

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application) Application No. C-1639
of ConnectAmerica, Inc. of)
Naperville, Illinois, seeking)
authority to operate as a resale) DENIED
carrier of intrastate telecommuni-)
cations services within the state)
of Nebraska.) Entered: March 16, 1998

APPEARANCES:

For the Applicant:
None

For the Commission Staff:
John Doyle
300 The Atrium, 1200 N Street
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 September 24, 1997, ConnectAmerica, Inc. (ConnectAmerica or Applicant) of Naperville, Illinois, 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 September 25, 1997, pursuant to the rules of the Commission. No protests were filed. A hearing on the application was held by video conference on January 21, 1998.

The application filed by ConnectAmerica was deficient in numerous areas. While the application did not include certain financial records for the company, it did include financial records of ValueTel, a company that may or may not be related to the applicant. At the hearing, Timothy Sledz, President of ConnectAmerica, testified that he was previously the president of ValueTel. Mr. Sledz added that the financials for that company were submitted to demonstrate that the officers of ConnectAmerica had experience in the telecommunications industry. However, at the hearing Mr. Sledz was unable to explain to the Commission's satisfaction whether ConnectAmerica inherited any of the assets or liabilities of ValueTel. Therefore, the Commission requested that Applicant submit a late-filed exhibit explaining the dissolution of ValueTel and the subsequent initiation of ConnectAmerica, along with other information. Specifically, the Commission requested that Applicant submit the following:

- (1) Annual certified financial statements for 1996;
- (2) An explanation of the omission of "Investment In Subs" on the September 30, 1997, balance sheet. This line item did appear on the December 31, 1995, balance sheet submitted by Applicant;

- (3) An explanation of the dissolution of ValueTel and subsequent initiation of ConnectAmerica; and
- (4) Certified financial statements for 1994 and 1995 under the name of ValueTel.

In addition to the Commission's oral request, Commission staff sent ConnectAmerica a letter requesting this information on February 20, 1998. Further, Commission staff made numerous telephone calls to Applicant in an effort to obtain the required documentation. Applicant failed to return staff telephone calls and to date has ignored the Commission requests for information.

Further, by a letter dated January 22, 1998, Commission staff also notified Applicant that it still had not paid the required fees for the January 21 hearing. To date, Applicant has not responded to this request for fees.

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 that the applicant has not provided all the information required by the Commission. As there is no showing that the applicant possesses adequate financial resources, the application should be denied.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application C-1639 be, and it is hereby, denied.

MADE AND ENTERED at Lincoln, Nebraska, this 16th day of March, 1998.

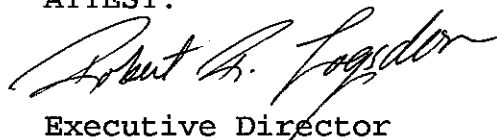
NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

//s//Lowell C. Johnson
//s//Frank E. Landis
//s//Daniel G. Urwiller


Chairman

ATTEST:


Executive Director