

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application ) Application No. C-1250  
of V.I.P. Telephone Network, Inc. )  
of Timonium, Maryland seeking )  
authority to operate as a resale ) GRANTED  
carrier of intrastate inter- )  
LATA and intraLATA telecommunica- )  
tions services within the state of )  
Nebraska. ) Entered: January 9, 1996

APPEARANCES:

For the Applicant

Jeffrey Augen  
1966 Greenspring Drive  
Timonium, Maryland 21093

For the Communications Department

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

PRELIMINARY MATTERS

V.I.P. Telephone Network, Inc. (hereinafter referred to as V.I.P.) of Timonium, Maryland filed an application with the Commission on October 19, 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 20, 1995. V.I.P. appeared before the Commission for a video-conference hearing, chaired by Commissioner Rod Johnson, December 12, 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 rules<sup>1</sup>, the evidence adduced at the December 12, 1995 hearing, and being fully informed, the Commission is of the opinion and finds:

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<sup>1</sup>Interexchange 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.

Jeffrey Augen, Vice-president of V.I.P., testified. Mr. Augen stated, and the pleadings reflect, the applicant seeks both intraLATA and interLATA authority. V.I.P. is a privately held company that incorporated in 1994.

The applicant has received authority to operate in roughly forty states and applications are pending in others. No state has denied V.I.P. a certificate of authority and no formal complaints have been filed against the company.

V.I.P. will use Frontier and Allnet as underlying carriers for their services. V.I.P. retains the services of U.S. Billing as their billing agent and customer services representative.

V.I.P. will market personal telecommunications services, such as "Follow Me" 800 service and "Whisper Identification", along with 1+ and 800 services. Mr. Augen indicated that enhanced telephone services and calling cards may also be offered.

V.I.P. will target customers through telemarketing and television advertisements. Mr. Augen stated that V.I.P. will serve small and medium size businesses, as well as residential customers.

Financial information was provided to the Commission in the application. The statements reflect the company is adequately financed and is capable of offering service within the state.

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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-1250 be, and it is hereby, granted and V.I.P. Telephone Network, Inc., of Timonium, Maryland 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 statement 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 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

# SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

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