

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application) Application No. C-1496
of U.S. Republic Communications,)
Inc., Stafford, Texas, seeking)
authority to operate as a resale) GRANTED
common carrier of telecommunication)
services within the state of)
Nebraska.) Entered: May 12, 1997

APPEARANCES:

For the Applicant:
Michael G. Hoffman, Esq.

For the Commission Staff:
Hal Hasselbalch, Staff Attorney
300 The Atrium
Lincoln, Nebraska 68508

BY THE COMMISSION:

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

By application filed March 3, 1997, U.S. Republic Communications, Inc., of Stafford, Texas, seeks authority to provide intraLATA and interLATA resold telecommunications services within the state of Nebraska. Notice of the application was published in the Daily Record, Omaha, Nebraska, on March 5, 1997, pursuant to the rules of the Commission. No protests were filed. Hearing on the application was held by video communication on April 24, 1997.

Applicant produced two witnesses, Michael G. Hoffman and J. David Burnett.

Mr. Hoffman testified: He is secretary of applicant corporation. Applicant has authority in 28 states. Nine applications are pending in other states. No complaints have been filed against applicant in any state. Applicant proposes to offer long distance service to both business and residential customers, as well as calling cards, operator services and conference services. It will not have any facilities in Nebraska. AT&T is applicant's underlying carrier. Local exchange carriers collect applicant's fees. Applicant uses 15 to 20 telemarketing companies to sell its services. A copy of its telemarketing script is shown as Exhibit 1. Small businesses are applicant's target market. Third party verification of new customers is used to avoid slamming.

Mr. Barnett testified: He is applicant's regulatory analyst. Applicant should become profitable by January 1998. Exhibit 2 shows applicant's unaudited balance sheet as of March 31, 1997. Applicant shows negative shareholder equity of \$251,188.

Application No. C-1496

Page 2

Interexchange reseller applications are subject to Commission jurisdiction under Neb. Rev. Stat. Sections 75-604 and 86-805 and Title 291 of the Commission's Rules and Regulations, Chapter 5, Rule 003.12. From examination of the application filed herein and the testimony adduced at the hearing, the Commission finds applicant has provided all the information required by the Commission, possesses adequate financial resources to provide the proposed service, and possesses adequate technical competency to provide the proposed service. The application should be granted.

O R D E R

IT IS THEREFORE ORDERED BY THE Nebraska Public Service Commission that Application Number C-1496 be, and it is hereby, granted and U.S. Republic Communications, Inc., Stafford, Texas, is hereby authorized to operate as a resale carrier of intra-state 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) a 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 its current tariff prior to offering service pursuant to the certificate granted in this order.

IT IS FURTHER ORDERED that applicant file quarterly financial reports within 30 days of the close of each quarter for the next year.

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.

Application No. C-1496

Page 3

MADE AND ENTERED at Lincoln, Nebraska this 12th day of May, 1997.

COMMISSIONERS CONCURRING:

NEBRASKA PUBLIC SERVICE COMMISSION

Rod Johnson
Rene C. Boyle
//s//Rod Johnson
//s//Frank E. Landis
//s//Daniel G. Urwiller

Chairman

ATTEST:

Executive Director

R. Johnson
Robert D. Logsdon

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION
