

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application of ) Application No. C-1343  
Host Network, Inc. of Beverly Hills, )  
California seeking authority to oper- )  
ate as a resale carrier of intrastate ) GRANTED  
interLATA and intraLATA telecommunica- )  
tions services within the state of )  
Nebraska. ) Entered: August 6, 1996

APPEARANCES:

For the Applicant:

Steve Salekfard  
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Beverly Hills, CA 90212

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Woods & Aitken  
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Lincoln, NE 68508

For the Communications Department:

R. Andrew Massey/Deonne Bruning  
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P.O. Box 94927  
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PRELIMINARY MATTERS

Host Network, Inc. of Beverly Hills, California filed an application with the Commission on May 15, 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 May 16, 1996. Host Network appeared before the Commission for a video-conference hearing, chaired by Commissioner Rod Johnson, July 16, 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 rules<sup>1</sup>, the evidence adduced at the July 16, 1996 hearing, and being fully informed, the Commission is of the opinion and finds:

1 Interexchange 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.

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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.

Host Network, Inc. is a privately-held company that was incorporated in 1994 in California. Host Network seeks both intraLATA and interLATA authority. Host Network was represented at the hearing by Mr. Steve Salekford. Mr. Salekford has been active in telecommunications for a number of years and is the President of Host Network.

The applicant has received authority to operate in approximately twelve (12) states and it plans to eventually be certified in all the states. No state has denied Host Network a certificate of authority and no formal complaints have been filed against the company.

The underlying carrier for the services will be MCI. Host Network uses the billing company, ProfitTech. Host Network's name and customer service information is located on all of its bills. In addition, Host Network has a toll-free 800 number for customer service, which operates 24 hours, every day.

Host Network markets travel cards and dedicated lines. The company is aware of the Commission's requirement that no interested customers are denied service. In addition, Host Network does have a policy that prohibits slamming. Host Network does not require an advance deposit.

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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. The proposed tariff, which is part of the application, is in accordance with the Commission's Rules and Regulations.

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-1343 be, and it is hereby, granted and Host Network, Inc. of Beverly Hills, California 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.

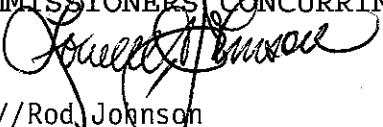
IT IS FINALLY ORDERED that this order be, and it is hereby made the Commission's official certificate of authority to furnish the service authorized herein as a common carrier.

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MADE AND ENTERED at Lincoln, Nebraska this 6th day of August, 1996.

COMMISSIONERS CONCURRING:

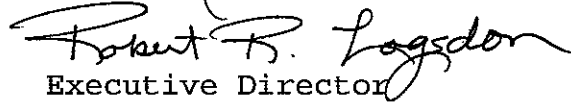
  
//s//Rod Johnson  
//s//Frank E. Landis  
//s//James F. Munnely  
//s//Daniel G. Urwiller

NEBRASKA PUBLIC SERVICE COMMISSION

Chairman



ATTEST:

  
Executive Director