

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application of) Application No. C-1094
Bottom Line Telecommunications, Inc.,)
of Vancouver, Washington seeking au-)
thority to operate as a resale common) GRANTED
carrier of intrastate interLATA and)
intraLATA telecommunications services)
within the state of Nebraska.) Entered: October 4, 1994

APPEARANCES:

For the Applicant

Robert Berger, Attorney
Swidler & Berlin
3000 K St., N.W., Suite 300
Washington, D.C. 20007
(202) 424-7635

Eric Anderson, Attorney
Fraser, Stryker et al.
500 Energy Plaza; 409 S. 17th St.
Omaha, NE 68102

John Hall
Bottom Line Telecommunications, Inc.
610 Esther St., Suite 1000
Vancouver, WA 98660

For the Communications Department

Deonne Niemack, Staff Counsel
300 The Atrium, 1200 N Street
P.O. Box 94927
Lincoln, NE 68509
(402) 471-3101

PRELIMINARY MATTERS

Bottom Line Telecommunications, Inc., (BLT) of Vancouver, Washington filed an application with the Commission on August 8, 1994. The company seeks authority to conduct business as an intrastate telecommunications common carrier offering resold intraLATA and interLATA long distance service. The applicant's business address is noted above. Notice of the application appeared in the Omaha Daily Record, August 10, 1994. BLT appeared before the Commission for a hearing, chaired by Commissioner Landis, September 27, 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 rules¹, 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 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.

John Hall, Manager of BLT's National Agent Program, testified. Prior to joining BLT, Mr. Hall worked for World Telecom Group and US West. Mr. Hall testified, and the pleadings reflect, that the applicant seeks both intraLATA and interLATA authority. The filed application does not seek authority to provide AOS. We observe the Commission has consistently held an application for reseller authority does not include² AOS unless specifically petitioned for in the application.

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.

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.

BLT was incorporated in 1989 in Washington. Its officers and directors are Thomas Holce, CEO; Robert Sternberg, President and COO, Ann Ayers, Senior Vice-President and Secretary/Treasurer and Steve Martin, Vice-President of Operations and MIS. Major shareholders of the applicant are Rick Willard and Ed Pietz.

BLT intends to offer intrastate services throughout Nebraska over facilities leased from other carriers. Specifically, the applicant proposes to provide direct dialed 1+ service, 800 service and post-paid and prepaid calling cards to and from all points in Nebraska. The applicant will target small and medium sized businesses as customers for 1+ and 800 switched and dedicated services, while residential customers will be targeted for the company's calling cards. Customers are able to call a toll free number, 24 hours a day, for assistance with travel card services. Service is available during normal business hours for 1+ and 800 service.

Billing will be processed by Shared Communications of Salem, Oregon. Pursuant to the applicant's tariff, deposits are not required from subscribers.

The applicant is certified to conduct business in 15 states and no state commission has rejected a BLT application. Efforts are being made to expand the business nationwide. A formal complaint was filed against the company in the state of Alaska; however, Mr. Hall testified BLT has provided all requested information and has responded to all investigatory questions.

Financial information was provided to the Commission in the application, as well as in a late-filed exhibit. The statements were audited by the C.P.A. firm of Arthur Anderson and reflect the company has encountered initial losses due to start-up costs. However, the company has been actively marketing its debit card services to generate additional capital. Major grocery store and drug store chains have recently contracted with BLT to sell debit cards. These and other distribution agreements will provide BLT with the additional income that is necessary to provide quality telecommunications services to customers.

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. Hall testified that BLT will provide additional competition in the telecommunications field in Nebraska. The addition of another interexchange common carrier will help lower costs for consumers and will also improve the quality of telecommunications services in the state.

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-1094 be, and it is hereby, granted and Bottom Line Telecommunications, Inc., of Vancouver, Washington is hereby authorized to operate as a resale carrier of intrastate interexchange interLATA and intraLATA 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 4th day of October, 1994.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING

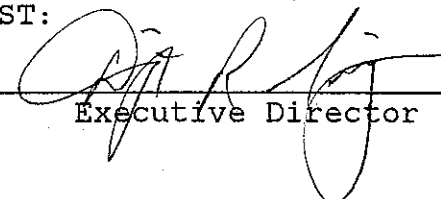
//s//Duane D. Gay

//s//James F. Munnelly

//s//Daniel G. Urwiller


Vice Chairman

ATTEST:


Executive Director