

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application) Application No. C-1243
of LDC Telecommunications, Inc. of)
Oldsmar, Florida seeking authority)
to operate as a resale carrier of) GRANTED
intrastate interLATA and)
intraLATA telecommunications)
services within the state of)
Nebraska.) Entered: January 9, 1996

APPEARANCES:

For the Applicant

Francesco Meloni
391 Robert Road, Suite 4
Oldsmar, Florida 34677

For the Communications Department

Deonne L. Bruning
300 The Atrium, 1200 N Street
P.O. Box 94927
Lincoln, Nebraska 68508

PRELIMINARY MATTERS

LDC Telecommunications, Inc. (hereinafter referred to as LDC) of Oldsmar, Florida filed an application with the Commission on October 10, 1995. The company seeks authority to obtain a Certificate of Public Convenience and Necessity to operate as a reseller of interexchange telecommunications services within the State of Nebraska. The applicant's business address is noted above. Notice of the application appeared in the Omaha Daily Record, October 11, 1995. LDC appeared before the Commission for a hearing, chaired by Commissioner Rod Johnson, December 5, 1995 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 December 5, 1995 hearing, and being fully informed, the Commission is of the opinion and finds:

¹Interexchange reseller application are governed by Neb. Rev. Stats. 75-604 and 86-805 (Cum. Supp. 1994 and 1994 Reissue, respectively) and Title 291 Neb. Admin. Regs. Ch. 5, Rule 003.12.

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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.

Francesco Meloni, Secretary and Director of Information Technology for LDC, testified. Mr. Meloni stated, and the pleadings reflect, the applicant seeks both intraLATA and interLATA authority. The application does not seek authority to provide Alternate Operator Services (AOS).

The applicant was incorporated in Florida in November 1994. LDC is a privately held corporation with major stock holders including Henry Rodriguez, Brad Schultz and Sean Connors.

No formal complaints or other investigatory or enforcement proceedings involving the business operations of LDC, its officers, directors, shareholders or principals, have been initiated by any state commission. No state has denied LDC a certificate of authority.

LDC utilizes a variety of carriers, such as AT&T, Wiltel or Allnet depending on fluctuations in price and service quality as its underlying carrier. LDC plans to periodically review the price and service performance of its underlying carrier and will make changes as required to provide quality, cost effective service to its customers.

LDC offers a variety of inbound and outbound long distance calling products, including 1+, 800 services and travel card services. The applicant bills for its services through third party companies and local exchange carriers and provides a toll free number for customer service.

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LDC intends to target customers that spend from \$50 to \$1,000 in toll calls per month, and will not concentrate on any geographic area within the state. LDC will use direct marketing through utilization of internal employees.

Financial information was provided to the Commission in the application. The statements are not presently compiled according to Generally Accepted Accounting Principles (GAAP); however, the statements reflect the company is adequately financed and is capable of offering service within the state. LDC must be in compliance with our Rules and Regulations, therefore, the company must begin preparing its statements in accordance with GAAP immediately. Year-end 1995 statements should be submitted for the Commission's review to demonstrate proof of compliance.

Based on the testimony, the exhibits, and the proposed tariff, the applicant has provided the requisite information, has demonstrated its financial resources, and has proven to be technically competent to provide service. 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-1243 be, and it is hereby, granted and LDC Telecommunications, Inc. of Oldsmar, Florida is hereby authorized to operate as a resale carrier of intrastate interexchange intraLATA and interLATA telecommunications services within the state of Nebraska.

IT IS FURTHER ORDERED that the applicant shall file, in accordance with the applicable statutes on or before April 30th of each year, an annual report with this Commission consisting of (a) a copy of any report filed with the Federal Communications Commission, (b) a copy of any annual report to stockholders, (c) a copy of the latest Form 10-K filed with the Securities and Exchange Commission, (d) balance sheet and income statements for the previous year of operation and (e) 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 FURTHER ORDERED that the applicant file its year-end 1995 financial statements prepared according to Generally Accepted Accounting Principles (GAAP) on or before April 30, 1996.

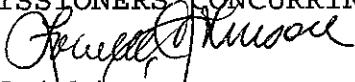
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IT IS FINALLY ORDERED that this order be, and it is hereby made the Commission's official certificate of authority to furnish the service authorized herein as a common carrier.

MADE AND ENTERED at Lincoln, Nebraska this 9th day of January, 1996.

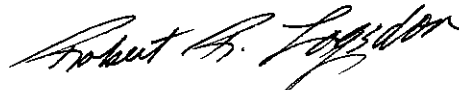
COMMISSIONERS CONCURRING:


//s//Rod Johnson
//s//Frank E. Landis
//s//James F. Munnelly
//s//Daniel G. Urwiller

NEBRASKA PUBLIC SERVICE COMMISSION


Chairman

ATTEST:


Executive Director