

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the) Application No. C-897
Application of Affinity Network)
Incorporated, Los Angeles, Califor-) **GRANTED**
nia which seeks authority to)
operate as a resale carrier of)
intrastate interLATA and intraLATA)
telecommunications service within)
the State of Nebraska.) Entered: December 10, 1991

Appearances:

Samuel P. Delug, President
Affinity Network Incorporated
Suite 1500
3550 Wilshire Blvd.
Los Angeles, CA 90010
(213) 383-8265

Jeffrey P. Goltz
Legal Counsel, NPSC
Communications Department
P.O. Box 94927
Lincoln, NE 68509

By application filed July 26, 1991, Affinity Network, Inc., (Affinity) of Los Angeles, California seeks authority to operate as a resale carrier of intrastate interLATA and intraLATA telecommunications service within the State of Nebraska. Affinity's legal counsel is:

Kathleen Villacorta, Esq.
Wiggins & Villacorta, P.A.
501 East Tennessee Street
Post Office Drawer 1657
Tallahassee, FL 32302

Notice of the application was published in the Omaha *DAILY RECORD* July 31, 1991 in accordance with the Commission's rules of procedure. No protests to the application were received. Hearing on the application was held October 22, 1991 in the Commission Hearing Room, Lincoln.

O P I N I O N A N D F I N D I N G S

BY THE COMMISSION:

Upon consideration of the application, the evidence adduced at the hearing and being fully informed in the premises, the Commission is of the opinion and finds:

1. Samuel P. Delug is Affinity's president. Affinity does not currently operate in Nebraska. Affinity seeks to offer long distance telecommunications service over resold facilities. The company is a privately-held corporation incorporated in California in 1989. Exhibit 1 is a copy of the articles of incorporation. Exhibit 2 is a copy of the

Application No. C-897

-2-

certificate of authority to transact business in Nebraska as a foreign corporation issued by the Nebraska Secretary of State November 5, 1991.

2. The company's target markets are small and medium size businesses; residential service will also be provided, but on an incidental basis. The "1+" telecommunications service provided is billed based on the call's duration, the time of day, and the distance between the originating and terminating points of the call. Affinity's primary underlying carrier is American Telephone & Telegraph (AT&T). Calls originate, terminate, and are switched over AT&T's Software Defined Network (SDN) facilities. AT&T routes calls through its switched network for Affinity and, as the underlying carrier, is responsible for maintenance and supervision of the network. Access connections to the end user may be switched or dedicated and may be provided by local exchange companies or other access providers. Affinity receives magnetic tape call detail records from At&T and uses the call detail information to bill its customers on a monthly basis. Affinity does not propose to provide Alternative Operator Service (AOS) as part of its application.

3. Affinity currently provides resold communications service in California, New York, Minnesota, Florida, Illinois, Louisiana, South Carolina, South Dakota, Texas, Iowa, and Colorado.

4. Delug testified, and the application reflects, that neither Affinity nor its officers have been the subject of any complaint proceeding or other investigatory or enforcement action.

5. The shareholders of Affinity are residents of California. As of March 30, 1991, Affinity had assets of \$1.626 million and liabilities in the same amount. Late-filed Exhibit 9 shows Affinity's assets and liabilities to be \$1.460 million. According to the same exhibit, from January 1 to June 1, 1991, Affinity's operations generated \$657,799 in net income.

6. Affinity has filed a proposed tariff as part of its application in accordance with the Commission's rules and regulations.

7. Based on the testimony, the exhibits, and the proposed tariff, 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-897 be, and it is hereby,

Application No. C-897

-3-

granted and Affinity Network, Inc. of Los Angeles, California be, and it is hereby, authorized operate as a resale carrier of intrastate interLATA and intraLATA telecommunications service within the State of Nebraska.

IT IS FURTHER ORDERED that Applicant shall file, in accordance with the applicable statutes, an annual report with this Commission consisting of (a) a copy of any report filed with the Federal Communications Commission, (b) the annual report to stockholders, and (c) for the state of Nebraska on a combined interstate-intrastate basis, the investment in telephone plant and equipment located within the state, accumulated depreciation thereon, operating revenues, operating expenses, and taxes.

IT IS FURTHER ORDERED that the Applicant file an updated tariff prior to offering service pursuant to the certificate granted in this order.

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 10th day of December, 1991.

NEBRASKA PUBLIC SERVICE COMMISSION

Daniel G. Urwiller

Vice Chairman

Commissioners Concurring:

Duane D. Gay

//s//James F. Munnelly
//s//Eric Rasmussen
//s//Daniel G. Urwiller

ATTEST:

Robert R. King
Executive Director