

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application of) Application No. C-1290
Long Distance Services, Inc., of)
Troy, Michigan seeking authority to)
operate as a resale carrier of) GRANTED
intrastate interLATA and intraLATA)
telecommunications services within)
the state of Nebraska.) Entered: April 9, 1996

APPEARANCES:

For the Applicant:

Allan Barash
50 W. Big Beaver Road
Suite 146
Troy, Michigan 48084

For the Communications Department:

R. Andrew Massey
300 The Atrium, 1200 N St.
P.O. Box 94927
Lincoln, NE 68508

PRELIMINARY MATTERS

Long Distance Services, Inc., of Troy, Michigan filed an application with the Commission on February 7, 1996. 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, on February 9, 1996. Long Distance Services appeared before the Commission for a video-conference hearing, chaired by Commissioner Johnson, March 19, 1996 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 March 19, 1996 hearing, and being fully informed, the Commission is of the opinion and finds:

¹Interexchange reseller applications 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.

Long Distance Services, Inc., is a privately held company which was incorporated in 1990 in Delaware. Long Distance Services seeks both intraLATA and interLATA authority. Mr. Barash is the sole stockholder of Long Distance Services.

The applicant has received authority to operate in approximately thirty-eight (38) states and plans to become certified in all fifty (50) states. No state has denied Long Distance Services a certificate of authority and no formal complaints have been filed against the company.

The underlying carrier for the services will be AT&T and WilTel. Long Distance Services uses USBI as its billing agent. Long Distance Service's name and customer service number is located on all its bills. In addition, Long Distance Services has a toll-free 800 number for customer service, which operates during normal business hours, with voice mail available off-hours.

At this time, Long Distance Services markets 1+ and 800 services. Long Distance Services targets primarily residential customers. Some of the marketing techniques that will be used in Nebraska are direct mailing, telemarketing and direct sales agents. Mr. Barash stated if a customer is slammed, Long Distance Services will repay the subscriber the charges that are accrued.

Financial information was provided to the Commission in the application. Also, the proposed tariff, which is part of the application, is in accordance with the Commission's Rules

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and Regulations. The tariff states the company may collect advance payments or deposits if deemed necessary.

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-1290 be, and it is hereby, granted and Long Distance Services, Inc., of Troy, Michigan is hereby authorized to operate as a resale carrier of intrastate interexchange intraLATA and interLATA telecommunications services within the state of Nebraska.

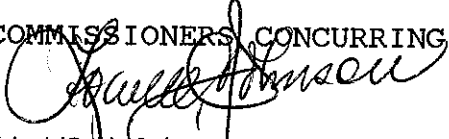
IT IS FURTHER ORDERED that the applicant shall file, in accordance with the applicable statutes on or before April 30th of each year, an annual report with this Commission consisting of (a) a copy of any report filed with the Federal Communications Commission, (b) a copy of any annual report to stockholders, (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 April, 1996.

COMMISSIONERS CONCURRING:


 //s//Rod Johnson
 //s//James Munnelly
 //s//Daniel G. Urwiller

NEBRASKA PUBLIC SERVICE COMMISSION

Chairman

ATTEST:

Executive Director


 Robert H. Logsdon

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION
