

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application of)	Application No. C-1075
AIS Telecommunications Services,)	
Inc., of Lake Oswego, Oregon seeks)	
authority to operate as a resale)	GRANTED
carrier of intrastate interLATA and)	
intraLATA telecommunications serv-)	
ices within the state of Nebraska.)	Entered September 13, 1994

APPEARANCES:

For the Applicant

For the Communications Department

Richard Ares
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PRELIMINARY MATTERS

AIS Telecommunications Services, Inc. of Lake Oswego, Oregon filed its application May 10, 1994. The company seeks authority to provide prepaid calling cards utilizing resold intrastate and interstate long distance service. Notice of the application appeared in the Omaha Daily Record, May 12, 1994. No one protested the application. AIS appeared before the Commission for a hearing, chaired by Commissioner Landis, August 23, 1994 in the Commission Hearing Room, Lincoln, Nebraska.

BY THE COMMISSION

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

Upon consideration of the application, the governing statutes and rules, the evidence adduced at the hearing, and being fully informed, the Commission is of the opinion and finds:

Nebraska was divided into three Local Access Transport Areas ("LATAs") as a result of the terms of the Modification of

¹Interexchange resellers applications are governed by Neb. Rev. Stats. 75-604 and 86-805 (1990 and 1987 Reissues, respectively) and Title 291 Neb. Admin. Regs. Ch. 5, Rule 003.12.

Final Judgement (the "MFJ") issued in the AT&T divestiture case. United States v. American Telephone & Telegraph Co., 552 F.Supp. 131 (D.D.C. 1982), aff'd sub nom., California v. United States, 460 U.S. 1001 (1983) and United States v. American Telephone & Telegraph Co., 569 F.Supp. 990 (D.D.C. 1983) aff'd sub nom., California v. United States, 460 U.S. 1001 (1983).

While Neb. Rev. Stat. 75-604, by its language, refers to local exchange service, the Nebraska Supreme Court in Northwestern Bell Telephone v. Consolidated Telephone Co., 180 Neb. 268, 142 N.W.2d 324 (1966) held that long distance service is also subject to the provisions of the statute. This was recognized by the Legislature in LB 835 (LAWS 1986) because interexchange services (which include resellers) in Sec. 86-805 (part of LB 835) are referenced to in Sec. 75-604. For this reason, the Commission distinguishes between intraLATA and interLATA resale when deciding reseller applications.

Richard Ares, Vice President at AIS, testified. He has been with Advanced Information Solutions, an affiliate of AIS, for approximately two years. Mr. Ares testified, and the pleadings reflect, that the applicant seeks to provide prepaid debit cards statewide in Nebraska. The filed application does not seek authority to provide AOS. We observe the Commission has consistently held an application for reseller authority does not include AOS unless specifically petitioned for in the application.²

AIS began doing business in January 1994, and is privately owned. David Bates, is the President and CEO of the company. The applicant intends to offer intrastate services throughout Nebraska over facilities leased from carriers such as AT&T and Sprint. The applicant will target customers who wish to make long distance calls on a cash basis, rather than credit. Marketing will be conducted through local telephone companies who contract with the applicant. The cards are available in various denominations, according to minutes.

The applicant does not propose to construct facilities for use in intrastate service in Nebraska; therefore, no existing

²We note that a late-filed amendment to add AOS to the application is an inadequate solution; the previously published notice of the application would not accurately reflect the authority sought in the application.

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facilities will be duplicated if this application is granted for reseller service.³

At the hearing, Mr. Ares stated AIS plans to become certified nationwide. AIS currently is authorized to conduct business in 22 states, and an additional 11 applications are pending. Further, Mr. Ares stated that no state commission has rejected an AIS application, nor has the company been subject to a formal complaint proceeding.

Financial information was provided to the Commission in the application, as well as at the hearing. Specifically, the company's most recent financial statements were submitted. Advanced Information Solutions also provided statements to the Commission since it is an affiliated corporation. This information was prepared in-house by their CPA. The statements reflect AIS is in good financial standing, and will be able to competently provide service.

Customers are able to call for assistance with complaints or questions regarding the card. The company will also try to arrange customer service through the local telephone companies who market the card.

The proposed tariff, which is part of the application, is in accordance with the Commission's Rules and Regulations. The tariff appears reasonable in light of the proposed service.

In conclusion, Mr. Ares testified that AIS offers an innovative service for consumers who travel or need an alternative to a regular calling card. Due to their fraud control features, the card will be beneficial for many people. Lastly, due to their rates, they will be competitive with other companies offering similar service.

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.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-1075 be, and it is hereby, granted and AIS Telecommunications Inc., of Lake Oswego, Oregon is hereby authorized to operate as a resale carrier of

³See Section 75-604.

intrastate interexchange telecommunications services within the state of Nebraska.

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

IT IS FINALLY ORDERED that this order be, and it is hereby made the Commission's official certificate of authority to furnish the service authorized herein as a common carrier.

MADE AND ENTERED at Lincoln, Nebraska this 13th day of September, 1994.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING

Daniel S. Kravitz

Duane D. Gay

//s//Rod Johnson

//s//Frank E. Landis

//s//James F. Munnelly

James J. Furdyk
Chairman

ATTEST:

John R. King
Executive Director