

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application	)	Application No. C-1270
of GTE Midwest Inc., of Grinnell,	)	
Iowa seeking authority for	)	GRANTED
approval of sale of public pay	)	
stations.	)	Entered January 9, 1996

PRELIMINARY MATTERS

GTE Midwest, Inc. (GTE) of Grinnell, Iowa filed an application on December 1, 1995 seeking approval to sell the public pay stations in its exchanges. Specifically, GTE requests it be permitted to sell the pay stations through a Request for Proposal (RFP) and thereby be exempted from the requirements set forth in Commission Rule 002.06. Notice of the application was published in the Omaha Daily Record on December 5, 1995 pursuant to the Commission's Rules and Regulations. No protests to the application were received; therefore, the Commission will proceed pursuant to its Rule of Modified Procedure (See Rule 018.03).

BY THE COMMISSION

O P I N I O N   A N D   F I N D I N G S

GTE is a local exchange carrier operating in Nebraska and is subject to the Commission's general regulation of common carriers and all applicable Commission Rules and Regulations. GTE provides intrastate local exchange, access and intraLATA interexchange telecommunications services to approximately 53,000 access lines in Nebraska.

In its application, GTE attached Exhibit A, a list of the public coin telephone and semi-public telephone assets that are proposed for sale. GTE herein requests authority to sell such assets through a RFP to a company that demonstrates adequate financial resources and technical competency. GTE assures that the respondents to the RFP will undergo a rigorous evaluation to ensure that quality service will continued to be provided to GTE's exchanges.

GTE states the the sale agreement will expressly incorporate the following language:

"This Agreement shall at all times be subject to the changes, modifications, orders and rulings by the Nebraska Public Service Commission.

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"Buyer agrees, as part of the consideration provided to Seller, to maintain not less than one public pay station in each exchange identified in Exhibit A. Buyer further agrees to provide 24-hour access to said payphones. Buyer further agrees that should it desire at any time to remove any public pay station from any one or more of the exchanges listed on Exhibit A, it shall notify Seller of such desire no less than one hundred eighty (180) days before the desired removal. . ."

Furthermore, GTE states if the buyer fails to meet the requirements contained in Commission Rule 002.06, "Public Telephone Service", it agrees to ensure that the conditions are met.

The present application requests a waiver of Rule 002.06 to permit GTE to proceed with the consideration of the potential sale. GTE asserts that transferring the ownership and operation of its payphone assets to a party who specializes in this particular segment of the telecommunications industry would be in the public's interest. The Commission agrees that a third party may be in a better position to direct its resources on a more targeted basis toward the operation and maintenance of public telephones. However, this Commission will not and cannot waive the applicability of any rule or regulation to any common carrier.

We find that Commission Rule 002.06 will continue to apply to GTE; but, by virtue of the company bearing the underlying responsibility for any failures of the buyer. The buyer must abide by all Commission changes, modifications, orders and rulings. Further, the buyer must maintain at least one public pay station in each exchange on a 24-hour access basis. Shall the buyer not comply with these provisions, GTE shall remain responsible. Thus, the Commission finds the assets described on Exhibit A may be sold to a qualified third party through a RFP, provided that the language written above is expressly incorporated into the sale agreement.

Upon consideration of the application and being fully advised, the Commission is of the opinion and finds the request by GTE Midwest, Inc. reasonable, in the public interest and should be granted.

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O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-1270 be, and it is hereby, granted and GTE Midwest, Inc. is authorized to sell its public coin and semi-public telephone assets.


IT IS FURTHER ORDERED that GTE Midwest, Inc. must include in any sale agreement consummated, the language incorporated herein that insures compliance with Commission Rule 002.06.

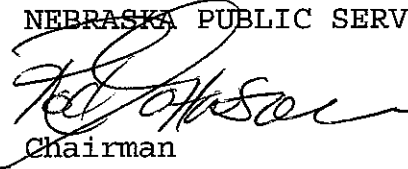
IT IS FINALLY ORDERED that GTE Midwest, Inc. remit a copy of the sale agreement within thirty (30) days from the date of execution.

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

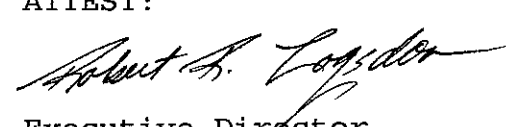
NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

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

  
Chairman

ATTEST:

  
Executive Director

# SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

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