the Court’s ruling to ensure that it comports with the Legislature’s intentions.

4. Public Entities Offering Telecommunications Services

The subject of whether public entities in Nebraska can enter the telecommunications market should be the subject of debate during the 1999 legislative session. In 1997, the Legislature removed the explicit statutory barrier prohibiting public power districts from offering telecommunications services. However, explicit authority granting public power districts the ability to provide such service was not given.

The Nebraska Public Power District (NPPD) has provided special services in and around Norfolk to the schools, library, and the city. The Commission held a hearing in March 1997 to determine whether the services NPPD was offering were “telecommunications services” and therefore subject to regulation. After receiving the evidence, the Commission found NPPD was indeed offering telecommunications services. The Commission requested the Attorney General to advise on how it should proceed. The Attorney General’s Opinion, No. 97045, stated the Commission could not issue a certificate to NPPD, nor could NPPD legally provide such services as no public power district had statutory authority to offer telecommunications services. Accordingly, the Commission ordered NPPD to cease and desist from offering such services. That order is currently under appeal to the Nebraska Supreme Court. Given this legal opinion, it is likely the power districts will be approaching the Legislature requesting statutory authority to provide telecommunications services. However, the purpose of the Telecommunications Act of 1996 was

to replace economic regulation with robust competition as the primary protection of consumer interests in telecommunications markets. Effective competition cannot exist if private companies are asked to compete with publicly-supported arms of government, such as NPPD.

5. Rulings Held in Abeyance During Appeal

An issue that arose in NPPD's appeal of the Commission order discussed above is that under Neb. Rev. Stat. §75-134, Commission orders are held in abeyance during an appeal (with a few exceptions). While in many circumstances this may be appropriate, there are some situations where holding a Commission order in abeyance could put the public at risk. For example, if an uninsured taxicab carrier is allowed to continue to operate under appeal of a cease and desist order, the public has no recourse if injured while riding with that carrier. Further, the Commission would have no way to verify that its drivers have sound records or that the vehicles are properly maintained. This section should be amended to state that Commission orders are not held in abeyance during appeal unless the appellant can demonstrate that 1) the enforcement of the order would cause irreparable harm to the carrier, and 2) that holding the order in abeyance will not jeopardize the interests of the public in health, safety, or welfare.

6. 911 Surcharge of Wireless Service

One issue that may be before the Legislature in 1999 will be whether to assess 911 surcharges to both cellular and personal communications services (PCS) customers. Currently, pursuant to statutory mandate, cellular customers pay monthly surcharges to support the Nebraska Relay System. However, no such statutory mandate exists to fund 911 centers. This has been noticed to be a significant amount of untapped revenue for the emergency centers, and some have advocated to the Commission that wireless customers should also be required to pay 911 surcharges as they place a significant percentage of the emergency calls.

Part V

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Applications and Tariffs

The Commission received a total of 254 applications during the period of July 1, 1997, to June 30, 1998. One of the principal reasons for this activity was passage of the Telecommunications Act of 1996, which prompted telecommunications providers to apply for local certification and to begin negotiation procedures to determine the terms and conditions of their market entry. During this period, 13 applicants filed for local certification and 16 requests for approval of negotiated interconnection agreements or adoption of Commission-approved interconnection agreements were received.

Following is a summary of applications filed with the Commission during this period:

| Type of Application | Number Filed |
|------------------------|--------------|
| Local Certification | 13 |
| Reseller Certification | 71 |
| Amend Certification | 61 |
| Cease and Desist | 6 |
| Boundary/LEC | 7 |
| Boundary/Customer | 0 |
| Depreciation | 2 |
| Rate Increase/LEC | 4 |
| Loan | 4 |
| Commission Initiated | 11 |
| EAS | 51 |
| Interconnection | 16 |
| Other | 8 |
| TOTAL | 254 |

Over 600 tariff filings were filed with the Commission; therefore, they have been omitted from this year's report. Individual applications and tariff listings can be obtained upon request.