

STATE OF ALASKA

THE ALASKA PUBLIC UTILITIES COMMISSION

Before Commissioners:

Sam Cotten, Chairman
Alyce A. Hanley
Dwight D. Ornquist
Tim Cook
James M. Posey

In the Matter of the Application by)
MCI TELECOMMUNICATIONS CORPORATION) U-97-91
for a Certificate of Public Conve-)
nience and Necessity To Operate as a) ORDER NO. 1
Telecommunications (Intrastate)
Interexchange) Public Utility within)
Alaska)
_____)

ORDER APPROVING APPLICATION, SUBJECT TO
CONDITIONS, AND REQUIRING FILING

BY THE COMMISSION

Background

On May 9, 1997, MCI Telecommunications Corporation (MCI) filed an application for a certificate of public convenience and necessity to resell intrastate interexchange (IXC) telecommunications public utility service within Alaska.¹ MCI stated that it is a nonfacilities-based interexchange reseller proposing to offer prepaid calling-card service in Alaska.

Notice of the application was issued to the public on May 19, 1997, with a closing date of June 20, 1997, for submission

¹The application was originally filed April 21, 1997, and supplemented May 9, 1997. It was deemed to be complete following the May 9, 1997, filing.

of statements in support of, or in opposition to, the application. No comments in response to that notice have been received by the Commission.

The Commission Staff (Staff) reviewed the filings in this proceeding and on July 10, 1997, submitted its analysis and recommendation (Report) thereon. Staff's Report sets out in detail the history of the proceeding, the public noticing of the application, and Staff's findings and recommendations regarding disposition of the application. A copy of Staff's Report is attached to this Order as an Appendix and is, by this reference, incorporated herein.

Among other things, Staff concluded that MCI is fit, willing, and able to furnish IXC telecommunications public utility service in Alaska. Staff recommended that, as a condition of certification, MCI post a \$1,000 bond to be used solely for payment of customer refunds. Upon compliance with that condition for certification, Staff recommended that MCI's application be approved subject to certain other conditions, which follow.

Staff recommended that MCI be required to: 1) pay intrastate access charges on an interim, refundable basis, limited to payment of the per-minute, common-line rate in accordance with the tariff of the Alaska Exchange Carriers Association, Inc. (AECA), at Sheet No. 278; 2) file simplified Bulk Bill reports (total intrastate minutes by month); and 3) file annual financial statements. Staff also recommended that MCI be required to file

a wholesale tariff for Commission review and approval or a request and justification for a waiver of that requirement.

In addition, Staff recommended that MCI's request to keep its books, records, and accounts out of state be approved. Staff further recommended that MCI's initial tariff filed April 21, 1997, and supplemented on May 9, 1997, be approved. In addition, Staff recommended that MCI be required to file its annual financial reports with the Commission.

Discussion

Based on its review of the record in this proceeding, the Commission concurs with Staff that MCI is fit, willing, and able to furnish the proposed IXC telecommunications public utility service.² Accordingly, the Commission accepts Staff's recommendation to approve MCI's application, subject to the \$1,000 bonding requirement recommended by Staff. The Commission also accepts Staff's other recommendations regarding approval of MCI's application once the bonding requirement has been met. Staff's Report is adopted as the Commission's findings of fact and conclusions of law in this proceeding.

Following receipt of MCI's bond, as required above, the Commission will issue a subsequent order in this proceeding addressing final approval of MCI's application as recommended by

²The Commission notes that under its regulations at 3 AAC 52.350(b), the competitive provision of IXC telephone service in accordance with the provisions of 3 AAC 52.350 - 3 AAC 52.399 is required by the public convenience and necessity.

Staff. In addition, the Commission will grant MCI a waiver of the requirement to provide for a bond, surety, or letter of credit under Section 2.4.1(A) of AECA's tariff pending a final determination in Docket R-94-3.³

ORDER

THE COMMISSION FURTHER ORDERS:

1. Subject to the bond requirement in Ordering Paragraph No. 2 below, the application by MCI Telecommunications Corporation for a certificate of public convenience and necessity to provide intrastate interexchange telecommunications public utility service in Alaska is approved.

2. By August 29, 1997, MCI Telecommunications Corporation shall file with the Commission a \$1,000 bond to be used solely for payment of customer refunds.

DATED AND EFFECTIVE at Anchorage, Alaska, this 5th day of August, 1997.

BY DIRECTION OF THE COMMISSION
(Commissioner Sam Cotten, Chairman,
not participating.)

(S E A L)

³That proceeding is entitled: *In the Matter of the Consideration of Regulation of Resale of Intrastate Interexchange Telecommunications Public Utility Service (Debit-Card Service) Within the State of Alaska.*