

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of Application of) Application No. C-800
National Communications Network,)
Inc., Gilbert, Arizona, who seeks)
a Certificate of Public Convenience) DENIED
and Necessity to operate as a)
reseller of telecommunications)
services within the State of)
Nebraska.) Entered: May 30, 1990

OPINION AND FINDINGS

BY THE COMMISSION:

By its application filed February 28, 1990, National Communications Network, Inc., (NCN) of Gilbert, Arizona seeks authority to operate as a reseller of telecommunications services within the State of Nebraska.

Notice of the filing of the application was published pursuant to the provision of the Commission's Rules and Regulations. No protest to the application was filed.

Pursuant to notice required by law, public hearing was held on the application on April 30, 1990. Late filed exhibits were requested and never received.

Upon consideration of the application, the evidence adduced at the hearing and being fully advised, the Commission is of the opinion and finds that:

1. Applicant is a privately-held corporation incorporated in the State of Arizona, with its principal place of business at 1440 North Fiesta Boulevard, Suite 100, Gilbert, Arizona.
2. Applicant seeks a Certificate of Public Convenience and Necessity to furnish intrastate telecommunications service as a common carrier both interLATA and intraLATA. Applicant seeks to offer these services primarily to residents and businesses. NCN will not construct any new facilities to implement the authority sought here. NCN does not, and will not own, lease or otherwise control a switch or any other telecommunications equipment. The proposed services will be furnished by MCI (or other major carriers).
3. Richard Johnson, an independent distributor with the company from Minneapolis, Minnesota, testified for applicant: He is also under contract with the company as a regional director. Part of his functions is to train trainers in his locality for NCN. He has been with the company for five months. NCN employees approximately 200 or 220 full and part time employees. The training provided to area directors is a multi-level marketing

distributorship. There are individuals in Nebraska who are distributors. Generally these distributors must fill out a distributor agreement and send in a \$25.00 fully refundable deposit. The form states the deposit is not applicable to Louisiana and Nebraska residents or where prohibited by law. There is also a package that the company sells to distributors for \$230, called the DPS training package. The distributors are then given a commission on the subscribers that they sign up to NCN. NCN also has a franchise aspect of its business whereby certain defined areas of the country are sold as territories and these owners would get a commission off of subscribers in their territory. Nebraska is owned by Midlands Communication group. Midlands Communication has nothing to do with either the provision of technical service, the customer service, or the billing. The application would be in the public interest by two main ways; one way is that a number of Nebraska residents could actually reduce their long distance telephone costs and the second way is that Nebraska residents who sell the service would receive commissions and overrides from participating in the marketing plan.

4. Pursuant to a request by the staff and agreed to by the hearing officer permission to request late filed exhibits on the questions of financial fitness and policy questions on the technical ability of the company was allowed. The staff was directed to prepare a list of additional questions that a qualified individual from the company could answer. As of the date of this order, no response has been received to these questions; therefore, the Commission finds that applicant does not possess the necessary financial and technical resources to provide the proposed service. The application should be denied.

ORDERED

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-800 be and it is hereby denied.

MADE AND ENTERED at Lincoln, Nebraska this 30th day of May, 1990.

NEBRASKA PUBLIC SERVICE COMMISSION

Daniel G. Urwiller

Chairman

COMMISSIONERS CONCURRING:

Frank E. Landis, Jr.

//s//Frank E. Landis, Jr.

//s//James F. Munnelly

//s//Daniel G. Urwiller

ATTEST:

Robert R. Sherry
Executive Director