BEFORE THE
NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application of the Nebraska Public Service Commission Communications Department seeking an order to cease and desist operations and to revoke the certificates of public convenience and necessity issued to the following Defendants: AmericanWats, Inc. Fiberline Network Communications, L.P. Payline Systems, Inc. Silverado Communications Telnet Communications, Inc. DEFENDANTS.	Application No. C-1040 Departmental Complaint No. 005 ORDER TO REVOKE OPERATING AUTHORITIES AND TO CEASE AND DESIST OPERATIONS IN NEBRASKA ORDER TO DISMISS COMPLAINT AS SATISFIED

BY THE COMMISSION

OPINION AND FINDINGS

The petition in the caption above was filed by the Communications Department (the "Department") of the Nebraska Public Service Commission (the "Commission") by and through its Director, M. Gene Hand, November 23, 1993. The Department petitioned the Commission to revoke the intrastate operating authority of the following telecommunications companies (the "Defendants") and that they be ordered to cease and desist from operating in Nebraska:

AmericanWats, Inc. (C-928, August 4, 1992);
Fiberline Network Communications, L.P. (C-879, July 9, 1991);
Payline Systems, Inc. (C-792, May 30, 1990);
Silverado Communications (C-889, July 16, 1991); and
Telnet Communications, Inc. (C-921, June 2, 1992).

Notice of the petition was published in the Omaha Daily Record November 25, 1993 and a copy of the petition was served on each Defendant by certified mail on November 23, 1993.

In its original order in Application No. C-928, the Commission granted AmericanWats, Inc. ("AmericanWats") authority to operate as a resale carrier of intrastate interLATA interexchange telecommunications services in Nebraska. As

such, AmericanWats is a "telecommunications company" for purposes of regulation in Nebraska.

In its original order in Application No. C-879, the Commission granted Fiberline Network Communications, L.P. ("Fiberline") authority to provide interLATA interexchange telecommunications services in Nebraska. As such, Fiberline is a "telecommunications company" for purposes of regulation in Nebraska.

In its original order in Application No. C-792, the Commission granted Payline Systems, Inc. ("Payline") authority to provide intraLATA and interLATA interexchange telecommunications services in Nebraska. As such, Payline is a "telecommunications company" for purposes of regulation in Nebraska.

In its original order in Application No. C-889, the Commission granted Silverado Communications Corporation ("Silverado") authority to provide automated collect and operator assisted services in Nebraska. As such, Silverado is a "telecommunications company" for purposes of regulation in Nebraska.

In its original order in Application No. C-921, the Commission granted Telnet Communications, Inc. ("Telnet") authority to operate as a resale carrier of intrastate interexchange interLATA and intraLATA telecommunications services in Nebraska. As such, Telnet is a "telecommunications company" for purposes of regulation in Nebraska.

The Defendants are telecommunications companies generally regulated by the Commission pursuant to Neb. Rev. Stats. §75-101 et seq. (1990 Reissue) and §86-801 to 86-811 (Reissue 1987 and Cum. Supp. 1992). These companies are also governed by Title 291 NAC Ch. 5 of the Commission's telecommunications rules and Chapter 1 (procedural rules) of the same title.

As part of its regulatory authority and pursuant to §86-807, the Commission, through its Communications Department, requires telecommunications companies which file an annual report with a federal regulatory agency to file a copy of same with the Commission on or before the date on which said report is filed with the federal agency. Additionally, every carrier not required to file such a report with a federal agency is required to file an annual report with the Commission in a form prescribed on or before April 30 of each year.

In the case of each of the Defendants, no such annual reports was filed for 1992 as of April 30, 1993 nor was one filed by the date of the petition. Each company was notified by the Department three times by first class mail (February 8,

May 17, and October 5, 1993) that the annual report was due. None of the companies responded with a report or even acknowledged the Department's letters.

The Defendants are regulated telecommunications companies operating in Nebraska and as such are subject to the Commission's jurisdiction and the statutes and rules established by the Legislature and the Commission to regulate them in the public interest. One of the regulatory requirements is that the Defendants file an annual report on or before April 30 of each year.

Based on the failure of the Defendants to file the required annual report and each company's ignorance of the requests to do so by the Department, the petition which we now consider was filed. The Department sought that the Commission revoke each Defendant's certificate of authority and that we order each company to cease and desist from further operations in Nebraska.

After the petition was filed, three companies complied with the reporting requirements previously described. Therefore, Payline Systems, Inc., Silverado Communications, andTelnet Communications, Inc. should be dismissed from this docket since the subject of the petition has finally been satisfied. However, we take the opportunity to strongly admonish these companies for failing to comply with the Commission's rules and regulations. The lack of attention to this matter, whether by accident or not, is not acceptable and will not be tolerated in the future.

Fiberline Network Communications, L.P. and AmericanWats, Inc., have not responded to the petition. Failure to file an answer to a complaint within the prescribed time period is deemed an admission of the allegations in the petition (as per the Commission's rules). We find that the certificates of authority previously issued to both these companies should be revoked and both companies ordered to cease operations in this state.

ORDER

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that the departmental complaint filed against Payline Systems, Inc., Silverado Communications, and Telnet Communications, Inc. in Docket No. C-1040/Departmental Complaint No. 005 be, and it is hereby, dismissed as satisfied.

IT IS FURTHER ORDERED that the certificates of public convenience and necessity previously issued to Fiberline Network Communications, L.P. and AmericanWats, Inc. be, and they are hereby, revoked. Both companies are also ordered to cease and

desist from operating in the State of Nebraska absent authority from this Commission.

MADE AND ENTERED at Lincoln, Nebraska this 24th day of January, 1994.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING

Duane D. Gary

//s//Rod Johnson
//s//Frank E. Landis, Jr.
//s//James F. Munnelly

Chairman

ATTEST:

Executive Director