

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application of ) Application No. C-862  
Kantel Communications, Inc., )  
Lawrence, Kansas who seeks authority ) GRANTED  
to offer pay telephone communications )  
services within the state of Nebraska.) Entered: January 15, 1991

APPEARANCES: For The applicant:  
Greg Bartels, Esq.  
Suite 400  
134 S. 13th Street  
Lincoln, Nebraska 68508

For the Commission:  
Chris Dibbern, Esq.  
300 The Atrium  
1200 N Street  
Lincoln, Nebraska 68509

OPINION AND FINDINGS

BY THE COMMISSION:

By its application filed September 20, 1990, Kantel Communications, Inc., Lawrence, Kansas seeks authority to offer pay telephone communication services within the state of Nebraska.

Notice of the filing of the application was published pursuant to the provisions of the Commission's Rules and Regulations. No protests to the application were filed.

Pursuant to notice required by law, public hearing was held on the application on December 4, 1990 at 1:30 p.m. in the Commission Hearing Room, Lincoln, Nebraska with appearances as shown.

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 corporation organized and existing under the laws of the State of Kansas with its principal office located in Lawrence, Kansas. Applicant is in the business of offering private pay telephones furnishing interstate and intrastate telecommunications services to end users. Two witnesses appeared and testified on behalf of the applicant.

2. Mr. Richard L. Thompson, President of Kantel Communications, testified. Since the inception of the company in 1988 Kantel has registered to do business and engages in business in the states of Kansas, Iowa, Minnesota, and Missouri. While the activities in the states of Iowa, Minnesota, and Missouri are presently directed toward the inmate market, the company intends to expand its services to customers in hotels, hospitals, temporary

housing units, business establishments and other institutions or businesses in all three states. In the state of Kansas, the company presently serves a variety of accounts including a motel, hospital and shopping malls.

3. The service will be marketed through the company's representatives who visit accounts interested in the company's service. Applicant's financial statements as of June 30, 1990, reflect total assets of approximately \$820,000 with Liabilities of \$690,000, excluding long term debt.

4. Mr. Thompson testified how telecommunications services to correctional institutions generally operate. The calls on these phones can only be collect for security reasons. Terminating calls back into a correctional facility are not allowed. The inmate lifts the handset off of the receiver and dials a number: the called party must either accept or reject the collect call. The equipment has the capability to record the necessary billing information within the phone system itself at the time the call is made, which is then billed through a billing company.

5. Mr. Thompson testified that applicant maintains an Omaha office which has two individuals who provide both sales and service assistance in the Omaha-Council Bluffs area. The basic sales and marketing in Nebraska has been in the inmate telephone service area. One of the primary benefits of the their service in the inmate area is the cost that a correctional institution does not incur in providing communications service to the inmates. "They presumably save with security, jail administrator type staff," and it improves the demeanor of prisoners who have access to telephone services, according to Mr. Thompson.

6. Applicant's second witness was B. Reid Presson, Jr., Vice President of Intelecall, of Carrollton, Texas. The company he works for manufactured the equipment that applicant utilizes in offering telecommunications service. Mr. Presson testified about the type of telephone communications equipment and the history of how it was developed. These payphones now have the ability to store and forward information which enables the company to rate calls without the use of traditional facilities.

7. The Commission finds that with the present technology COCOTS are moving from traditional payphone regulation into the reselling arena when the applicant through their equipment can record, rate and bill the end-users of the system.

8. The Commission finds that Applicant at this time is in compliance with subsection 002.14D1, under Rule 002.14 Customer-Provided Semi-Public Telephones, whereby a company must be able to access 911 Emergency Service, where available, at no charge, without using a coin, because within correctional settings 911 is "not available" for security reasons. The Commission also

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finds that Applicant at this time is in compliance with subsection 002.14D3 by filing this application for authority to become an interexchange carrier.

9. The application is fair and reasonable, is in the public interest and should be granted.

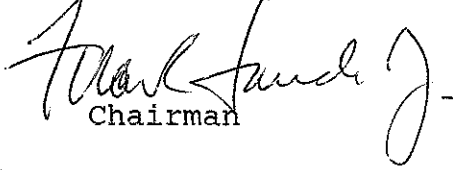
ORDER

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-862 be and it is hereby granted and Kantel Communications, Inc., be and it is hereby authorized to provide interexchange telecommunications services within the State of Nebraska.

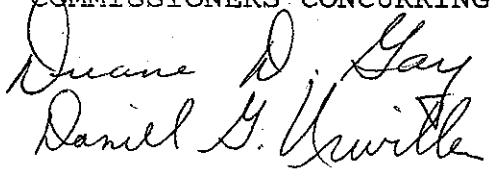

IT IS FURTHER ORDERED that this order be and it is hereby made the Commission's official Certificate of Public Convenience and Necessity to furnish the service authorized herein.

MADE AND ENTERED at Lincoln, Nebraska, this 15th day of January 1991.

NEBRASKA PUBLIC SERVICE COMMISSION

  
Chairman

COMMISSIONERS CONCURRING:

  
  
//s//Frank E. Landis, Jr.  
//s//Eric Rasmussen  
//s//James F. Munnelly

ATTEST:

  
Executive Director