

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application of) Application No. C-1165
Western Union Communications, Inc.)
of Paramus, New Jersey seeking a)
Certificate of Public Convenience) GRANTED
and Necessity to transact business)
as a reseller of interexchange serv-)
ices in Nebraska.) Entered: May 23, 1995

APPEARANCES:

For the Applicant

Richard Jordanger .
One Mack Centre Drive
Paramus, New Jersey 07652

For the Communications Department

Deonne Niemack, Staff Counsel
300 The Atrium, 1200 N Street
P.O. Box 94927
Lincoln, Nebraska 68509

PRELIMINARY MATTERS

Western Union Communications, Inc. (hereinafter referred to as Western Union) of Paramus, New Jersey, filed an application with the Commission on March 22, 1995. 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, March 28, 1995. Western Union appeared before the Commission for a video-conference hearing chaired by Commissioner Landis, May 16, 1995 in the Commission Library, 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:

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.

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., 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 Jordanger, consultant to Western Union Communications, testified. Mr. Jordanger was employed with Western Union from 1961 until 1994 in various engineering, program management and regulatory positions. He is no longer with the applicant; but, has agreed to represent the company in Nebraska due to his experience and expertise in this area. Mr. Jordanger stated, and the pleadings reflect, the applicant seeks interLATA and intraLATA authority. The filed application does not seek authority to provide AOS.

Western Union is certified in approximately 24 states and intends to become certified nationwide. No state has denied Western Union a certificate and no formal complaints have been filed against the company. Western Union intends to offer intrastate services throughout Nebraska. Specifically, the applicant proposes to provide prepaid calling cards at its Western Union offices with the underlying service provided by MCI. The applicant will market its prepaid card through its Western Union offices and perhaps through other selected commercial outlets.

For questions regarding customer service, the company provides a toll-free 800 number on the prepaid card. Western Union provides customer service 24 hours a day, seven days a week. The cards will be sold in various denominations, such as \$10, \$20 and \$50. Mr. Jordanger testified that the cards will expire in one (1) year from the time of purchase.

The requisite financial information was provided to the Commission in the application and the statements reflect the

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company is adequately financed by its parent, Western Union Financial Services, Inc. (FSI). The parent of FSI, First Financial Management Corporation, (First Financial), has ample resources in which to properly finance these operations.

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. Jordanger testified that Western Union was previously involved in the prepaid calling card industry and was certified to do business in Nebraska. The Certificate of Public Convenience and Necessity was lifted at the company's request, as Western Union had sold this aspect of its business to another company and no longer needed its operating authority. The company desires to again enter the prepaid calling card business and agrees to abide by all Commission Rules and Regulations.

Based on the testimony, the exhibits, and the proposed tariff, the applicant has 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-1165 be, and it is hereby, granted and Western Union Communications, Inc. of Paramus, New Jersey 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.

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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 23rd day of May, 1995.

COMMISSIONERS CONCURRING:



//s//Rod Johnson

//s//James F. Munnelly

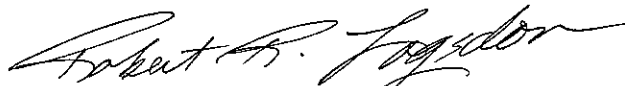
//s//Daniel G. Urwiller

NEBRASKA PUBLIC SERVICE COMMISSION



Chairman

ATTEST:



Executive Director