

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application of) Application No. C-1102
Teltrust Communications Services Inc.,)
of Salt Lake City, Utah, seeking)
authority to operate as a resale) GRANTED
common carrier of intrastate inter-)
LATA and intraLATA telecommunications)
services within the state of Nebraska) Entered November 1, 1994

APPEARANCES:

For the Applicant

Sue Williams
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For the Communications Department

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PRELIMINARY MATTERS

Teltrust Communications Services, Inc., (Teltrust) of Salt Lake City, Utah filed an application with the Commission on September 1, 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, September 6, 1994. Teltrust appeared before the Commission for a hearing, chaired by Commissioner Landis, October 25, 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.,

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.

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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.

Sue Williams, Director of Regulatory Affairs, testified. Ms. Williams has been with the applicant for 1 1/2 years. Prior to joining Teltrust, Ms. Williams worked for another operator service provider in southeast Florida and before that, she was employed by Southwestern Bell. Ms. Williams testified, and the pleadings reflect, that the applicant seeks both intraLATA and interLATA authority. The filed application also seeks 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.

Teltrust was incorporated in 1991 in Utah. Its directors are Lyle Keys, Chairman of the Board, Jerry Romney, Sr., Carmelo Catalano and Ronald Shepherd. Mr. Keys serves as the company's CEO and Secretary, Mr. Romney, Sr. acts as Treasurer and Mr. Romney, Jr. serves as President.

Teltrust intends to offer intrastate services throughout Nebraska over facilities leased from other carriers. Specifically, the applicant proposes to provide services to hotels, motels and will provide pay telephone service. The applicant will also offer debit cards to customers.

Teltrust will market its product within the industry. A.T.C.C. is an organization for pay phone operators of which Teltrust is a member. The applicant will exhibit their long

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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distance services in booths at ATCC conferences. Multi-level marketing is not used to obtain customers.

Billing will be provided by Zero Plus Dialing (ZPD) of San Antonio, Texas. Pursuant to testimony given at the hearing, advance deposits and payments are not generally required. However, the proposed tariff does permit deposits and payments if a customer's credit history is unsatisfactory. Customers are able to call ZPD for assistance with billing complaints. If a complaint cannot be resolved by ZPD, the caller may call an 800 number to reach Teltrust directly.

The applicant is certified to conduct business in 29 states and no state commission has rejected a Teltrust application. Efforts are being made to expand the business nationwide by the end of the year. No formal complaints have been filed against the company.

Financial information was provided to the Commission in the application. Unaudited statements, as well as statements prepared by the C.P.A. firm Arthur Anderson, reflect the company is in good financial standing.

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, Ms. Williams testified that Teltrust 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 applicant provided the requisite information, possesses adequate financial resources, and is technically competent to provide services. 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-1102 be, and it is hereby, granted and Teltrust Communications Services Inc. of Salt Lake City, Utah is hereby authorized to operate as a resale carrier of intrastate interexchange interLATA and intraLATA

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telecommunications services within the state of Nebraska, including operator services.

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 1st day of November, 1994.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Daniel G. Kravitz

Mark J. Funder
Chairman

//s//Rod Johnson
//s//Frank E. Landis
//s//James F. Munnelly

ATTEST:

John R. Long
Executive Director