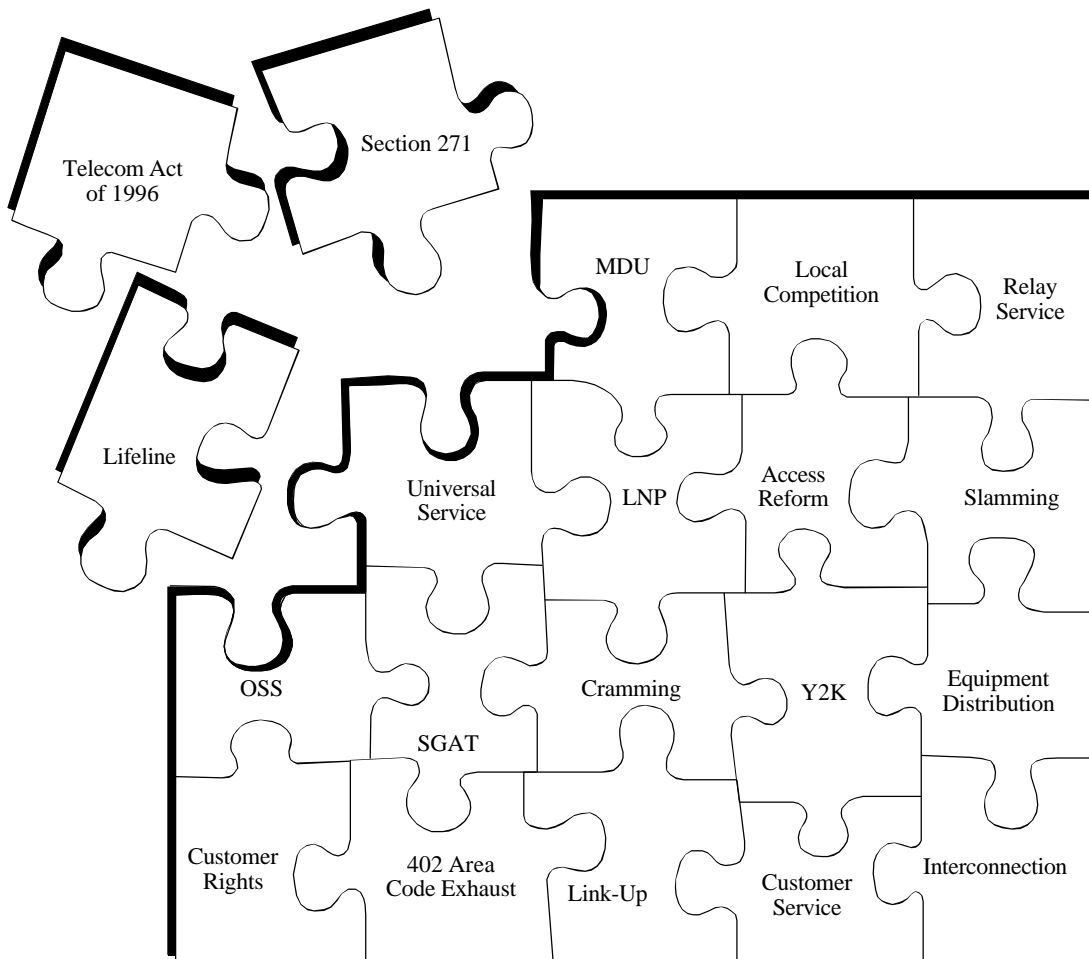


NEBRASKA PUBLIC SERVICE COMMISSION



1999 ANNUAL REPORT ON TELECOMMUNICATIONS

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

NEBRASKA PUBLIC SERVICE COMMISSION

September 30, 1999

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1999 ANNUAL REPORT TO THE LEGISLATURE

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Tami Ganshorn - Secretary

September 30, 1999

From the Chairman:

I welcome this opportunity to provide you with the 1999 Annual Telecommunications Report of the Nebraska Public Service Commission. The unique cover design portends the vast amount of data compiled on the telecom industry in our state. It also includes reports on many of this Commission's activities and stresses our sensitivity to serving the consumer's needs as we introduce competition to local telecommunications markets.

The millennium 2000 is at hand. It is breathtaking to consider the changes which have evolved in the last 1,000 years, the last 100 years, 10 years or even in the most recent several months, days or even hours. There is no more dramatic context of change than that we have all experienced in telecommunications. The effects have touched every segment of the industry (equipment, infrastructure, personnel, marketing and services). The Telecommunications Act of 1996 and supplemental state legislation have added new dimensions to regulatory oversight and philosophy. Consumer choice, the availability of advanced technology and quality of service are all expected and dictated as the norm in this new era of global communications.

Telecommunications is no longer just basic telephone service. Now we have portable and global e-mail addresses and free web space. Cellular phones are replacing public phones and beepers, which in turn are being replaced by wireless PCS units which may be replaced by emerging satellite services. Explosive advances in digital technology are permitting transmission of voice, video and data through not only basic copper lines, but also fiber optic and coaxial cable, as well as wireless at transmission rates that will support high-speed Internet access. In this new and emerging global market, telecommunications companies are re-engineering themselves to be competitive in the new environment. The increased tempo of industry mergers, acquisitions, expansions and alliances will undoubtedly continue into the future and will require careful regulatory scrutiny.

With the offering of bundles of services in response to vigorous competition, there will be a distinct need for consumer protection and regulatory oversight. Issues such as over-aggressive or misleading marketing practices, fair and accurate billing procedures, privacy, security, accessibility to services, assurance of competitive markets, abuse of consumer trust and quick response to consumer service quality problems will surely occupy future Commission agendas.

The special challenge to industry leaders, legislative policy makers, regulators and consumers in Nebraska is to be innovative in developing an infrastructure sufficient to meet both urban and rural information technology needs and opportunities. We all must support and promote the good life in Nebraska and supplement it with the benefits to commerce, education and health care that can be realized through advanced communications technology. I take great pride in the work reflected in this report and appreciate the dedication of fellow Commissioners and staff during these tumultuous times in the telecommunications industry. Your comments, questions and suggestions concerning our programs or this report are always welcome. This entire report is available on our website at <http://www.nol.org/home/NPSC>.

Sincerely,

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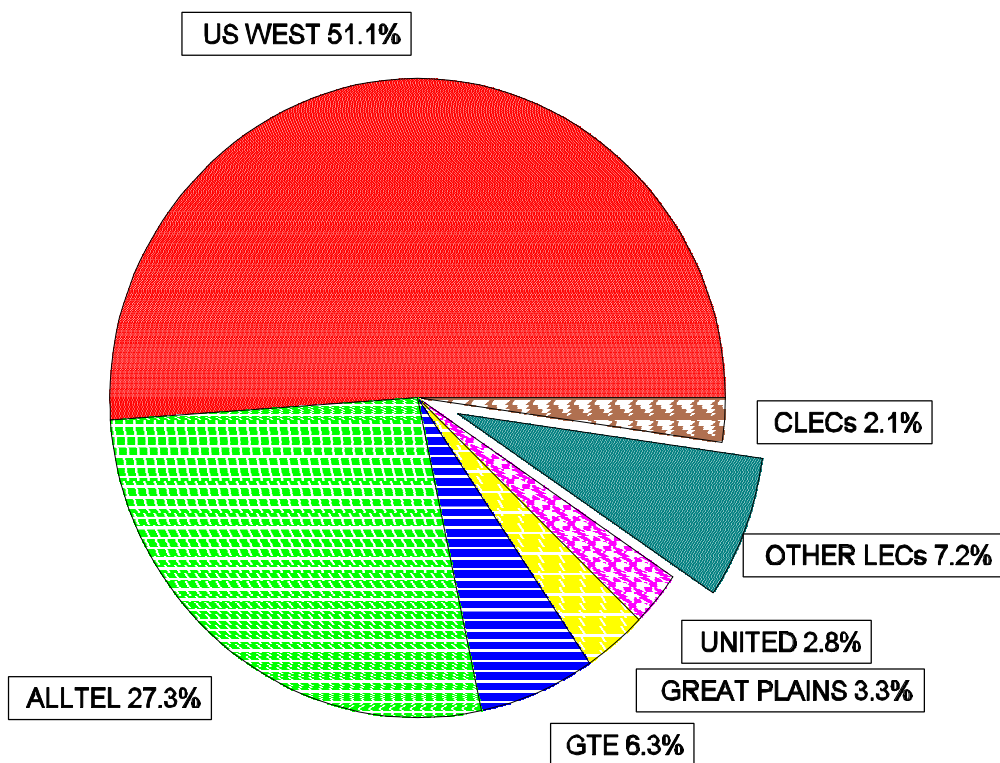
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ACCESS LINE DATA			
January 1, 1999			
COMPANY	ACCESS LINES		
	BUS.	RES.	TOTAL
US WEST*	162909	366035	529332
ALLTEL	80807	192017	283089
GTE	19948	38739	65194
GREAT PLAINS	7234	26075	33910
SPRINT/UNITED	8857	19630	28680
COX TELECOM II	501	11014	11515
NEBRASKA CENTRAL	1596	7300	8964
BLAIR	1517	5485	7258
HAMILTON	1986	4531	6571
ALLTEL-NEBRASKA CLEC.	3756	876	4632
FIRSTEL	2665	1743	4408
SOUTHEAST NEBRASKA	925	3380	4377
NORTHEAST NEBRASKA	661	3576	4302
NEBCOM	516	2534	3097
COZAD	733	2308	3078
EASTERN NEBRASKA	828	2092	3041
CONSOLIDATED	726	2272	3030
GLENWOOD	278	2519	2797
ARAPAHOE	540	2083	2623
PIERCE	404	1531	1949
CONSOLIDATED TELCO	357	1253	1619
HARTINGTON	533	1060	1597
DALTON	310	1003	1321
HOOPER	277	1008	1305
CAMBRIDGE	345	923	1268
THREE RIVER	228	1025	1259
BENKELMAN	310	858	1200
PLAINVIEW	236	928	1185
STANTON	278	866	1159
ROCK COUNTY	253	785	1080
ARLINGTON	136	930	1070
HENDERSON	279	775	1054
CLARKS	137	850	991
HEMINGFORD	153	779	932
DILLER	111	804	926
HOME	112	749	871
HERSHEY	162	686	848
CURTIS	199	620	838
K&M	120	525	667
KEYSTONE-ARTHUR	72	589	661
WAUNETA	136	509	658
NT&T	379	161	540
EUSTIS	87	405	497
HARTMAN	3	438	441
ELSIE	41	176	221
AT&T	182	N/A	182
SODTOWN	4	85	89
TOTAL	302827	714530	1036326

*Total US West access lines include 4,400 resold lines, which are also included into the CLEC totals

ACCESS LINES - 1998

State of Nebraska



Note: Wireless access lines represent 394,045 lines in addition to the access lines represented above

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.

COMPLAINTS	1997-1998 Complaints	1997-1998 Complaint Percentage	1998-1999 Complaints	1998-1999 Complaint Percentage
LECs	289	42.8%	448	43.5%
IXCs	386	57.2%	583	56.5%
TOTAL	675	100.0%	1031	100.0%

Complaints were separated into the following categories:

COMPLAINTS	7/01/95 6/30/96	7/01/96 6/30/97	7/01/97 6/30/98	7/01/98 6/30/99
Service	310	158	114	273
Billing	222	178	204	431
800/900	7	11	9	10
Miscellaneous	129	116	184	167
Slammed	66	65	148	137
Disconnect	16	9	15	10
Cellular	3	1	1	3
TOTAL	753	538	675	1031

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. Incumbent Local Exchange Carriers (ILECs)

There are 42 incumbent local exchange carriers in Nebraska (including the cooperative telephone companies). US West is the largest LEC with 529,332 access lines, while Sodtoun Telephone Company has only 89 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 ALLTEL (formerly known as Aliant Communications Co.).

ILECs	97-98 Complaints	97-98 Access Lines	97-98 Percent of Total Lines	98-99 Complaints	98-99 Access Lines	98-99 Percent of Total Lines
US West	171	525,212	53.1%	242	529,332	51.1%
ALLTEL	63	273,008	27.6%	88	283,089	27.3%
GTE of the Midwest	22	56,788	5.7%	14	65,194	6.3%
Great Plains	3	33,092	3.3%	12	33,910	3.3%
United Tel.	10	28,197	2.9%	13	28,680	2.8%
Others	20	73,134	7.4%	79	96,121	9.3%
TOTAL	289	989,431	100.0%	448	1,036,326	100.0%

B. Interexchange Carriers (IXCs)

The number of long distance companies certificated to operate continues to grow. Currently, there are approximately 300 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	1998-99 Complaints
AT&T	106
MCI	169
Sprint	33
Minimum Rate Pricing	21
Qwest/LCI	39
Excel	43
Misc.	172
TOTAL	583

C. Formal Complaints

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

FC-1270 William and E.L. Neater v. US West Communications, Inc.

William and E.L. Neater of Wood River, Nebraska, filed a formal complaint alleging that US West misquoted construction charges. The Neaters contend that US West quoted them a relatively minor charge for phone service on property they were attempting to purchase. After closing on the property, the Neaters were presented with a bill from US West for over \$7,000 to extend phone service to the property. A hearing in this matter was held on August 11, 1999. This matter is pending at the time of this publication.

FC-1269 Gary Jacobsen, Scott Jacobsen, Steve Gall and Steve Medina v. Aliant Communications Co.

Gary Jacobsen, Scott Jacobsen, Steve Gall and Steve Medina of Garland, Nebraska, filed a formal complaint against Aliant for charges related to the construction of telephone lines to their residences. Aliant proposed charging a reduced rate for extending its facilities to the complainants' homes. The complainants rejected this offer and proposed a number of other solutions designed to reduce the cost of extending Aliant's facilities, which Aliant refused. A request was made to hold the complaint to allow the parties to negotiate a solution. Negotiations between the parties led to an eventual settlement and dismissal of the formal complaint.

FC-1268 Jeff Swanson v. MCI Communications

Jeff Swanson filed a formal complaint against MCI concerning marketing and billing practices. Mr. Swanson found his telephone bill included excessive charges from MCI after his account with MCI had been mistakenly terminated. A hearing was held in this matter on June 23, 1999. On August 17, 1999, after both parties had reached a settlement, the Commission dismissed the complaint upon Mr. Swanson's motion.

FC-1266 US West Communications, Inc. v. ICG Communications, Inc. and NetCom On-Line Communications, Inc.

US West filed a formal complaint against ICG and NetCom requesting a declaratory ruling that US West's Access Service Catalog applies to ICG's intrastate interexchange services. At issue in the complaint is whether Internet Protocol (IP) telephony may be subjected to intrastate access charges. The complaint was dismissed, and this issue will be addressed in Docket C-1960, which is scheduled for hearing on October 22, 1999.

FC-1265 BWTelcom Long Distance and Nebraska Technology & Telecommunications, Inc. (NT&T) v. Excel Telecommunications, Inc.

BWTelcom and NT&T filed a formal complaint against Excel alleging that Excel wrongfully continued to bill customers of BWTelcom and NT&T after those customers discontinued service with Excel. After negotiating a mutually-agreeable solution, the parties asked the Commission to dismiss the complaint. The complaint was subsequently dismissed.

D. Relay System Complaints

Consumer complaints related to the relay system totaled 26 for the 1998-99 fiscal year, as compared to 30 in 1997-98. Of the 26 complaints received, nearly 81 percent involved Communications Assistants (CA) related issues. The "CA Other" category in the table below consists of five complaints relating to ASCII transmission (PC-based TTYs) calls which resulted in frequent disconnects to the user, three complaints due to inadvertent CA disconnect and one complaint related to CA "crosstalk."

Type of Complaint	Total Number
Network - Appl. Software	5
Network - Infrastructure	0
CA# Dialed	1
CA Spelling	0

Type of Complaint	Total Number
CA Speed	1
CA Staffing	8
CA Etiquette	2
CA Other	9
TOTAL	26

2. Service Testing

The Commission ensures Nebraskans are receiving quality telecommunications service by reviewing periodic reports showing levels of service and from 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 1998, 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 continues to work with US West, Omaha Public Power District and Fox/Channel 42 to resolve noise on the line and other interference problems experienced by telephone customers who live near Gretna. Similar coordinated testing was performed at a pumping station in Lincoln County to assist both Curtis Telephone Company and McCook Public Natural Gas Power in resolving a power influence problem affecting some Curtis area customers. Another problem currently under investigation is interference suspected to be originating from a substation in south central 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

One of the goals of the Federal Telecommunications Act was to promote competition while still maintaining quality service at affordable rates. Three and-a-half years after the Act was passed, competitive local carriers now serve approximately 2 percent of the state's access lines. In addition, cable companies are providing basic telephone service, wireless providers are serving 28 percent of the combined wireline and wireless market, and we have experienced a growth in the availability of local Internet access and enhanced services. Nebraskans in 97 percent of the households still enjoy basic telephone service.

The convergence of technologies, the sharing of networks, the affordability of rates and industry structure changes have resulted in a number of issues raised through the many dockets before the Commission. These issues have been the subject of a great deal of study, hearings, debate, Commission investigations and litigation. Addressed further below are some of the major issues in which the Commission has been involved.

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

Section 271 of the Federal Telecommunications 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 Federal Communications Commission (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 in January of 1984. 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. In April, the Commission found that US West satisfied eight of the fourteen checklist points. US West filed additional evidence pertaining to four of the remaining six checklist points in August 1999, and a hearing was held in early September 1999.

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

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.

The Commission issued its findings and conclusions regarding the issues on January 13, 1999. On June 2, 1999, the Commission established the initial Universal Service Fund surcharge at 6.95 percent, beginning on July 1, 1999. A series of public hearings were held throughout the state on July 6-8, 1999, to address the local rate increases. All incumbent local exchange carriers were required to submit local rate transition plans for Commission approval by April 30, 1999, and both the access charge plans and local rate plans were approved in part by the Commission on August 3, 1999. The Commission is now reviewing the proposed toll rate reductions filed by long distance carriers in this proceeding.

Technology Workshops (Docket C-2067)

The telecommunications industry has undergone an extensive transformation over recent years. New technologies and diversified methods of providing service have changed the role government plays in regulating the industry. In light of these changes, the Commission opened an investigative docket to keep pace with and to better understand the changing conditions of the industry. Through a series of workshops, held periodically from mid-July to early-October, industry representatives and other experts offered presentations on various communications technologies. Among the subjects of the presentations were: the traditional voice network and enhancements to the network; wireless technologies; telephony and the broadband cable network; the Internet and voice over the Internet; and convergence issues.

Aliant-ALLTEL Merger (Docket C-2016)

In March, Aliant Communications, Inc. of Lincoln, Nebraska, announced a proposed merger with ALLTEL Corporation of Little Rock, Arkansas. The Commission opened a docket to investigate the impact of the Aliant/ALLTEL merger. After soliciting comments from interested parties, the Commission held a public hearing in April 1999 to receive additional feedback about the merger and subsequently released its findings on June 8, 1999.

Under the pertinent statutes and rules and regulations, the Commission found that it did not have the authority to approve, modify, condition or deny the merger. Because Aliant provides service through its subsidiaries, the merger did not directly involve a regulated entity and therefore fell outside the Commission's jurisdiction.

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 determined 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 pay stations, 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 released its PIP policy on September 21, 1998, determining that Nebraska does have a need for PIPs and issued an order on December 7, 1998, clarifying that policy.

Access to Multiple Dwelling Units (Docket C-1878)

Cox Nebraska Telcom, LLC 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 this docket to examine this issue and develop a policy to apply to all carriers. Pursuant to the opening of this docket, Cox dismissed its complaint.

After receiving comments from numerous interested parties and holding a hearing, the Commission stated its MDU policy in a March 2, 1999, order. The policy adopted was designed to foster competition while simultaneously providing MDU residents a realistic opportunity to select their preferred telecommunications provider. In June, US West gave notice to the Commission of its intention to appeal this order to the Nebraska appellate courts. The issue is currently awaiting review by the Nebraska Supreme Court.

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 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 Commission opened this docket upon its own motion to determine the universal service needs of Nebraska from the federal fund. Through this 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. However, before the Commission could take further action in this docket, the FCC selected a hybrid cost model to determine the level of federal universal service support in Nebraska, which was different than the model chosen by the Commission. Therefore, the Commission found it unnecessary to modify any previous findings.

Internet Service Provider Traffic (Docket C-1960)

Since the enactment of the Telecommunications Act of 1996, the Commission has approved a number of interconnection agreements between incumbent local exchange carriers and competitive local exchange carriers. Generally, these interconnection agreements detail the terms and conditions for the exchange of local traffic, including the payment of reciprocal compensation. However, an issue still unresolved is whether to characterize Internet Service Provider (ISP) traffic as local traffic for purposes of payment of reciprocal compensation.

In September 1999, the Commission transferred other Internet-related issues to Docket C-1960 so that the Commission can examine the various issues in context with one another. Among these issues is whether Internet Protocol (IP) telephony may be subjected to intrastate access charges. A hearing is scheduled on these issues for late October 1999.

US West Rate Rebalancing (Docket C-1874)

US West filed an application seeking authority to increase its residential basic local exchange rates in conjunction with a reduction in access charges. Nebraska statutes establish a two-part test which such applications must satisfy in order for a rate increase to gain Commission approval: 1) a company's aggregate revenue must not increase by more than one percent; and, 2) the proposed rates must not exceed the actual cost of providing the affected services. After receiving extensive testimony, the Commission found that US West satisfied each requirement and the rate increases were approved. The rate rebalancing resulted in the residential basic local rate charged by US West being set at \$18.15 per month on primary lines, an increase of \$1.80 per month. Revenue generated by the increase was offset by a reduction in US West's access charges to long distance carriers.

Y2K Survey

In response to concerns about Y2K readiness, especially among telecommunication carriers, the Commission conducted a survey of all telecommunications carriers in the state to determine these carriers' preparedness for the new millennium. The potential for problems is magnified by the unique degree of interconnectivity and interdependency of the telecommunications industry. Data, video and voice transmissions are initiated by hundreds of millions of persons each day over the domestic infrastructure. Because of the interconnection of traditional voice communication and data transmission over telephone lines, any Y2K failures could affect any number of industries dependent on wire-line data transmission.

The survey consisted of a self-assessment questionnaire which sought information on awareness, testing, remediation and contingency planning by telecommunication carriers. The survey results indicated that the carriers are aware of the potential Y2K problems and are taking active steps to address the Y2K challenge in two ways. First, telecommunication companies are preparing inventories and remediation plans, as well as testing and monitoring potentially-affected components and systems. Second, most major telecommunications companies in the state are developing contingency plans and continuity-of-procedure steps to protect themselves against random failures and disruptions that could occur upon the advent of the new year. All survey respondents were already Y2K compliant or expected to be compliant by the end of the year.

Sale of US West and GTE Exchanges

In June 1999, US West agreed to sell a number of its rural exchanges to Citizens-Nebraska. Included among the exchanges are Valentine, Ainsworth and Silver Creek. In September 1999, GTE also announced that it would sell all of its 58,723 customer access lines to Citizens. Citizens-Nebraska is a subsidiary of Citizens Utilities of Stamford, Connecticut. Citizens provides telecommunications services to customers in 13 states. Through its subsidiaries, Citizens also provides gas, electric, water and wastewater treatment in several states. If approved, the sale of the US West and GTE exchanges would make Citizens the third largest local exchange carrier in the state.

Qwest-US West Merger

In July 1999, US West announced that it would merge with Qwest Communications of Denver, Colorado. Qwest is a facilities-based multimedia communications service provider and currently offers interexchange services in Nebraska. As a Regional Bell Operating Company (RBOC), US West is prohibited from providing in-region interLATA service until it meets certain obligations under federal law. As a condition of the merger, Qwest has agreed to cease providing any interLATA services it currently offers in the 14-state US West region. If approved, Qwest would control the largest local exchange carrier in the state.

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 received new or extended authority during the 1998-99 fiscal year to provide local service in the corresponding territories in Nebraska:

Carrier	Territory to be Served	Granted Authority
ALLTEL-Nebraska CLEC	Statewide	03/10/97 07/07/98
Cable USA, Inc.	US West, GTE, ALLTEL	11/24/98
Compass Telecommunications, Inc.	US West, GTE, ALLTEL	05/04/99
DSLnet Communications, LLC	Statewide	06/15/99
Digital Teleport, Inc.	US West, ALLTEL	12/15/98
EZ Phone Connections	US West, ALLTEL, GTE	08/04/98 02/09/99
JATO Operating Corp.	ALLTEL, GTE, US West, Sprint United	02/17/99 05/12/99
Level 3 Communications, Inc.	ALLTEL, GTE, US West, Sprint United	12/22/98
McLeodUSA Telecommunications Services, Inc.	US West, ALLTEL	01/13/99
Tracy Corporation II	Statewide	12/22/98 04/14/99

There are currently 34 carriers who have received certificates of public convenience and necessity to provide competitive local exchange services in Nebraska. However, not all 34 carriers are currently offering local service in Nebraska.

B. Interconnection Agreements

Under the Act, a company wanting to compete with a LEC needs to enter into an interconnection agreement with the LEC in whose territory it wishes to offer service. A company may reach an interconnection agreement with a LEC in one of three ways: 1) It may voluntarily negotiate an interconnection agreement; 2) Request adoption of a Commission-approved interconnection agreement in accordance with Section 252(i) of the Act; or 3) Ask for mediation or arbitration if voluntary negotiations are not successful at reaching a mutually-acceptable interconnection agreement. 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: 1) voluntarily-negotiated interconnection agreements; 2) Section 252(i) interconnection agreements; and 3) arbitrated interconnection agreements.

3. Central Office Data

Quality telecommunications services are dependent upon the condition and type of equipment telephone companies utilize. By year end 1998, all telephone companies in Nebraska had 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
1996-97	40	33	8	6	0	12
1997-98	98	33	12	4	4	13
1998-99	90	43	6	3	3	11

	Total Service Outages	Total Affected Access Lines	Avg. No. Of Access Lines Affected per Outage
1996-97	99	244,899	2,474
1997-98	164	199,900	1,219
1998-99	156	225,248	1,444

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.

As of July 1, 1999, all Nebraska telephone companies offered their customers what is known as a "2 PIC" choice. All Nebraska customers may elect to choose not only their intraLATA long distance provider, or local long distance company, but their interLATA provider as well. In the past, ALLTEL (formerly known as Aliant Communications Co.) carried all long distance calls made within the southern portion of the 402 area code and US West carried such calls in the northern part of the 402 area code plus calls made within the 308 area code. This revision fully opens intraLATA long distance markets to competition and attempts to provide the choice of providers which the Telecommunications Act of 1996 has directed.

6. Telecommunications Relay System

The Relay System allows deaf, hard of 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. In 1998, the surcharge was reduced to 6 cents, and it was reduced to its current level of 5 cents in 1999 and will remain at that level for 2000.

In 1995, the Legislature created the Nebraska Equipment Distribution Program which enables qualifying deaf, hard of hearing and/or speech-impaired 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, deaf, hard of hearing and/or speech-impaired consumers. Since the

program was initiated in April 1996, over \$175,000 has been spent on specialized telecommunications equipment for low income individuals.

Recent Developments in Telecommunications Relay Services - State Level

- 1) Effective with the 1999 Nebraska legislative session, LB 359 resulted in the income guidelines being eliminated for the Nebraska Equipment Distribution Program. Individuals applying for the program now only have to provide a professional's certification of the individual's impairment.
- 2) Hamilton Telecommunications and the Commission are evaluating the possibility of providing Turbocode for relay users before year end 1999. Turbocode is an enhanced transmission protocol that sends and receives as fast as you type versus the older Baudot code. The older Baudot code has a maximum 60 words per minute with no allowances for interruptions. Turbocode technology allows the CA to transmit over 100 words per minute. There are currently 12 state relays that provide Turbocode to their consumers.
- 3) 711 issues are being explored to encourage greater utilization of the relay for all users. 711 is an abbreviated dialing arrangement to facilitate more efficient access to the state relay facility.
- 4) To increase greater responsiveness for handling relay calls, traffic during peak periods began to overflow to the Louisiana Relay Center beginning March 1999.

Recent Developments in Telecommunications Relay Services - Federal Level

- 1) Federal Communications Commission (FCC) Order on Telecommunications Accessibility.

On July 14, 1999, the FCC implemented rules and policies on Section 255 and Section 251(a) (2) of the Communications Act of 1934. These rules require manufacturers of telecommunications equipment and providers of telecommunications services to ensure that such equipment and services are accessible to and useable by persons with disabilities, if readily achievable.

Statistically, most Americans will experience some type of disability or functional limitation in their lifetime. While 5.3 percent of persons 15-24 years of age have some kind of functional limitation, 23 percent of persons in the 45-54 age range experience functional limitation. The higher age groups indicate that functional limitation increases with age: 34.2 percent functional limitation for those aged 55-64; 45.4 percent for those aged 65-69; 55.3 percent for those aged 70-74; and 72.5 percent for those aged 75 and older.

The following is a summary of the rules:

- Adopted rules based on the Access Board guidelines, with a few exceptions.
- Required manufacturers and service providers to ensure accessibility of their products and services to persons with disabilities, if readily available. Manufacturers and service providers must develop a process to evaluate accessibility, usability and compatibility of the covered services and equipment as early and consistently as possible throughout product design.
- Requires information and documentation to be accessible to persons with disabilities, if readily achievable.
- Adopted the Americans with Disabilities Act (ADA) definition of disability in its entirety.
- Adopted a definition of accessibility which incorporates the list of ways in which the functions of a product should be made accessible.
- Adopted criteria for determining compatibility.
- Consistent with ADA, readily-achievable will be made on a case-by-case basis considering factors which include: 1) the cost of the action; 2) the nature of the action; and 3) the overall resources available to the entity.
- Determined that Section 255 applies to the design and production of each individual product and service offered by a manufacturer and service provider.
- Required universal deployment of those products and services with modest accessibility features.
- Pursuant to Section 251(a)(2), a telecommunications carrier may not install network features, functions or capabilities that do not comply with accessibility rules.
- Telecommunications equipment and customers' premises equipment include software integral to the equipment's operation.
- Accessibility applies also to providers of voicemail and interactive menus and the manufacturers of telecommunications equipment and customer-provided equipment (CPE) which performs those functions.
- Adopted an informal complaint procedure where manufacturers and service providers have 30 days to resolve a consumer's complaints or concerns and respond to the FCC. The FCC may escalate the complaint further to determine compliance.
- Requires manufacturers and service providers to establish a contact mechanism for handling accessibility-related concerns and complaints.

- 2) Update on NPRM CC Docket 98-67 issued May 20, 1998, “In the Matter of Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities.”

On January 14, 1997, the 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 FCC 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 that service. 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, with reply comments due September 14, 1998. A report and order is tentatively due out by the FCC by year end 1999.

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 only 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 Communications Assistants (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 specifically 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 different languages, including Spanish language and American Sign Language (ASL) services. The tentative conclusion by the FCC is that its 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, commenters 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**

Month	Calls	Minutes	Converted Minutes	Average Minutes Per Call	Monthly Cost		Surcharge Revenue at \$.05	Surcharge Revenue at \$.06	Surcharge Revenue at \$.07	Surcharge Revenue at \$.08	Surcharge Revenue at \$.10
					TRS Program	Equipment Program					
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
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		

**Nebraska Relay System
Usage Statistics**

Month	Calls	Minutes	Converted Minutes	Average Minutes Per Call	Monthly Cost		Surcharge Revenue at \$.05	Surcharge Revenue at \$.06	Surcharge Revenue at \$.07	Surcharge Revenue at \$.08	Surcharge Revenue at \$.10
					TRS Program	Equipment Program					
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		
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		81,084			
Feb	17,105	111,317	123,244	6.51	65,438	951		78,671			
Mar	20,712	137,052	137,052	6.62	79,940	4,986		79,603			
Apr	18,662	117,377	121,290	6.29	65,872	2,011		80,797			
May	17,831	110,088	110,088	6.17	62,894	2,804		81,037			
Jun	18,419	119,269	123,244	6.48	68,129	1,082		81,524			
Jul	18,930	123,015	123,015	6.50	68,606	3,300		82,038			
Aug	18,938	126,101	126,101	6.66	72,002	1,119		82,480			
Sep	18,052	117,064	120,966	6.48	67,150	6,311		82,826			
Oct	18,864	119,203	119,203	6.32	67,746	1,505		83,265			
Nov	17,722	114,304	118,114	6.45	65,028	4,455		83,333			
Dec	18,065	119,099	119,099	6.59	67,336	1,244		83,934			
Jan 99	18,028	119,766	119,766	6.64	68,363	3,563	72,321				
Feb	17,829	116,366	128,834	6.53	67,292	5,282	72,718				
Mar	19,203	128,518	128,518	6.69	75,648	108	72,479				
Apr	18,267	116,614	120,502	6.38	68,127	7,296	72,652				
May	18,481	118,266	118,266	6.40	68,090	1,575	73,246				
Jun	19,269	124,745	128,903	6.47	71,052	202	73,159				

7. 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. The Commission recently amended its rules and regulations relating to EAS and is awaiting approval of such changes from the Governor. Some of the major changes to the current rules include:

- 1) A petition seeking to establish EAS must contain the signatures of 25 percent of an exchange's accounts or 750, whichever is less. Under the old rules, signatures from 15 percent of an exchange's customers or 750 were needed.
- 2) To determine if sufficient traffic exists to establish EAS, certain criteria must be met in at least two of the three most recent months for which data is available. The old rules provided that the criteria must be met in all three months.
- 3) The new rules allow for a telephone exchange to file an Optional Enhanced Area Calling Plan (OEACP).
- 4) Informational meetings must be held in the petitioning exchange to inform the public of the rates for EAS and to assess the public's interest in receiving EAS.
- 5) Following an unsuccessful attempt at implementing EAS, additional attempts are barred for 12 months, rather than 24 months as stated in the old rules.
- 6) When put to a vote, EAS must receive the support of more than 50 percent of those voting. The previous rule required support from more than 50 percent of the customers eligible to vote.

Since July 1998, EAS petitions have been filed by residents of the following communities:

<u>Petitioning Exchange(s)</u>	<u>Community Requested in the EAS Petition</u>
Arlington & Blair	Omaha & Fremont
Fremont	Cedar Bluffs
Huntley & Ragan	Wilcox
Malmö & Weston	Wahoo

Of the four petitions filed with the Commission for EAS, one was granted, one was dismissed after introduction of an enhanced local calling plan and two are still pending.

8. 911 Information

The increased use of 911 service by wireless customers exacerbates the need for emergency service providers to identify locations of these users to respond 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 Enhanced 911 (E-911) service to emergency service agencies within six months of a request date. In 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.

Phase II of the FCC's mandate pertains to the implementation of the Commission's wireless E-911 Automatic Location Identification (ALI) requirements. The deadline for filing comments on the ALI requirements was July 2, 1999.

For further information on these issues, contact Mindy Littell or Dan Grosh at the Wireless Telecommunications Bureau, Policy Division, at (202) 418-1310.

911/E-911 Information - 1998

Exchange	Company	911	E-911	Monthly Surcharge	Monthly Revenue	PSAP	Interlocal Agreement
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Adams	ALLTEL		X	0.50	314.46	Beatrice	No
Alexandria	ALLTEL		X	0.50	77.41	Hebron	No
Ashland	ALLTEL		X	0.50	1,203.19	Wahoo	No
Auburn	ALLTEL		X	0.50	1,342.69	Auburn	No
Avoca	ALLTEL		X	1.00	168.96	Plattsmouth	No
Barneston	ALLTEL		X	0.50	102.10	Beatrice	No
Beatrice	ALLTEL		X	0.75	6,172.84	Beatrice	No
Beaver Crossing	ALLTEL		X	1.00	400.84	Seward	No
Bellwood	ALLTEL		X	1.00	411.34	David City	No
Benedict	ALLTEL		X	0.50	121.96	York	Yes
Bennet	ALLTEL		X	0.50	296.58	Lincoln	No
Bradshaw	ALLTEL		X	0.50	128.58	York	Yes
Brainard	ALLTEL		X	1.00	394.57	David City	No
Brock	ALLTEL		X	0.50	67.86	Auburn	No
Brownville	ALLTEL		X	0.50	99.37	Auburn	No
Bruning	ALLTEL		X	0.50	152.42	Hebron	No
Bruno	ALLTEL		X	1.00	211.10	David City	No
Burchard	ALLTEL		X	0.60	112.66	Tecumseh	Yes
Burr	ALLTEL		X	0.50	57.12	Nebraska City	No
Carleton	ALLTEL		X	0.50	61.06	Hebron	No
Cedar Bluffs	ALLTEL		X	0.50	250.42	Wahoo	No
Ceresco	ALLTEL		X	0.50	287.43	Auburn	No
Clatonia	ALLTEL		X	0.50	164.04	Beatrice	No
Clay Center	ALLTEL		X	0.50	318.40	Clay Center	No
Colon	ALLTEL		X	0.50	66.81	Wahoo	No
Cook	ALLTEL		X	0.50	163.56	Tecumseh	No
Cordova	ALLTEL		X	1.00	137.98	Seward	No
Cortland	ALLTEL		X	0.50	178.44	Beatrice	No
Crab Orchard	ALLTEL		X	0.50	37.59	Tecumseh	No
Crete	ALLTEL		X	0.50	1,637.79	Crete	No
Davenport	ALLTEL		X	0.50	167.32	Hebron	No
Davey	ALLTEL		X	0.50	189.93	Lincoln	No
David City	ALLTEL		X	1.00	1,878.16	David City	No
Dawson	ALLTEL		X	0.50	106.92	Tecumseh	Yes
Daykin	ALLTEL		X	1.00	224.60	Fairbury	No
Denton	ALLTEL		X	0.50	188.29	Lincoln	No
Deweese	ALLTEL		X	0.50	65.14	Clay Center	No
DeWitt	ALLTEL		X	0.50	234.96	Wilber	Yes
Dorchester	ALLTEL		X	0.50	227.22	Wilber	Yes
Douglas	ALLTEL		X	0.50	99.76	Nebraska City	No
DuBois	ALLTEL		X	0.60	92.92	Tecumseh	Yes
Dunbar	ALLTEL		X	0.50	140.73	Nebraska City	No
Dwight	ALLTEL		X	1.00	193.30	David City	No
Eagle	ALLTEL		X	0.50	410.62	Lincoln	No
Edgar	ALLTEL		X	0.50	203.19	Clay Center	No
Elk Creek	ALLTEL		X	0.50	140.00	Tecumseh	Yes
Elmwood	ALLTEL		X	1.00	375.46	Plattsmouth	No
Exeter	ALLTEL	X		0.50	245.08	Geneva	No
Fairbury	ALLTEL		X	1.00	3,192.74	Fairbury	No
Fairfield	ALLTEL		X	0.50	167.22	Clay Center	No
Fairmont	ALLTEL	X		0.50	222.44	Geneva	No

911/E-911 Information - 1998

Exchange	Company	911	E-911	Monthly Surcharge	Monthly Revenue	PSAP	Interlocal Agreement
Filley	ALLTEL		X	0.50	136.13	Beatrice	No
Firth	ALLTEL		X	0.50	214.54	Lincoln	No
Friend	ALLTEL		X	0.50	421.57	Wilber	Yes
Garland	ALLTEL		X	1.00	191.36	Seward	No
Geneva	ALLTEL	X		0.50	906.01	Geneva	No
Glenvil	ALLTEL		X	0.50	164.79	Clay Center	No
Greenwood	ALLTEL		X	0.50	151.37	Lincoln	No
Gresham	ALLTEL		X	0.50	127.64	York	Yes
Guide Rock	ALLTEL	X		0.00	0.00	Guide Rock	No
Hallam	ALLTEL		X	0.50	106.25	Lincoln	No
Grafton	ALLTEL	X		0.50	68.41	Geneva	No
Hansen	ALLTEL		X	0.50	151.70	Hastings	Yes
Hardy	ALLTEL		X	0.50	68.34	Nelson	No
Harvard	ALLTEL		X	0.50	279.41	Clay Center	No
Hastings	ALLTEL		X	0.50	7,223.00	Hastings	Yes
Hebron	ALLTEL		X	0.50	675.54	Hebron	No
Hickman	ALLTEL		X	0.50	383.14	Lincoln	No
Humboldt	ALLTEL		X	0.50	426.80	Tecumseh	Yes
Ithaca	ALLTEL		X	0.50	75.46	Wahoo	No
Jansen	ALLTEL		X	1.00	155.86	Fairbury	No
Johnson	ALLTEL		X	0.50	180.32	Auburn	No
Julian	ALLTEL		X	0.50	40.72	Auburn	No
Juniata	ALLTEL		X	0.50	310.16	Hastings	Yes
Kenesaw	ALLTEL		X	0.50	250.25	Hastings	Yes
Liberty	ALLTEL		X	0.50	86.44	Beatrice	No
Lincoln	ALLTEL		X	0.50	65,224.79	Lincoln	No
Louisville	ALLTEL		X	1.00	930.70	Plattsmouth	No
Malcolm	ALLTEL		X	0.50	239.15	Lincoln	No
Martell	ALLTEL		X	0.50	156.70	Lincoln	No
McCool Junction	ALLTEL		X	0.50	193.35	York	No
Mead	ALLTEL		X	0.50	225.43	Wahoo	No
Milford	ALLTEL		X	1.00	1,462.36	Seward	No
Milligan	ALLTEL	X		0.50	142.23	Geneva	No
Murdock	ALLTEL		X	1.00	224.55	Plattsmouth	No
Murray	ALLTEL		X	1.00	935.04	Plattsmouth	No
Nebraska City	ALLTEL		X	0.50	2,363.95	Nebraska City	No
Nehawka	ALLTEL		X	1.00	183.40	Plattsmouth	No
Nelson	ALLTEL		X	0.50	300.02	Nelson	No
Nemaha	ALLTEL		X	0.50	64.95	Auburn	No
Octavia	ALLTEL		X	1.00	120.34	David City	No
Ohiova	ALLTEL	X		0.50	73.82	Geneva	No
Ong	ALLTEL		X	0.50	39.86	Clay Center	No
Osceola	ALLTEL	X		0.50	408.58	Osceola	No
Otoe	ALLTEL		X	0.50	67.96	Nebraska City	No
Palmyra	ALLTEL		X	0.50	255.43	Nebraska City	No
Panama	ALLTEL		X	0.50	116.91	Lincoln	No
Pawnee City	ALLTEL		X	0.60	471.57	Tecumseh	Yes
Peru	ALLTEL		X	0.50	291.80	Auburn	No
Pickrell	ALLTEL		X	0.50	196.03	Beatrice	No
Plattsmouth	ALLTEL		X	1.00	3,604.40	Plattsmouth	No
Pleasant Dale	ALLTEL		X	0.50	137.42	Lincoln	No
Plymouth	ALLTEL		X	1.00	432.73	Fairbury	Yes
Polk	ALLTEL	X		0.50	194.05	Osceola	No
Raymond	ALLTEL		X	0.50	185.01	Lincoln	No
Rising City	ALLTEL		X	1.00	330.45	David City	No
Ruskin	ALLTEL		X	0.50	77.55	Nelson	No

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Exchange	Company	911	E-911	Monthly Surcharge	Monthly Revenue	PSAP	Interlocal Agreement
S. Barneston, KS	ALLTEL		X	0.50	3.40	Beatrice	No
S. Liberty, KS	ALLTEL		X	0.50	2.04	Beatrice	No
S. Superior, KS	ALLTEL		X	0.50	23.27	Nelson	No
S. Hardy, KS	ALLTEL		X	0.50	12.12	Nelson	No
Seward	ALLTEL		X	1.00	4,219.91	Seward	Yes
Shelby	ALLTEL	X		0.50	283.28	Osceola	No
Shickley	ALLTEL	X		0.50	182.09	Geneva	No
Steele City	ALLTEL		X	1.00	80.35	Fairbury	No
Steinauer	ALLTEL		X	0.60	70.27	Nelson	Yes
Sterling	ALLTEL		X	0.50	240.70	Tecumseh	No
Stromsburg	ALLTEL	X		0.50	467.58	Osceola	No
Superior	ALLTEL		X	0.50	823.49	Nelson	No
Surprise	ALLTEL		X	1.00	88.78	David City	No
Sutton	ALLTEL		X	0.50	560.49	Clay Center	No
Swanton	ALLTEL		X	0.50	57.05	Wilber	Yes
Syracuse	ALLTEL		X	0.50	675.69	Nebraska City	No
Table Rock	ALLTEL		X	0.60	155.06	Tecumseh	Yes
Talmage	ALLTEL		X	0.50	111.33	Nebraska City	No
Tamora	ALLTEL		X	1.00	12.09	Seward	No
Tecumseh	ALLTEL		X	0.50	694.26	Tecumseh	No
Tobias	ALLTEL		X	0.50	72.03	Wilber	No
Unadilla	ALLTEL		X	0.50	141.21	Nebraska City	No
Union	ALLTEI		X	1.00	296.76	Plattsmouth	No
Utica	ALLTEL		X	1.00	556.95	Seward	No
Valparaiso	ALLTEL		X	0.50	242.85	Lincoln	No
Waco	ALLTEL		X	0.50	203.27	York	Yes
Wahoo	ALLTEL		X	0.50	1,311.24	Wahoo	No
Waverly	ALLTEL		X	0.50	610.80	Lincoln	No
Weeping Water	ALLTEL		X	1.00	665.72	Plattsmouth	No
Western	ALLTEL		X	0.50	117.96	Wilber	Yes
Wilber	ALLTEL		X	0.50	591.26	Wilber	Yes
Wymore	ALLTEL		X	0.50	589.18	Beatrice	Yes
York	ALLTEL		X	0.50	2,861.79	York	Yes
Yutan	ALLTEL		X	0.50	389.33	Wahoo	No
Bellevue	ALLTEL-CLEC		X	1.00	246.00	Sarpy County	Yes
Grand Island	ALLTEL-CLEC		X	0.50	206.00	Hall County	Yes
Omaha	ALLTEL-CLEC		X	0.50	707.00	Douglas Co.	Yes
Arapahoe	Arapahoe	X		1.00	863.00	Beaver City	Yes
Brule	Arapahoe	X		1.00	353.00	Ogallala	Yes
Farnum	Arapahoe	X		0.50	102.00	Curtis	Yes
Hendley	Arapahoe	X		1.00	52.00	Beaver City	Yes
Holbrook	Arapahoe	X		1.00	233.00	Beaver City	Yes
Loomis	Arapahoe		X	1.00	365.00	Holdrege	Yes
Overton	Arapahoe		X	0.50	269.00	Lexington	Yes
Arlington-City	Arlington		X	0.75	446.75	Arlington	Yes
Arlington-Rural	Arlington		X	1.00	474.00	Arlington	Yes
Benkelman	Benkelman	X		0.00		Benkelman	No
Blair-426 City	Blair		X	0.75	2,936.75	Blair	Yes
Blair-426 Rural	Blair		X	1.00	1,263.00	Blair	Yes
Blair-533 City	Blair		X	0.75	572.25	Blair	Yes
Blair-533 Rural	Blair		X	1.00	339.00	Blair	Yes
Ft. Calhoun-City	Blair		X	0.75	343.50	Blair	Yes
Ft. Calhoun-Rural	Blair		X	1.00	487.00	Blair	Yes
Kennard-City	Blair		X	0.75	114.75	Blair	Yes
Kennard-Rural	Blair		X	1.00	187.00	Blair	Yes
No. Summerfield	Blue Valley		X	0.00		Marysville, KS	Yes

911/E-911 Information - 1998

Exchange	Company	911	E-911	Monthly Surcharge	Monthly Revenue	PSAP	Interlocal Agreement
Bartley (7 Digit)	Cambridge	N/A	N/A	0.00		Bartley	No
Cambridge	Cambridge		X	1.00	1,131.00	Beaver City	Yes
Clarks	Clarks	X		1.00	470.00	Central City	Yes
Staplehurst	Clarks		X	1.00	281.00	Seward	Yes
Ulysses	Clarks		X	1.00	240.00	David City	Yes
Anselmo	Consolidated		X	0.50	104.76	Broken Bow	Yes
Arthur (7 Digit)	Consolidated	N/A	N/A	0.00		Ogallala	No
Ashby (7 Digit)	Consolidated	N/A	N/A	0.00		Ogallala	No
Bingham (7 Digit)	Consolidated	N/A	N/A	0.00		Ogallala	No
Brewster	Consolidated	X		0.75	85.46	Taylor	No
Brownlee	Consolidated	X		0.50	43.96	Theford	Yes
Dunning	Consolidated	X		0.75	119.66	Taylor	No
Halsey	Consolidated	X		0.50	52.74	Theford	Yes
Hyannis (7 Digit)	Consolidated	N/A	N/A	0.00		Ogallala	No
Merna	Consolidated		X	0.50	186.23	Broken Bow	No
Mullen (7 Digit)	Consolidated	N/A	N/A	0.00		Taylor	No
Purdum	Consolidated	X		0.75	79.77	Taylor	No
Seneca	Consolidated	X		0.50	32.23	Theford	Yes
Theford	Consolidated	X		0.50	164.10	Theford	Yes
Whitman (7 Digit)	Consolidated	N/A	N/A	0.00		Ogallala	No
Madrid	Consolidated Telco	X		0.00		Grant	No
Maywood	Consolidated Telco		X	1.00	304.57	Curtis	Yes
Paxton	Consolidated Telco		X	1.00	530.81	Ogallala	No
Wallace	Consolidated Telco		X	0.50	161.82	North Platte	No
Wellfleet	Consolidated Telco		X	1.00	112.64	Curtis	Yes
Omaha	Cox NE Telecom II		X	0.50	2,793.00	Omaha	Yes
Cozad	Cozad		X	0.50	1,500.00	Cozad	Yes
Curtis	Curtis		X	1.00	800.00	Curtis	Yes
Bushnell	Dalton		X	1.00	155.00	Kimball	No
Dalton	Dalton		X	1.00	349.00	Sidney	No
Dix	Dalton		X	1.00	194.00	Kimball	No
Gurley	Dalton		X	1.00	214.00	Sidney	No
Lodgepole	Dalton		X	1.00	333.00	Sidney	No
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	113.00	Hartington	Yes
Carroll	Eastern	X		0.50	142.00	Wayne	Yes
Macy (7 Digit)	Eastern	N/A	N/A	0.00		Macy	No
Meadow Grove	Eastern	X		1.00	319.00	Madison	Yes
Osmond (7 Digit)	Eastern	N/A	N/A	0.00		Osmond	No
Rosalie (7 Digit)	Eastern	N/A	N/A	0.00		Pender	No
Walthill (7 Digit)	Eastern	N/A	N/A	0.00		Walthill	No
Winnebago (7 Digit)	Eastern	N/A	N/A	0.00		Winnebago	No
Elsie	Elsie	X		0.00		Grant	Yes
Eustis	Eustis		X	1.00	500.00	Curtis	Yes
Alliance	Firstel		X	1.00	63.44	Alliance	Yes
Bellevue	Firstel		X	1.00	2.74	Bellevue	Yes
Bennington	Firstel		X	0.50	0.08	Douglas Co.	Yes
Blair	Firstel		X	1.00/.50	0.14	Blair	Yes
Bridgeport	Firstel	X		1.00	16.42	Bridgeport	Yes
Broken Bow	Firstel		X	0.50	0.84	Broken Bow	Yes
Central City	Firstel		X	0.50	4.41	Central City	Yes
Chadron	Firstel		X	1.00	14.72	Chadron	Yes
Clarkson	Firstel	X		1.00	0.17	Schuyler	Yes

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Exchange	Company	911	E-911	Monthly Surcharge	Monthly Revenue	PSAP	Interlocal Agreement
Columbus	Firstel		X	0.50	0.17	Columbus	No
Crawford/Whitney	Firstel		X	1.00/.50	1.75	Chadron	Yes
Dakota City/So. Sioux	Firstel		X	1.00	2.89	Dakota City	Yes
David City	Firstel		X	1.00	0.17	David City	No
Dodge	Firstel		X	0.50	0.10	Fremont	Yes
Elkhorn/Waterloo	Firstel		X	0.50	0.27	Douglas Co.	Yes
Elwood	Firstel		X	0.50	0.30	Lexington	Yes
Emerson	Firstel		X	1.00	0.49	Dakota City	Yes
Fremont	Firstel		X	0.50	0.31	Fremont	Yes
Gothenburg	Firstel		X	0.50	4.47	Gothenburg	Yes
Grand Island/Alda	Firstel		X	0.50	11.53	Grand Island	Yes
Holdrege	Firstel	X		1.00	0.82	Holdrege	No
Howells	Firstel	X		0.50	4.80	Schuyler	Yes
Humphrey/Creston	Firstel		X	0.50	1.80	Columbus	Yes
Kearney	Firstel	X		1.00	0.59	Kearney	Yes
Laurel	Firstel		X	1.00	0.19	Laurel	Yes
LaVista/Papillion	Firstel		X	1.00	4.96	Sarpy Co.	Yes
Lexington	Firstel		X	0.50	16.20	Lexington	Yes
Lincoln	Firstel		X	0.50	0.14	Lincoln	No
Loup City	Firstel		X	0.75	0.23	Taylor	Yes
McCook	Firstel	X		0.00		McCook	No
Minden	Firstel		X	1.00	0.74	Minden	Yes
Norfolk	Firstel		X	1.00	64.25	Norfolk	Yes
North Platte	Firstel		X	0.50	35.24	North Platte	Yes
Ogallala	Firstel		X	1.00	16.24	Ogallala	Yes
Omaha(Boystown/Ralston)	Firstel		X	0.50	291.10	Douglas Co.	Yes
O'Neill	Firstel	X		0.00		O'Neill	No
Plattsmouth	Firstel		X	1.00	0.19	Plattsmouth	No
Ralston(Boystown/Omaha)	Firstel		X	0.50	0.37	Douglas Co.	Yes
Schuyler	Firstel	X		0.50	29.45	Schuyler	No
Sidney	Firstel	X		1.00	47.12	Sidney	Yes
Silver Creek	Firstel	X		1.00	0.42	Central City	Yes
Tekamah	Firstel		X	0.50	0.13	Tekamah	Yes
Valentine	Firstel	X		0.00		Valentine	No
Valley	Firstel		X	0.50	0.12	Douglas Co.	Yes
Wakefield	Firstel	X		0.50	0.33	Wayne	Yes
Wayne	Firstel	X		0.50	2.88	Wayne	No
West Point	Firstel	X		1.00	4.96	West Point	No
Wood River	Firstel		X	0.50	0.09	Grand Island	Yes
Bladen	Glenwood		X	1.00	195.00	Campbell	Yes
Blue Hill	Glenwood		X	1.00	842.00	Campbell	Yes
Campbell	Glenwood		X	1.00	314.00	Campbell	Yes
Funk	Glenwood		X	1.00	313.00	Holdrege	Yes
Holstein	Glenwood		X	1.00	236.00	Campbell	Yes
Lawrence	Glenwood		X	1.00	357.00	Campbell	Yes
Norman	Glenwood	X		0.00		Minden	No
Roseland	Glenwood		X	1.00	294.00	Campbell	Yes
Upland	Glenwood		X	1.00	132.00	Campbell	Yes
South Ardmore	Golden West	X		0.00		Hot Springs	No
White Clay	Golden West		X	0.50	23.81	Rushville	Yes
Archer	Great Plains	X		1.00	107.00	Central City	Yes
Arnold	Great Plains	X		0.50	351.50	Broken Bow	No
Bancroft	Great Plains		X	1.00	501.00	West Point	Yes
Beemer	Great Plains		X	1.00	575.00	West Point	Yes

911/E-911 Information - 1998

Exchange	Company	911	E-911	Monthly Surcharge	Monthly Revenue	PSAP	Interlocal Agreement
Belgrade (7 Digit)	Great Plains	N/A	N/A	0.50	74.50	Belgrade	No
Bloomfield (Knox Co.)	Great Plains	X		1.00	1,243.00	Center	Yes
Bloomfield (Cedar Co.)	Great Plains		X	1.00	1.00	Hartington	Yes
Byron & S. Byron (KS)	Great Plains		X	0.50	120.00	Hebron	Yes
Callaway	Great Plains	X		0.00		Callaway	No
Cedar Rapids	Great Plains	X		0.00		Albion	No
Center	Great Plains	X		1.00	149.00	Center	Yes
Chapman	Great Plains	X		1.00	384.00	Central City	Yes
Chester/(Hubbell)	Great Plains		X	0.50	184.50	Hebron	Yes
Chester/(Reynolds)	Great Plains		X	0.50	82.00	Fairbury	Yes
Cody/N Cody	Great Plains	X		0.00		Valentine	Yes
Cotesfield	Great Plains		X	1.00	103.00	Saint Paul	Yes
Creighton	Great Plains	X		1.00	1,050.00	Center	Yes
Crofton (Knox Co.)	Great Plains	X		1.00	836.00	Center	Yes
Crofton (Cedar Co.)	Great Plains		X	1.00	187.00	Hartington	Yes
Crookston/N Crookston(SD)	Great Plains	X		0.00		Valentine	No
Culbertson	Great Plains	X		0.50	291.50	Trenton	No
Deshler	Great Plains		X	0.50	356.50	Hebron	Yes
Dodge	Great Plains		X	0.50	314.00	Fremont	Yes
Elgin	Great Plains		X	0.50	419.50	Neligh	Yes
Ewing	Great Plains	X		0.00		O'Neill	Yes
Gordon/N Gordan (SD)	Great Plains	X		0.50	844.75	Rushville	No
Grant	Great Plains	X		0.00		Grant	No
Hay Springs	Great Plains	X		0.50	310.50	Rushville	No
Hayes Center (7 Digit)	Great Plains	N/A	N/A	0.00		Hayes Center	No
Herman	Great Plains	X		0.75/1.00	407.00	Blair/ Wash Co.	Yes
Imperial	Great Plains	X		0.00		Imperial	No
Indianola/(Red Willow County (7 Digit)	Great Plains	N/A	N/A			Indianola	No
Indianola/(Frontier Co.)	Great Plains	X		1.00	48.00	Curtis	No
Kilgore/N Kilgore (SD) (7 Digit)	Great Plains	N/A	N/A	0.00		Kilgore	No
Merriman	Great Plains	X		0.00		Merriman	No
Mirage Flats	Great Plains	X		0.50	80.50	Rushville	No
Niabrara	Great Plains	X		1.00	553.00	Center	Yes
Niobrara/Santee Res	Great Plains	X		0.00		Center	Yes
North Bend	Great Plains		X	0.50	516.50	Fremont	Yes
Oakdale	Great Plains		X	0.50	111.00	Neligh	Yes
Oconto	Great Plains	X		0.50	104.00	Broken Bow	No
Oconto/(Eddyville)	Great Plains	X		0.50	50.50	Lexington	Yes
Page (7 Digit)	Great Plains	N/A	N/A	0.00		Page	No
Palisade	Great Plains	X		0.00		Palisade	No
Petersburg	Great Plains	X		0.00		Albion	No
Ponca	Great Plains	X		0.00		Ponca	No
Primrose (7 digit)	Great Plains	N/A	N/A	0.00		Cedar Rapids	No
Ragan	Great Plains	X		0.00		Ragan-Minden	No
Ragan/(Huntley)	Great Plains	X		0.00		Huntley-Alma	No
Red Cloud/(Riverton)	Great Plains		X	1.00	1,217.00	Campbell	Yes

911/E-911 Information - 1998

Exchange	Company	911	E-911	Monthly Surcharge	Monthly Revenue	PSAP	Interlocal Agreement
& S Red Cloud, KS							
Rushville	Great Plains	X		0.50	430.00	Rushville	No
Saint Edward	Great Plains	N/A	N/A	0.00		St. Edward	No
Scribner	Great Plains		X	0.50	398.00	Fremont	Yes
Snyder	Great Plains		X	0.50	182.00	Fremont	Yes
Spalding	Great Plains	X		0.75	384.00	Taylor	Yes
Stapleton	Great Plains	X		0.00		Stapleton	No
Stratton	Great Plains	X		0.50	182.50	Trenton	No
Sutherland	Great Plains		X	0.50	433.00	North Platte	Yes
Trenton	Great Plains	X		0.50	263.50	Trenton	No
Tryon	Great Plains	X		0.00		Tryon	No
Venango	Great Plains	X		0.00		Grant	No
West Venango, CO	Great Plains	X		0.00		Grant	No
Verdigre	Great Plains	X		1.00	515.00	Center	Yes
Walnut	Great Plains	X		1.00	68.00	Center	Yes
Wausa/(Knox Co.)	Great Plains	X		1.00	584.00	Center	Yes
Wausa/(Cedar Co.)	Great Plains	X		1.00	93.00	Hartington	Yes
Wilcox	Great Plains	X		0.00		Minden	No
Winnetoon	Great Plains	X		1.00	135.00	Center	Yes
Wisner	Great Plains		X	1.00	1,148.00	West Point	Yes
Wolbach (7 Digit)	Great Plains	N/A	N/A	0.00		Wolbach	No
Woodlake	Great Plains	X		0.00		Valentine	Yes
Wynot	Great Plains		X	1.00	684.00	Hartington	Yes
Wynot/(Fordyce)	Great Plains		X	1.00	686.00	Hartington	Yes
Wynot/(St. Helena)	Great Plains		X	1.00		Hartington	Yes
Albion	GTE-Midwest	X		0.00		Albion	No
Alma	GTE-Midwest	X		0.00		Alma	No
Amherst	GTE-Midwest	X		0.65	73.45	Kearney	No
Battle Creek (7 Digit)	GTE-Midwest	N/A	N/A	1.00	589.00	Madison	No
Beaver City	GTE-Midwest		X	1.00	686.00	Beaver City	No
Bertrand	GTE-Midwest	X		1.00	402.00	Holdrege	Yes
Bloomington	GTE-Midwest		X	1.00	24.00	Franklin	No
Brunswick	GTE-Midwest	X		0.50	106.00	Neligh	No
Columbus	GTE-Midwest		X	0.50	7,688.00	Columbus	No
Duncan	GTE-Midwest		X	0.00		Columbus	No
Edison	GTE-Midwest		X	1.00	75.00	Beaver City	No
Franklin	GTE-Midwest		X	1.00	902.00	Franklin	No
Genoa	GTE-Midwest	X		0.50	360.50	Fullerton	Yes
Greeley (7 Digit)	GTE-Midwest	N/A	N/A	0.00		Taylor	No
Heartwell	GTE-Midwest		X	0.00		Minden	No
Hildreth	GTE-Midwest		X	1.00	213.00	Franklin	No
Kearney	GTE-Midwest	X		1.00	12,371.45	Kearney	Yes
Kearney	GTE-Midwest	X		1.00	316.00	Kearney	Yes
Leigh	GTE-Midwest		X	1.00	461.00	Colfax	No
Lindsay	GTE-Midwest		X	0.00		Columbus	No
Madison	GTE-Midwest	X		1.00	1,936.00	Madison	No
Miller	GTE-Midwest	X		0.65	62.40	Franklin	No
Monroe	GTE-Midwest		X	0.50	143.00	Columbus	No
Naponee	GTE-Midwest		X	1.00	63.00	Franklin	No
Neligh	GTE-Midwest	X		0.50	593.45	Neligh	No
Newman Grove	GTE-Midwest	X		1.00	24.00	Newman Grove	No
Orchard	GTE-Midwest	X		0.00		Neligh	No
Ord	GTE-Midwest	X		0.00		Ord	No
Orleans	GTE-Midwest	X		0.00		Orleans	No
Palmer	GTE-Midwest	X		1.00	505.00	Central City	No
Platte Center	GTE-Midwest		X	0.00		Columbus	No

911/E-911 Information - 1998

Exchange	Company	911	E-911	Monthly Surcharge	Monthly Revenue	PSAP	Interlocal Agreement
Pleasanton	GTE-Midwest	X		0.65	223.60	Kearney	No
Republican City	GTE-Midwest	X		0.00		Alma	No
Riverdale	GTE-Midwest	X		0.65	91.00	Kearney	No
Stamford	GTE-Midwest	X		0.00		Alma	No
Sumner	GTE-Midwest		X	0.50	115.00	Lexington	No
Tilden	GTE-Midwest	X		0.50	1,527.00	Neligh	No
Wilsonville	GTE-Midwest		X	1.00	68.00	Beaver City	No
Aurora	Hamilton		X	0.50	1,831.00	Aurora	No
Doniphan	Hamilton		X	0.50	388.50	Grand Island	Yes
Giltner	Hamilton		X	0.50	181.50	Aurora	No
Hamptom	Hamilton		X	0.50	220.00	Aurora	No
Hordville	Hamilton		X	0.50	78.00	Aurora	No
Marquette	Hamilton		X	0.50	177.50	Aurora	No
Phillips	Hamilton		X	0.50	240.00	Aurora	No
Stockham	Hamilton		X	0.50	43.50	Aurora	No
Trumbull	Hamilton		X	0.50	98.50	Aurora	No
Hartington	Hartington		X	1.00	1,594.84	Hartington	Yes
Danbury (911 or 7 Digit)	Hartman	N/A	N/A	0.00		Danbury	No
Haigler (911 or 7 Digit)	Hartman	N/A	N/A	0.00		Haigler	No
Lebanon (911 or 7 Digit)	Hartman	N/A	N/A	0.00		Lebanon	No
Hemmingford	Hemmingford Coop		X	0.50	501.50	Alliance	Yes
Henderson	Henderson Coop		X	0.50	526.50	York	Yes
Hershey	Hershey Coop		X	0.50	423.00	Hershey	Yes
Brady	Home Telephone		X	0.50	257.00	Gothenburg	Yes
Maxwell	Home Telephone		X	0.50	182.50	North Platte	Yes
Hooper	Hooper		X	1.00	83.00	Fremont	Yes
Hooper & Uehling	Hooper		X	0.50	596.00	Fremont	Yes
Uehling	Hooper		X	0.50	7.00	Fremont	Yes
Uehling	Hooper		X	0.50	18.00	Fremont	Yes
Omaha	Houlton Enterprs	X		0.50	125.00	Omaha	Yes
North Mahaska	JBN Telephone		X	0.00		Washington	Yes
Keystone	Keystone-Arthur		X	1.00	190.00	Ogallala	Yes
Lemojne	Keystone-Arthur		X	1.00	411.00	Ogallala	Yes
Chambers	K&M	X		0.50	225.50	Chambers	Yes
Inman	K&M	X		0.00		Inman	No
Allen	NebCom, Inc.	X		0.50	155.00	Ponca	Yes
Bristow (7 Digit)	NebCom, Inc.	N/A	N/A	1.00	100.00	O'Neill	Yes
Butte (7 Digit)	NebCom, Inc.	N/A	N/A	1.00	393.00	O'Neill	Yes
Decatur	NebCom, Inc.		X	0.50	213.50	Tekamah	Yes
Long Pine	NebCom, Inc.	X		0.00		Ainsworth	No
North Bristow, SD (10 Digit)	NebCom, Inc.	N/A	N/A	0.00		O'Neill	Yes
Spencer (7 Digit)	NebCom, Inc.	N/A	N/A	1.00	462.00	O'Neill	Yes
Stuart (7 Digit)	NebCom, Inc.	N/A	N/A	1.00	540.00	O'Neill	Yes
Waterbury	NebCom, Inc.	X		0.50	46.00	Ponca	Yes
Winside	NebCom, Inc.	X		1.00	383.50	Wayne	Yes
Ansley	Nebraska Central	X		0.75	391.00	Taylor	Yes
Arcadia	Nebraska Central	X		0.75	239.00	Taylor	Yes
Ashton	Nebraska Central	X		0.75	138.00	Taylor	Yes
Boelus	Nebraska Central		X	1.00	196.00	St. Paul	Yes
Burwell	Nebraska Central	X		0.75	1,028.00	Taylor	Yes
Comstock	Nebraska Central	X		0.50	68.00	Broken Bow	Yes
Dannebrog	Nebraska Central		X	1.00	365.00	St. Paul	Yes

911/E-911 Information - 1998

Exchange	Company	911	E-911	Monthly Surcharge	Monthly Revenue	PSAP	Interlocal Agreement
Elba	Nebraska Central		X	1.00	171.00	St. Paul	Yes
Ericson	Nebraska Central	X		0.75	151.00	Taylor	Yes
Gibbon	Nebraska Central	X		0.65	874.00	Kearney	Yes
Litchfield	Nebraska Central	X		0.75	197.00	Taylor	Yes
Mason City	Nebraska Central	X		0.50	97.00	Broken Bow	Yes
North Burwell	Nebraska Central	X		0.75	83.00	Taylor	Yes
North Loup	Nebraska Central	X		0.75	260.00	Taylor	Yes
Ravenna	Nebraska Central	X		0.65	776.00	Kearney	Yes
Rockville	Nebraska Central	X		0.75	69.00	Taylor	Yes
Sargent	Nebraska Central	X		0.50	300.00	Broken Bow	Yes
Scotia	Nebraska Central	X		0.75	237.00	Taylor	Yes
Shelton	Nebraska Central	X		0.65	531.00	Kearney	Yes
Taylor	Nebraska Central	X		0.75	228.00	Taylor	Yes
Bartlett (7 Digit)	Northeast Nebraska	N/A	N/A	0.00		Bartlett	No
Clearwater	Northeast Nebraska		X	0.50	242.00	Neligh	Yes
Coleridge	Northeast Nebraska		X	1.00	524.00	Hartington	Yes
Craig	Northeast Nebraska		X	0.50	155.00	Tekamah	Yes
Dixon/Concord	Northeast Nebraska		X	1.00	322.00	Hartington	Yes
Jackson/Hubbard	Northeast Nebraska		X	1.00	581.00	S. Sioux City	Yes
Linwood	Northeast Nebraska		X	1.00	142.00	David City	Yes
Martinsburg (7 Digit)	Northeast Nebraska	N/A	N/A	0.00		Martinsburg	No
Morsebluff	Northeast Nebraska		X	0.50	111.50	Wahoo	Yes
Newcastle (7 Digit)	Northeast Nebraska	N/A	N/A	0.00		Newcastle	No
Obert/Maskell	Northeast Nebraska		X	1.00	119.00	Hartington	Yes
Prague	Northeast Nebraska		X	0.50	204.50	Wahoo	Yes
Weston/Malmo	Northeast Nebraska		X	0.50	244.00	Wahoo	Yes
North Peetz	Peetz Coop		X	0.70	7.70	Sterling Hwy Patrol	Yes
Hoskins	Pierce	X		0.50	193.00	Norfolk	Yes
Pierce	Pierce	X		.00		Pierce	No
Plainview	Plainview	X		0.00		Plainview	No
Bassett	Rock County	X		0.00		Bassett	No
Newport	Rock County	X		0.00		Bassett	No
Sodtown	Sodtown	X		0.65	57.85	Kearney	Yes
Falls City	Southeast Nebraska		X	0.30	1,031.70	Falls City	No
Tri City	Southeast Nebraska		X	0.30	187.80	Tri City	No
Stanton - City	Stanton	X		1.00	847.00	Madison	Yes
Stanton - Rural	Stanton	X		1.00	338.00	Madison	Yes
Johnstown (7 Digit)	Three River Telco	N/A	N/A	0.00		Ainsworth	No
Lynch (7 Digit)	Three River Telco	N/A	N/A	0.00		Lynch	No
Naper	Three River Telco	X		1.00	208.00	Naper	Yes
Springview	Three River Telco	X		0.00		Springview	Yes
Verdel	Three River Telco	X		1.00	108.00	Center	Yes
Bayard	United	X		1.00	983.00	Bridgeport	No
Broadwater	United	X		1.00	170.00	Bridgeport	No
Chappell	United		X	1.00	814.00	Ogallala	No
East Lyman	United		X	1.00	245.00	Gering	Yes
Gering	United		X	1.00	4,765.00	Gering	No
Kimball	United	X		1.00	2,047.00	Kimball	No
Lewellen	United	X		1.00	350.00	Oshkosh	Yes
Minatare	United		X	1.00	1,280.00	Gering	Yes
Mitchell	United		X	1.00	1,506.00	Gering	Yes
Morrill	United		X	1.00	1,255.00	Gering	Yes
Oshkosh	United	X		1.00	928.00	Oshkosh	No
Potter	United	X		1.00	288.00	Sidney	No
Scottsbluff	United		X	1.00	12,158.00	Gering	Yes

911/E-911 Information - 1998

Exchange	Company	911	E-911	Monthly Surcharge	Monthly Revenue	PSAP	Interlocal Agreement
Ainsworth	US West	X		0.00		Ainsworth	No
Alliance	US West		X	1.00	5,853.25	Alliance	Yes
Atkinson	US West	X		0.00		O'Neill	Yes
Atlanta	US West	X		0.00		Holdrege	Yes
Axtell	US West		X	1.00	469.41	Minden	Yes
Bellevue	US West		X	1.00	15,010.16	Bellevue	Yes
Bennington	US West		X	0.50	584.69	Douglas Co.	Yes
Big Springs	US West		X	0.50	222.08	Ogallala	Yes
Boystown(Omaha/ Ralston)	US West		X	0.50		Douglas Co.	Yes
Bridgeport	US West	X		1.00	1,329.17	Bridgeport	Ye
Broken Bow	US West		X	0.50	1,423.13	Broken Bow	Yes
Cairo	US West		X	0.50	273.95	Grand Island	Yes
Central City	US West		X	0.50	1,138.96	Central City	Yes
Chadron	US West		X	1.00	3,368.80	Chadron	Yes
Clarkson	US West	X		1.00	1,787.95	Schuyler	Yes
Crawford/Whitney	US West		X	0.50	790.57	Chadron	Yes
Creston/Humphrey	US West		X	0.50	520.71	Columbus	Yes
Dakota City/S. Sioux City	US West		X	1.00	7,901.36	Dakota City	Yes
Elkhorn/Waterloo	US West		X	0.50	2,614.28	Douglas Co.	Yes
Elm Creek	US West		X	0.65	524.01	Kearney	Yes
Elwood	US West		X	0.50	589.71	Lexington	Yes
Emerson	US West		X	1.00	880.56	Dakota City	Yes
Farwell	US West		X	1.00	160.14	St. Paul	Yes
Fremont	US West		X	0.50	7,881.96	Fremont	Yes
Fullerton	US West	X		0.50	496.13	Fullerton	Yes
Gothenburg	US West		X	0.50	1,204.04	Gothenburg	Yes
Grand Island/Alda	US West		X	0.50	12,788.09	Grand Island	Yes
Gretna	US West		X	1.00	1,739.87	Sarpy Co.	Yes
Harrison	US West		X	0.50	227.56	Chadron	Yes
Holdrege	US West	X		1.00	9,567.60	Holdrege	No
Howells	US West	X		0.50	1,685.22	Schuyler	Yes
Humphrey/Creston	US West		X	0.50	520.71	Columbus	Yes
Laurel	US West		X	1.00	778.95	Laurel	Yes
LaVista/Papillion	US West		X	1.00	25,562.53	Sarpy Co.	Yes
Lexington	US West		X	0.50	2,513.98	Lexington	Yes
Loup City	US West		X	0.75	707.69	Taylor	Yes
Lyons	US West		X	0.50	404.82	Tekamah	Yes
McCook	US West	X		0.00		McCook	No
Millard	US West		X	1.00	16,079.38	Sarpy Co.	Yes
Minden	US West		X	1.00	2,028.51	Minden	Yes
Norfolk	US West		X	1.00	15,586.92	Norfolk	Yes
North Platte	US West		X	0.50	7,573.29	North Platte	Yes
Oakland	US West		X	0.50	534.66	Tekamah	Yes
Ogallala	US West		X	1.00	3,885.08	Ogallala	Yes
Omaha(Boystown/ Ralston)	US West		X	0.50	129,909.29	Douglas Co.	Yes
O'Neill	US West	X		0.00		O'Neill	No
Oxford	US West		X	1.00	629.33	Beaver City	Yes
Pender	US West	X		0.00		Pender	No
Pilger	US West		X	0.00		Norfolk	Yes
Ralston(Boystown/ Omaha)	US West		X	0.50		Douglas Co.	Yes
Randolph	US West		X	1.00	834.80	Laurel	Yes
Schuyler	US West	X		1.00	8,606.58	Schuyler	No

Sidney	US West	X		1.00	4,397.50	Sidney	Yes
Silver Creek	US West	X		1.00	2,600.92	Central City	Yes
Springfield	US West		X	1.00	900.23	Sarpy Co.	Yes
St. Libory	US West		X	1.00	375.90	St. Paul	Yes
St. Paul	US West		X	1.00	1,517.04	St. Paul	Yes
Tekamah	US West		X	0.50	722.27	Tekamah	Yes
Valentine	US West	X		0.00		Valentine	No
Valley	US West		X	0.50	1,131.53	Douglas Co.	Yes
Wakefield	US West	X		0.50	475.54	Wayne	Yes
Wayne	US West	X		0.50	1,589.92	Wayne	No
West Point	US West	X		1.00	2,496.50	West Point	No
Wood River	US West		X	0.50	438.13	Grand Island	Yes
Wauneta	Wauneta	X		0.00		Imperial	No

9. Nebraska 402 Area Code Exhaust

The "402" Numbering Plan Area (NPA) or Area Code was introduced in 1947 as Nebraska's first area code to serve the entire state. In 1954, the western portion of Nebraska was split off of the 402 area code and a new area code, 308, was assigned. This was primarily as a result of the increasing growth in or demand for central office codes or prefixes within the 402 area.

Forecasted growth and demand for additional office codes projects that the 402 area code will be exhausted by approximately the fourth quarter of the year 2000 or the first quarter of 2001. Nebraska has reached another milestone, and the Public Service Commission will be reviewing several options to resolve this matter and selecting the one which best serves the needs of all Nebraskans. The Federal Communications Commission (FCC) has set down five criteria to follow in selection of an alternative plan when an area code is approaching exhaust.

The FCC seeks to:

- " Minimize customer confusion and the negative impacts on consumers;
- " Ensure sufficient access to numbering resources for all service providers;
- " Avoid premature exhaust of the 402 NPA and provide that those customers who undergo telephone number changes shall not be asked to change again for a period of eight to ten years;
- " Impose the least societal cost possible and not favor any particular interest group; and
- " Comply with state and federal statutes, rulings and orders.

In addition to these five criteria, the FCC has approved two primary methods to provide relief when an area code reaches exhaust. One is called an "overlay" and the other is called a "split," which is sometimes referred to as a geographic (area) split.

A geographic split will require a split line to be determined under one of the three recommended alternatives that would require all customers on one side of the split line to change their area code. There are three two-way geographic split alternatives being reviewed by the Commission, with each representing a different location for the split line and different effects upon Nebraska telephone customers. Splits provide a single area code for each geographic area. This method minimizes confusion for customers outside the area. Further splits reduce the geographic size of the area code. Splits require an area code change for approximately one-half of customers' numbers in a two-way split and two-thirds of customers' numbers in a three-way split. Stationery, business cards, and advertising will need to be revised by customers receiving the new area code. Geographic splits permit seven-digit dialing to continue for local calls within an area code.

An overlay allows for all new central office codes (subsequent to the exhaust of the 402 area code) to be assigned a new area code. With an overlay, there will be more than one area code serving the same geographic area, and it will end further shrinking of the geographic size of the area code. Subsequent relief will likely be another overlay. Overlays avoid the need for public and political involvement concerning split boundaries and which side should retain the old area code. An overlay will not require existing customers to change their area code. There is no need to revise stationery, business cards, and advertising unless they contain only seven-digit numbers. However, an overlay will require customers to dial ten digits for all calls within the geographic area. Because an overlay is a new concept in Nebraska, it will require extensive customer education.

The Commission will be holding public hearings, using the legislative format, during the fourth quarter of 1999 and will use this record to decide upon the best numbering alternative to meet the telephone service needs of all Nebraskans into the immediate future. Whichever plan is accepted will require the telecommunications industry to prepare all network and internal support systems to accept new area code(s) or a new ten-digit dialing format for local calling. Also, whichever method is used will require sufficient time for the telephone industry to provide customer notices and consumer education prior to the change.

PART III

PART III

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

This section of the report provides historical information on local rate changes and current local rates, along with a discussion of changes that have taken place in the long distance market. 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 becomes more 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

In January 1999, this Commission entered an order establishing terms under which the Nebraska Universal Service Fund would operate. One of the goals of the order was to create a more competitive environment for both local and long distance service in Nebraska. This meant that both local rates and access charges should be rebalanced to more closely reflect their actual costs. To comply with the 1996 Federal Telecommunications Act, any needed subsidy for a service must also be explicit, rather than implicit in the rates, as has been the case in the past.

The Commission adopted two target local rates to serve this purpose. Target local service rates of \$17.50 for residential service and \$27.50 for business service were established and all incumbent local telephone companies were to file rate plans to reach these rates over a period of four years. In addition, access charges were established to more closely mirror the rates used in the interstate jurisdiction. Generally, this meant that local rates needed to be increased and that access charges needed to be decreased.

The local rates in the following tables were filed as a result of the Commission's order and were effective as of September 1, 1999. The table also includes the rates an eligible Lifeline customer would be charged after the Lifeline credit has been applied to the local rate.

Basic Local Rate Changes

Local Exchange Companies

Company	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990	1989	1988	Previous Rate Change
ALLTEL	X	X	X						X		X		
Arapahoe	X		X										1979
Arlington	X	X											1976
Benkelman	X	X	X	X			X						
Blair	X	X											1978
Cambridge	X		X							X			
Clarks	X		X										1985
Consolidated	X		X										1974
Consolidated Telco	X		X										1973
Cozad	X		X										1983
Curtis	X		X	X									
Dalton	X												1973
Diller	X		X										1980
Eastern	X	X											1987
Elsie	X												
Eustis	X		X										1971
GTE	X			X									1987
Glenwood	X		X			X							
Great Plains	X		X							X			
Hamilton	2		X										1976
Hartington	X		X				X						
Hartman	X							1					1978
Hemingford	X												
Henderson	X												
Hershey	X												
Home	X		X										1959
Hooper	X		X										1979
K & M	X												1984
Keystone-Arthur	X		X										1978
NEBCOM	2												
Nebraska Central	X	X											1987
Northeast	2												1974
Pierce	X												1987
Plainview	X			X							X		
Rock County	X	X											1976
Sodtown	X												
Southeast Nebraska	X												1981
Stanton	X												1985
Three River	X		X										1978
United	X										X		
US West	X			X									1987
Wauneta	X	X	X	X			X						

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

(2) Company has requested a waiver from implementing local rate changes ordered by the Commission in its Universal Service order.

NEBRASKA LOCAL EXCHANGE CARRIERS
BASIC LOCAL EXCHANGE RATES

Company	Exchange	Business	Residential	Lifeline Rate
1-800-Reconex, Inc.	US West	\$49.95	\$49.95	N/A
	GTE	59.95	59.95	N/A
AT&T	ALS	45.00	N/A	N/A
	BLS	35.40	N/A	N/A
ALLTEL		30.10	17.50	7.00
ALLTEL-Nebraska CLEC		37.00	16.00	5.50
Arapahoe Tel. Co.	Group 1	17.20	13.65	6.21
	Group 2	37.55	14.90	6.05
Arlington Tel. Co.		21.55	14.45	5.60
Benkelman Tel. Co.		19.65	17.50	7.00
Blair Tel. Co.		24.15	15.15	6.30
Cambridge Tel. Co.		20.65	17.50	7.00
Clarks Tel. Co.		22.80	16.05	5.55
Consolidated Telco	Dickens	20.50	15.50	6.65
	Madrid	20.50	15.00	6.15
	Maywood	23.00	16.50	6.00
	Paxton	20.50	15.00	6.15
	Wallace	20.50	15.00	6.15
	Wellfleet	22.50	16.50	6.00
Consolidated Tel. Co.	Anselmo	15.00	12.10	6.85
	Arthur	22.50	15.00	6.15
	Ashby	22.50	19.25	8.75
	Bingham	22.50	19.25	8.75
	Brewster	15.00	12.10	6.85
	Brownlee	22.50	19.25	8.75
	Dunning	15.00	12.10	6.85
	Halsey	15.00	12.10	6.85
	Hyannis	15.00	13.00	6.76
	Merna	15.00	12.10	6.85
	Mullen	15.00	12.10	6.85
	Purdum	14.00	12.10	6.85
	Seneca	15.00	12.10	6.85
	Theford	15.00	12.10	6.85
Whitman	22.50	19.25	8.75	

NEBRASKA LOCAL EXCHANGE CARRIERS
BASIC LOCAL EXCHANGE RATES

Company	Exchange	Business	Residential	Lifeline Rate
Cox Communications	(A) Flat Rate	\$35.00	\$17.65	\$ 7.00
	Addl Line	35.00	16.35	N/A
	(B) Comb. Ser.	35.00	15.89	5.39
	Second Line	35.00	7.89	N/A
	Addl Line	35.00	15.89	N/A
Cozad Tel. Co.		14.30	9.10	3.85
Curtis Tel. Co.		22.75	17.50	7.00
Dalton Tel. Co.	Bushnell	15.50	12.00	6.75
	Dalton	12.25	8.25	3.00
	Dix	15.50	12.00	6.75
	Gurley	12.25	8.25	3.00
	Lodgepole	12.25	8.25	3.00
Diller Tel. Co.		12.60	12.60	6.36
EZ Phone Connections		39.50	49.95	N/A
Eastern Neb. Tel. Co.		27.50	17.50	7.00
Elsie		14.30	11.70	6.45
Eustis Tel. Exchange	Non-Rural	13.50	8.45	3.20
	Rural	16.90	11.70	6.45
FirsTel		Mirror US West Rate	Mirror US West Rate	N/A
GTE North, Inc.		25.60	15.50	6.65
Glenwood Tel. Memb. Corp.		20.03	13.15	6.91
Great Plains Comm.	Schedule A	22.00	15.75	6.90
	Schedule B	27.50	15.75	6.90
Hamilton Tel. Co.		10.75	10.75	5.50
Hartington Tel. Co.		21.50	13.90	6.46
Hartman Tel. Exchange		12.35	12.35	6.11
Hemingford Cooperative		19.18	13.00	6.76
Henderson Cooperative		13.00	13.00	6.76
Hershey Cooperative		14.75	14.75	5.90

NEBRASKA LOCAL EXCHANGE CARRIERS
BASIC LOCAL EXCHANGE RATES

Company	Exchange	Business	Residential	Lifeline Rate
Home Tel Co. of Neb.	Non-Rural Rural – \$.50 per month per mile (limit 7 miles out = \$3.50)	\$12.20 \$3.50 + \$12.20 = \$12.70 to \$15.70 max.	\$ 7.60 \$3.50 + \$7.60 \$8.10 to \$11.10 max.	\$ 2.35 \$2.85 to \$5.85 max.
Hooper Tel. Co. of Neb.		13.50	9.50	4.25
K&M Tel. Co.		17.50	15.50	6.65
Keystone-Arthur Tel. Co.		20.00	17.50	7.00
NT&T	Group 1 Group 2 Group 3 Group 4 Group 5 Group 6	37.55 25.60 30.10 30.10 30.10 30.10	16.35 15.50 17.50 17.50 17.50 17.50	N/A N/A N/A N/A N/A N/A
NebCom	Allen/ Waterbury Butte Decatur Long Pine Spencer/ Bristow Stuart Winside	37.55 37.55 37.55 37.55 37.55 37.55 37.55 37.55	14.90 14.90 14.90 14.90 14.90 14.90 14.90 14.90	6.05 6.05 6.05 6.05 6.05 6.05 6.05 6.05
Neb. Central Tel. Co.	Group 1 Group 2 Group 3	20.75 20.75 27.50	14.00 14.00 14.90	6.56 6.56 6.05

NEBRASKA LOCAL EXCHANGE CARRIERS
BASIC LOCAL EXCHANGE RATES

Northeast Neb. Tel. Co.	Bartlett	7.75	5.25	0.00	
	Clearwater	7.75	5.25	0.00	
	Coleridge	7.75	5.25	0.00	
	Craig	8.00	6.25	1.00	
	Dixon	7.75	5.25	0.00	
	Jackson	7.75	5.25	0.00	
	Linwood/ Morse Bluffs	9.25	6.25	1.00	
	Martinsburg	7.75	5.25	0.00	
	Newcastle	7.75	5.25	0.00	
	Obert	7.75	5.25	0.00	
	Prague	9.25	6.25	1.00	
	Weston	9.25	6.25	1.00	
	Company	Exchange	Business	Residential	Lifeline Rate
	Pierce Tel. Co., Inc.		20.45	14.10	6.66
Plainview Tel. Co.		\$23.50	\$17.50	\$7.00	
Rock County Tel. Co.		26.25	16.25	5.75	
Sodtown		9.25	9.25	4.00	
Southeast Neb. Tel. Co.		27.50	13.65	6.21	
Sprint Comm. Co., LP		40.00	N/A	N/A	
Stanton Tel. Co., Inc.	First Line	22.75	17.50	7.00	
	Each Add'l Line	21.45	11.05	N/A	
TCG		42.55	N/A	N/A	
Teligent		32.00	N/A	N/A	
Three River Telco		17.20	15.20	6.35	
United Tel. Co. of the West		27.50	17.50	7.00	
US West	First Line	37.55	18.15	7.65	
	Each Add'l Line	37.55	16.35	N/A	
Wauneta Tel. Co.		19.65	17.50	7.00	

Company	Exchange Groupings
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<p>Arapahoe: Group 1: Arapahoe, Hendley, Holbrook Group 2: Brule, Farnam, Loomis, Overton</p>
<p>Great Plains Communications: 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 Schedule B: Cedar Rapids, Cody, Crookston, Culbertson, Gordon, Rushville, Stratton, Spalding, Trenton</p>
<p>Neb. Central: Group 1: Ansley, Arcadia, Comstock, Gibbon, Sargent, Shelton Group 2: Burwell, Erickson, North Loup, Scotia, Taylor, N. Burwell Group 3: Ashton, Boelus, Dannebrog, Elba, Litchfield, Mason City, Ravenna, Rockville</p>

2. Commission Audits

US West filed an application to rebalance its rates in July 1998. Under the provisions of the statute, US West must show that: (1) the net increase in its aggregate annual revenue from the changes must not be more than 1 percent, and (2) that the local rate proposal must not exceed the actual cost of the service. The company's proposal was to increase all first-line residential rates by \$1.80 monthly (additional line rates would not be affected), lower its intraLATA toll rates, and lower its access charges. The increase in residential rates would produce approximately \$7 million, which would be offset by a reduction in toll rates of \$4.9 million, a reduction in access charges of \$1.5 million, and a reduction in custom choice service of \$0.5 million.

US West presented an embedded cost study to substantiate that the resulting rates would not exceed its cost of service. After reviewing the cost study and making adjustments to it, the staff agreed that total revenues would be less than the company's revenue requirement under its assumptions. The Commission held hearings on the matter and approved the proposed increase, which became effective in March 1999. The Commission order allowed for the following changes:

Service	Old Rate	New Rate
Residential - Flat Rate		
First Line	\$16.35	\$18.15
Additional Line	16.35	16.35
Residential - Local Measured		
One-Hour Package	\$ 9.25	\$11.05
Three-Hour Package	11.50	13.30
Six-Hour Package	13.45	15.25

Long distance rates which previously were rated using various mileage bands were changed to reflect one rate for all calls as follows:

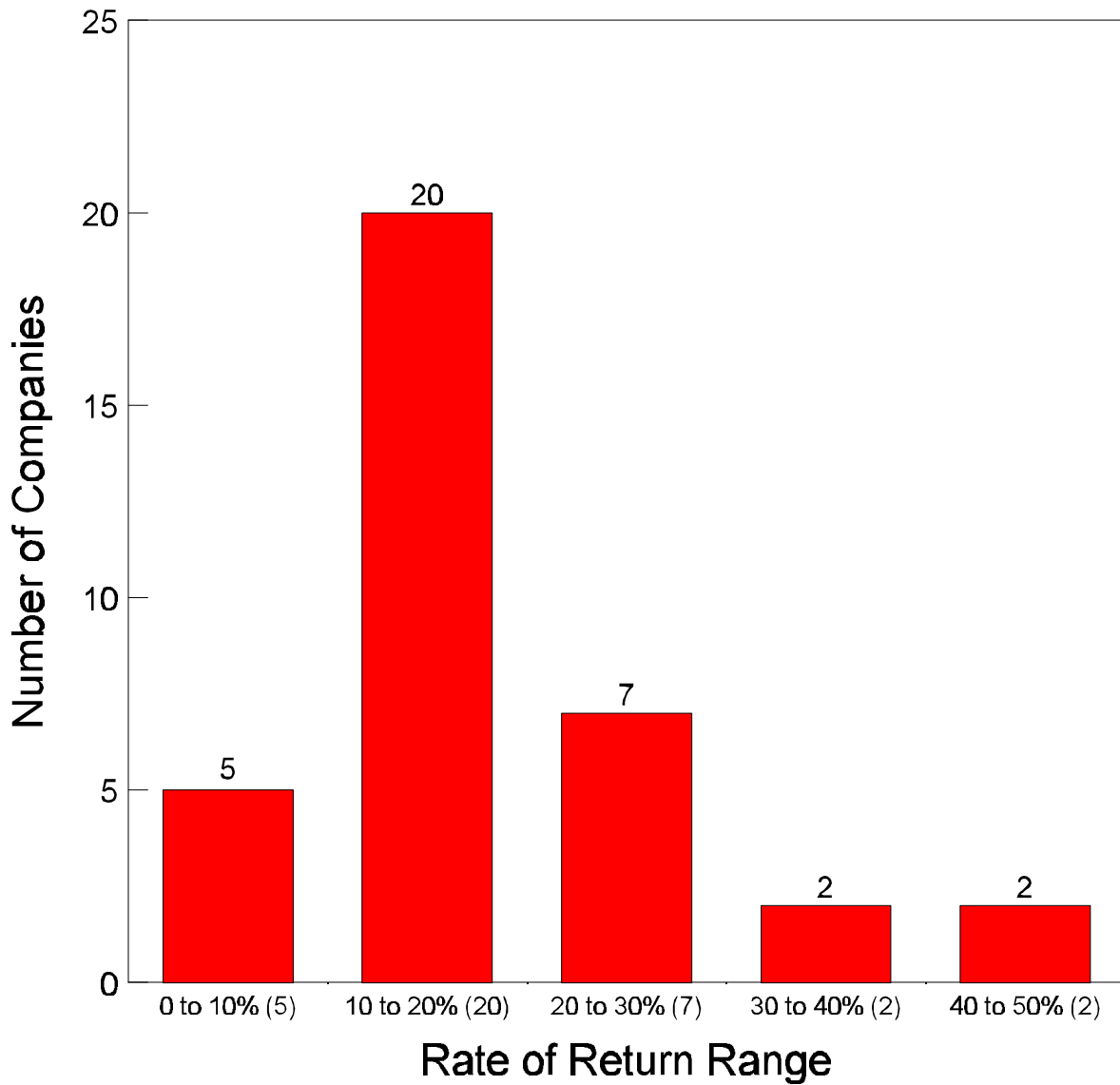
Service	Per Minute
Residential - Peak (Day) Rate	\$ 0.24
Residential - Off-Peak	0.12
Business - Peak (Day) Rate	\$ 0.20
Business - Off-Peak	0.20

3. Financial Statistics

The financial information related to local exchange company earnings is not being reported for 1998. 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

1998 Rate of Return



4. Long Distance Telephone Rates/Access Charges

A. Competition in the Long Distance Market

The Commission has authorized approximately 300 long distance carriers to compete in the Nebraska market. One of the goals of the 1996 Federal Telecommunications Act was to provide for customer choice. This has been carried out by the Commission in the long distance market. Not only do carriers compete for interLATA service, but they now can compete for calls made within each LATA. A Commission order, issued in 1997, required all local exchange carriers to provide customers with their choice of a long distance carrier on intraLATA calls by December 31, 1998 (February of 1999 in the case of US West). All customers in the state now have their choice of 1+ long distance carriers for interstate, interLATA, and intraLATA long distance services.

The choice of long distance carriers has brought about an increase in the solicitation of customers by long distance companies. As a result of this, the Commission has received an increase in the number of customers who allegedly have been slammed (change of their long distance carrier without authorization). Commission staff works with the customer and long distance company to assure that the customer is served by its carrier of choice and to re-rate any calls which were made at a rate higher than the customer's preferred carrier's rates. In addition, any one-time fees assessed for an unauthorized change are removed from the customer's bill.

Local exchange carriers have now offered some added assurance that carrier changes will not be made without proper authorization if the customer's account is frozen to their Primary Interexchange Carrier (PIC). This service allows the customer to freeze its long distance carrier at no charge. If the local carrier receives a change request on behalf of the customer, the customer is contacted before any change of the carrier is made. This protection for the customer is available throughout the state.

B. Access Charges and Long Distance Company Pricing

The implementation of the Nebraska Universal Service Fund (NUSF) resulted in re-pricing of both local service rates and access charges. The result of changes made on September 1, 1999, was a reduction in the access charges which are paid to the local companies by long distance carriers. The loss of this revenue to the local companies will be replaced by local rate increases and payments from the Universal Service Fund. However, the reduced expenses that long distance carriers have experienced should be reflected in reduced toll rates to the customers of Nebraska (See Part VI).

A requirement of the Commission's NUSF order was that all long distance companies who have lower costs as a result of the access charge reduction will file lower long distance rates and flow-through this reduction to their customers. This phase of the Commission's order is now being analyzed to determine if the new rates reflect the full reduction received by the long distance carriers.

The result should be that in-state long distance rates will compare more favorably to those rates that long distance carriers charge for interstate calls.

Long distance companies have also implemented new billing practices which have caused concern for customers with little or no long distance usage. Some companies have implemented “minimum monthly billing” practices where the customer is billed a flat amount monthly (\$3.00 for example), even if no long distance calls were made. This charge is intended to cover the billing costs incurred by the long distance carrier.

AT&T has introduced “threshold billing” to its customers which allows for quarterly billing. Under the plan, a customer would not be billed monthly if its long distance charges are less than \$30.00 for any one month or less than \$30.00 for two months in a row. On the third month, regardless of the AT&T charges, all charges would appear on the monthly bill. AT&T points out that the program gives customers a higher level of customer service and satisfaction, as well as helping AT&T reduce its cost and keep its rates competitive. If a customer does not wish to participate in the program, the customer may call AT&T and be removed from it.

5. Long Distance Carriers

There are approximately 300 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.

6. Sample Telephone Bill

On the following page is a sample residential telephone bill and a brief explanation of the various elements which would appear on a bill.

SAMPLE RESIDENTIAL TELEPHONE BILL
(Local Portion of the Bill)

Explanation	Amount	Total
SERVICE AND EQUIPMENT MONTHLY CHARGES		
Local Charges:		
(1) Basic Residence Line		\$17.50
(2) Extended Area Service	2.50	
(3) Number Portability	.43	
TOTAL SERVICE AND EQUIPMENT CHARGES		20.43
FEDERAL SUBSCRIBER LINE CHARGE		
(4) Federal Access Charge	3.50	
TOTAL FEDERAL SUBSCRIBER LINE CHARGE		3.50
GOVERNMENT SURCHARGES AND TAXES		
(5) Telecommunications Dual-Party Relay Fund	0.05	
(6) 911 Service Surcharge	0.50	
(7) NE Universal Service	1.39	
TOTAL GOVERNMENT SURCHARGES		1.94
TAX CHARGES		
(8) Federal (Excise Tax)	0.72	
(9) State (Sales Tax)	1.24	
(10) City (Sales Tax, If Applicable)	0.37	
(11) City (Occupation Tax, If Applicable)	0.90	
TOTAL TAXES		3.23
TOTAL CHARGES		\$29.10

SAMPLE RESIDENTIAL TELEPHONE BILL
(Long Distance Portion of Bill)
Long Distance Credits and Charges

(12) 1. Universal Connectivity Charge	\$0.99	
(13) 2. Carrier Line Charge	1.51	
(7) 3. NE Universal Service	<u>0.19</u>	
TOTAL ADDITIONAL CHARGES		\$2.69

LONG DISTANCE CALLS

No.	Date	Time	Place	Number	Min.	Amount
1	7/21	0854P	To North Platte	308-534-6000	3	\$ 0.45
2	7/25	0900A	To Omaha	402-422-5789	15	2.25
3	7/30	0730P	To Des Moines, IA	515-555-1010	10	1.50
TOTAL CALLS						\$ 4.20
TAX CHARGES						
(8)	Federal (Excise Tax)					0.13
(9)	State (Sales Tax)					<u>0.14</u>
TOTAL TAXES						\$ 0.27

TOTAL LONG DISTANCE CREDITS AND CHARGES

\$ 7.16

Explanation of Individual Charges

1. *“Basic Residence Line.”* The monthly rate for providing service to the home and includes local calling within the exchange.
2. *“Extended Area Service.”* The monthly charge for provision of local calling to other exchanges in addition to customer’s serving exchange.
3. *“Number Portability Charge.”* A charge set by the Federal Communications Commission (FCC) to cover a part of the costs of facilities upgrades necessary to allow customers to retain their telephone number when changing from one local service provider to another.
4. *“Federal Access Charge (Federal Subscriber Line Charge).”* A charge set by the FCC to cover part of a local telephone company’s cost of operating and maintaining its local telephone network.
5. *“Telecommunications Dual-Party Relay Fund (Nebraska Relay Fund).”* A charge set by the Nebraska Public Service Commission to provide a statewide network to allow communication between hearing- and speech-impaired customers and individuals without such disabilities.
6. *“911 Service Surcharge.”* A charge assessed by the city or county to provide funding to operate emergency service centers. Typically this charge is between \$.50 and \$1.00 per month.
7. *“NE Universal Service.”* A charge set by the Nebraska Public Service Commission to provide funds to local exchange carriers (LECs) to assist in the provision of services to high-cost customers. This charge is 6.95 percent of the in-state portion of the bill.
8. *“Federal Tax (Excise Tax).”* A 3 percent tax which funds general government operations and will appear on both the local and long distance portion of the bill.
9. *“State Tax (Sales Tax).”* The state sales tax, which is 5 percent of the in-state portion of the bill to fund general government obligations. This tax will appear on both the local and long distance portion of the bill.
10. *“City Tax (Sales Tax, If Applicable).”* The rate varies by city, but the funds will go towards general municipal obligations.
11. *“City Tax (Occupation or Franchise Tax, If Applicable).”* The percentage (varies by city) assessed by the city to the telephone company for the right to do business.
12. *“Universal Connectivity Charge.”* (Rate varies with each long distance company.) Charges assessed to the long distance company to support low income consumers, consumers in high-cost areas, and support for schools, libraries, and rural health care providers.
13. *“Carrier Line Charge.”* (Presubscribed Interexchange Carrier Charge -- PICC). (Rate varies with each long distance company.) A charge paid by long distance companies to local companies to access its local network. Previously, long distance companies paid a higher charge per minute for this access; as of January 1, 1998, they pay a flat-rated per-telephone charge plus a lower charge per minute to local companies.

Part IV

PART IV

Recommendations for the 1999 Legislative Session

1. Merger Authority

The Telecommunications Act of 1996 laid the groundwork for revolutionary changes in the competitive landscape of the communications industry. In light of recent merger announcements, approximately 90 percent of Nebraska consumers may have a different local exchange carrier by the end of the next fiscal year. As evidenced by the recent Aliant-ALLTEL merger, the Commission's authority with respect to mergers was developed during a monopolistic environment. Because of statutory ambiguity regarding Commission authority to review and approve mergers, the Commission will ask the Legislature to clarify Nebraska law with respect to telecommunication mergers.

2. Application Fees

Since the passage of the Telecommunications Act of 1996, the Commission has experienced more than a 60 percent increase in the number of applications filed with its Communications Department. Further, the types of applications being filed involve many more contentious issues than in the past and require much more time to process. Many of the issues being decided by the Commission result in millions of dollars of revenue for the applicant companies. However, Neb. Rev. Stat. Section 75-128 limits application fees to \$50 and hearing fees to \$50 for each half day of a hearing. These fees do not cover the costs of publishing notice of an application, transcribing the record of a proceeding, or staff time devoted to processing an application. In light of the benefit applicants receive, they should be required to pay a greater share of the cost of processing an application.

3. Enforcement Powers

The evolution of the competitive landscape has been accompanied by changes in the obligations of carriers and a drastic increase in the number of contentious issues before the Commission. While the Commission has the responsibility to arbitrate these disputes, it is limited in the tools that it has to enforce either its decisions or a carrier's obligations. The ultimate threat to carriers is the revocation of authority. However, not all violations constitute revocation. In many instances, the other enforcement tools at the Commission's disposal are too anemic to effectuate compliance. Further, while revocation may be a real threat to small carriers, companies that serve large percentages of the state are undeterred by this regulatory tool. Disconnecting a large number of customers would likely cause a greater disruption to the public than to the carrier facing revocation. As such, the Commission seeks expanded fining authority and other enforcement tools to help protect consumers in an emerging competitive market.

Part V

PART V

Applications and Tariffs

The Commission received a total of 241 applications during the period of July 1, 1998, to June 30, 1999. Once again this year, much of the activity centered around the 1996 Telecommunications Act and its goal of promoting competition in the local market. During this period, 23 additional carriers applied for local authority and 34 requests for approval of interconnection agreements were received. Following is a summary of the applications received during this period.

Type of Application	Number Filed
Local Certification	23
Reseller Certification	74
Amend Certification	47
Cease and Desist	0
Boundary/LEC	7
Boundary/Customer	8
Depreciation	0
Rate Increase/LEC	8
Loan	1
Commission Initiated	12
EAS	23
Interconnection	34
Other	4
TOTAL	241

There were 544 tariff changes filed with the Commission during this period. Individual applications and tariff filings can be obtained upon request.

Part VI

PART VI

Nebraska Universal Service Fund

With the passage of LB 686 in 1997, the Legislature created the Nebraska Universal Service Fund Act (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 Commission entered an order on January 13, 1999, establishing the guidelines to implement the Nebraska Universal Service Fund (NUSF). The implementation of the NUSF resulted in re-pricing of local service rates and the restructuring and re-pricing of in-state access rates. Under the order, all local exchange companies were required to submit a transition plan on or before April 30, 1999, to be effective September 1, 1999. ALLTEL (formerly known as Aliant Communications Co.), GTE and US West were required to submit a three-year transition plan, while rural companies were allowed a four-year transition period. Each transition plan was to detail all rate revisions to local telephone service and in-state access rates. The company-filed transition plans were required to include: 1) the elimination of all subsidies for ALLTEL, GTE and US West, while allowing rural local telephone carriers to retain a carrier common line rate element not greater than \$0.02; 2) the adoption of the local transport restructure for access charges; 3) the adoption of interstate access rates for rural carriers; and 4) the transition of local rates to target rates of \$17.50 for residence and \$27.50 for business. The implementation of the NUSF resulted in an average reduction to in-state access charges of 6.7 cents per minute.

The Commission's NUSF Department was established to commence and administer the provisions of the NUSF. In February 1999, the Commission named Jeffrey L. Pursley as Director of the NUSF Department.

On March 11, 1999, the Nebraska Legislature passed LB 514 which 1) eliminated the sunset provisions of the Universal Service Fund Act; 2) granted the Commission authority to fund the NUSF through a surcharge; and 3) exempted persons receiving support from the Lifeline Program from the surcharge established pursuant to the NUSF. The Commission then entered an order in Docket NUSF-2 on April 14, 1999, to implement the exemption of Nebraska Lifeline recipients from the NUSF surcharge.

Pursuant to the grant of authority in LB 514 and the extensive analysis of several factors including proposed and estimated access reductions, local rate changes, company earnings, state support to qualifying Lifeline customers, and administrative expenses, the Commission determined an appropriate surcharge level necessary to raise adequate revenue to accomplish the goals of the NUSF. On June 2, 1999, in Docket NUSF-4, the Commission enacted a 6.95 percent surcharge on in-state telephone service revenue to begin on July 1, 1999, to fund the NUSF.

On July 13, 1999, the Commission entered an order in Docket NUSF-2 to provide additional Lifeline support to Lifeline customers in an effort to minimize the effects of the local rate increases

due to the re-pricing and restructuring of local telephone companies' rates, as required in the Commission's order entered January 13, 1999. Prior to September 1, 1999, qualified Lifeline recipients received \$5.25 per month of federal support. Such support can be doubled to \$10.50 per month with matching funds from the NUSF. For each \$2.00 of Lifeline support from the NUSF, the federal Lifeline program will contribute an additional \$1.00, up to a total of \$1.75. In order to gain the maximum amount of additional federal support, the NUSF began contributing \$3.50 per month for each qualified line of service beginning September 1, 1999. Lifeline customers will then be eligible for federal and state support, based on their current local exchange rate, as detailed below.

Monthly Local Exchange Rate	Lifeline Support Received Per Month
> \$15.85	\$10.50
\$14.45 - \$15.84	\$ 8.85
\$13.25 - \$14.44	\$ 7.44
\$12.25 - \$13.24	\$ 6.24
< \$12.24	\$ 5.25

On August 3, 1999, the Commission entered an order in Docket NUSF-5 and found that the first-year local rate revisions contained in the transition plans of each incumbent local exchange carrier not requesting waiver are 1) fair, just, and reasonable; 2) generally in compliance with the Commission's orders in Docket C-1628/NUSF; 3) in the public interest; and 4) do not represent an increase in current basic local exchange rates where existing rates are already above the local rate rebalancing targets.

On August 3, 1999, the Commission also entered Progression Order No. 7 in Docket C-1628/NUSF and found years one and two proposed access rates filed by US West and ALLTEL (formerly known as Aliant Communications Co.) and year one access rates filed by GTE¹ comply with the requirements of the Commission. In the same order, the Commission allowed the proposed year one access rates of rural companies to become effective September 1, 1999.

A result of changes made pursuant to the implementation of the NUSF was a reduction in the access charges paid to the local companies by long distance carriers on September 1, 1999. The loss of this revenue to the local companies will be made up from the NUSF, where necessary, to maintain affordable local service rates. LB 514 and the Commission's orders require that reductions in access charges be passed on to all consumers and reflected in reduced rates for long distance calls within Nebraska.

¹GTE only filed a one-year transition plan due to the imminent sale of their Nebraska properties.

Pursuant to authority granted to the Commission in LB 514, the Commission required all long distance companies to file a flow-through plan on or before August 1, 1999, demonstrating the flow-through reductions to their customers as a result of the access charge reductions. On August 24, 1999, the Commission opened Docket NUSF-15 to revoke operating authorities and to cease and desist operations in Nebraska for those long distance companies failing to comply with the Commission's requirement to file flow-through plans. The Commission continues to analyze the flow-through plans for those companies in compliance with the Commission's filing requirement to determine if the new rates reflect the full reduction received by the long distance carriers. The result should be in-state long distance rates that compare more favorably to those rates that long distance carriers charge for interstate calls.

Lifeline Program

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 Nebraska 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.

Effective January 1, 1998, the FCC provided baseline Lifeline support of \$3.50 plus additional federal support of \$1.75 through commission-approved reduction in intrastate rates. This results in the federal baseline support of \$5.25. The Commission's Docket C-1645 was opened to provide the additional support through intrastate rates. Additional federal Lifeline support in an amount equal to one-half the amount of any state Lifeline support, up to \$1.75 maximum federal support, will be made available to the carrier providing Lifeline service to a qualifying consumer upon state commission approval. Thus, the federal Lifeline support amount shall not exceed \$7.00 per qualifying low-income consumer. As of September 1, 1999, the Nebraska Lifeline Program utilizes the maximum federal support of \$7.00 plus state universal service fund support of \$3.50 for a maximum of \$10.50, depending on the Lifeline customer's current local exchange rate.

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 (SSI);
- 4) Federal Public Housing Assistance; or
- 5) Low-Income Home Energy Assistance Program (LIHEAP).

Link-Up Program

The Link-Up Program's eligibility requirements mirror the requirements for Lifeline assistance. The Link-Up Program provides a credit to the consumer for the carrier's customary connection charges to establish service on 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 a deferred schedule for payment of the charges to establish 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, excluding security deposits, that are deferred for a period not to exceed one year.

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.

Nebraska Lifeline/Link-Up Implementation

As of June 30, 1999, the Commission has received 15,649 applications from subscribers since January 1, 1998 (program inception), of which 1,233 received the benefits of Link-Up assistance. This represents an increase of 4,294 applications for the fiscal year 1998-99 with an increase of 798 customers receiving the benefits of the Link-Up Program for the fiscal year 1998-99.

Lifeline consumers receive the benefits of up to the \$7.00 maximum federal support, waiver of toll blocking charges and a waiver of the Presubscribed Interexchange Carrier Charge (PICC) in addition to the state Lifeline support. Additionally, the federal charge for local number portability does not apply to Lifeline customers.

Eligible Telecommunications Carrier Reimbursement

Carriers providing reduced local rates submit reimbursement for their discounted service through the Universal Service Administrative Company (USAC). FCC Form 497 titled "Lifeline and Link-Up Worksheet" is utilized for reimbursement. Claims for providing Lifeline and Link-Up support are submitted on this form. Additionally, the incremental cost of providing Toll-Limitation Services (TLS) as well as the Presubscribed Interexchange Carrier Charges (PICC) that the carrier waives are paid to the local exchange carrier through USAC.