DECISION MEMORANDUM

TO:COMMISSIONER HANSEN

COMMISSIONER NELSON

COMMISSIONER SMITH

MYRNA WALTERS

TONYA CLARK

RITA SCOTT

DON HOWELL

STEPHANIE MILLER

DAVE SCHUNKE

JOE CUSICK

BIRDELLE BROWN

DAVID SCOTT

WORKING FILE

FROM:WELDON STUTZMAN

DATE:OCTOBER 21, 1998

RE:CASE NO. IOS-T-98-1; APPLICATION OF INTELLICALL OPERATOR SERVICES, INC. FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

On April 17, 1998, Intellicall Operator Services, Inc. (IOS) filed an Application for a Certificate of Public Convenience and Necessity to provide local exchange service in the state of Idaho.  IOS proposes to resell local exchange telecommunications services to small and medium sized business and residential customers, especially customers who prefer short-term, prepaid local services on a cash basis.  IOS intends to operate services in the U S WEST exchanges and currently is negotiating with U S WEST for an Interconnection Agreement.  On September 17, 1998, the Commission issued a Notice of Application and Notice of Modified Procedure.  Written comments were filed during the comment period only by the Commission Staff.

In its comments, Staff noted that IOS had provided the information required to obtain a Certificate, but also noted that IOS’s Application was deficient in two respects.  First, although IOS apparently has agreed to make changes recommended by Staff to its proposed tariffs, the Company has not yet filed its revised tariffs.  Staff recommended that approval of the Application not be granted or be conditioned on the filing of corrected tariffs by the Company.

Second, Staff noted that the Commission’s Procedural Order No. 26665 requires a provider that collects advance deposits to submit a signed copy of an escrow account with a bonded escrow agent. Although IOS states that it does not generally intend to require advance deposits, language in its tariffs permits the Company to collect advance deposits and advance payments.  Staff recommended that the Commission not issue a Certificate until IOS either removes the deposit provision from its tariff or submits a signed copy of an escrow account.

Staff has continued to discuss these issues with IOS and believes the Company will provide the necessary changes to its tariffs.  Because IOS generally has complied with Commission requirements for receiving a Certificate, Staff recommends that the Commission approve IOS’s Application, conditioned however on the resolution of the advance deposit and escrow bond requirement, and the submission of revised tariffs to the Commission.

Commission Decision

Should the Application of IOS for a Certificate be approved, conditioned on IOS removing  the deposit provision from its tariffs or agreeing to open an escrow account, and the submission of revised tariffs?

Weldon Stutzman

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