

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application) Application No. C-2196
of Coast International, Inc. of)
Lenexa, Kansas, seeking authority)
to provide non-facility-based) GRANTED
intrastate interexchange tele-)
communications services in the)
state of Nebraska.) Entered: June 14, 2000

BY THE COMMISSION:

By application filed January 6, 2000, Coast International, Inc. of Lenexa, Kansas seeks authority to provide non-facility-based intrastate interexchange telecommunications services in the state of Nebraska. Notice of the application was published in The Daily Record, Omaha, Nebraska, on January 7, 2000, pursuant to the rules of this Commission. No protests were filed. Because the applicant had a prior certificate under Application Nos. C-809 and C-1402, which had been revoked in NUSF-15/C-2108/DC-32, the Commission set this application for hearing. Notice of the video conference hearing was sent by first class mail on May 3, 2000. This hearing was held on May 10, 2000, by video, in the Commission Library, Lincoln, Nebraska. Appearing for the applicant pro se was James Van Winkle, chief financial officer of Coast International. Shanicee Knutson appeared as staff attorney on behalf of the Commission.

E V I D E N C E

Applicant is a corporation organized under the laws of the state of Nevada and has received authorization from the Nebraska Secretary of State to conduct business in Nebraska. Applicant is a switchless, non-facilities-based interexchange resale carrier providing switched and dedicated interexchange telecommunications services to businesses and residences. All network services are supplied by underlying certified carriers. Applicant does not provide alternative operator services nor own or lease facilities. Applicant offers customer service through an 800 number during normal business hours. Mr. Van Winkle also presented evidence in the form of a late-filed exhibit that as of the date of revocation, Coast International Telecommunications had a total of 86 customers located in the state of Nebraska.

In support of its application, applicant produced one witness, James Van Winkle, chief financial officer, who testified that he has been with Coast International since April of 1999. He testified that applicant is a long distance reseller and provides service in 48 states.

Mr. Van Winkle testified that the applicant possesses the necessary managerial and technical competency to provide interexchange services within the state of Nebraska. The president and CEO of Coast has been with the company for the last six years of operation. Prior to that he was with Sprint for more than fifteen

years. He testified that the managerial and technical staff possessed an extensive amount of telecommunications experience.

He testified that he was the replacement of the former officer and that the directives sent by this Commission were neglected under this former officer's control. Mr. Van Winkle stated that in all other respects, despite the recent acquisition of Coast International by e-Globe, Inc., the technical and managerial expertise and competency of Coast has not been changed.

Mr. Van Winkle testified that he had no excuses for previous non-compliance with Commission's rules leading to the revocation of authority, however, he assured the Commission that future non-compliance would not occur. Mr. Van Winkle further testified that the comptroller charged with the responsibility of filing the necessary documentation to this Commission was no longer with the company. He further testified that the clerical problems associated with the failure to circulate mail to the appropriate personnel have been corrected.

Mr. Van Winkle also testified that Coast possesses sufficient financial resources to implement and provision the proposed services within the state of Nebraska. Coast's most recent financial statements were filed under seal with its application and e-Globe's latest financial statements were supplied as a late-filed exhibit. He further testified that granting interexchange authority would promote public interest by providing customers with competitive prices and a choice in providers.

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

Interexchange reseller applications are subject to Commission jurisdiction under Neb. Rev. Stat. §§ 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, 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 and managerial competency to provide the proposed service.

Given the information that we received in the hearing, we are of the opinion that Coast has taken necessary and significant steps to ensure future compliance with Commission orders. We feel more assured that the newly-hired officer for the applicant is aware of the severe consequences of future non-compliance with Commission directives.

Accordingly, we find that the application should be granted with the condition that any future violation will be regarded as willful disregard of a Commission order and subject the applicant to revocation of its certificate. As a condition to granting this application, we directed the applicant to agree to a stipulation so noting this condition. The applicant has complied with this Commission directive and has returned the required signed stipulation

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to the Commission. We further warn the applicant, however, that no further accommodations with respect to the required filings with this Commission will be considered.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-2196 be, and it is hereby, granted, and Coast International, Inc. of Lenexa, Kansas, is authorized to provide non-facility-based intrastate interexchange telecommunications services in the state of Nebraska, upon the conditions set forth herein.

IT IS FURTHER ORDERED that any future non-compliance with Commission rules, regulations and Commission orders will be considered willful and subject the applicant to revocation of its certificate.

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; and (c) a copy of the latest Form 10-K filed with the Securities and Exchange Commission. If these are not available, applicant shall submit a balance sheet and income statement for the previous year of operation, as well as the investment made in telephone plant and equipment located within the state, accumulated depreciation thereon, operating revenues and 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 the stipulation be made a part of this record and application.

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 14th day of June, 2000.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Robert D. Johnson
Anne C. Boyle
Bob Johnson

//s//Frank E. Landis

Frank E. Landis
 Chairman

ATTEST:

Robert D. Logsdon

Executive Director

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