

**BEFORE THE TENNESSEE PUBLIC SERVICE COMMISSION**  
**Nashville, Tennessee**  
**May 15, 1996**

**IN RE: APPLICATION OF LCI INTERNATIONAL TELECOM CORP.  
FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND  
NECESSITY TO PROVIDE INTRASTATE  
TELECOMMUNICATIONS SERVICES**

**Docket No. 96-00783**

**INITIAL ORDER**

This matter is before the Tennessee Public Service Commission upon the application of LCI International Telecom Corp. (hereinafter the "Applicant" or LCI) for a Certificate of Public Convenience and Necessity ("Certificate") to become a Competing Telecommunications Service Provider as defined by T.C.A. §65-4-101(e). The Applicant has filed this application as a Competing Telecommunications Service Provider pursuant to Section 7 of Chapter 408 of the Public Acts of 1995, codified as T.C.A. §65-4-201(c). Applicant seeks authority to operate statewide and to provide a full array of telecommunications services as would normally be provided by an incumbent local exchange telephone company. Applicant requests a Certificate to offer these services on a statewide basis but, in accordance with the limitations described in T.C.A. §65-4-201(d), Applicant does not, by this Application, seek authority to provide service to any customers located in areas served by incumbent local exchange carriers with fewer than 100,000 total access lines or by a telephone cooperative.

Notice of this Application has been served upon incumbent local exchange carriers and other interested parties.

The matter was heard May 15, 1996, in Nashville, Tennessee, before Ralph B. Christian II, Administrative Judge, at which time the following appearances were entered:

**APPEARANCES:**

H. LADON BALTIMORE, Attorney at Law, 3354 Perimeter Hill Drive, Suite 112, Nashville, Tennessee 37211-4129, appearing on behalf of the Applicant.

Scott M. McMahon, Regulatory Attorney for LCI International Telecom Corp. testified in support of the application. No other witnesses testified. No parties opposed the application.

Based upon the application, the testimony and exhibits presented at the hearing and the entire record of this proceeding, I find that the requested certificate should be granted. In support of those decisions, I hereby make the following findings of fact and conclusions of law:

LCI seeks authority to offer within its certificated area all legally allowed telecommunications services. Such services include, but are not limited to, those normally provided by an incumbent local exchange telephone company, local exchange and exchange access services, dedicated and switched access services and private line services.

The Applicant does not intend to provide service to customers located in areas served by an incumbent local exchange company with fewer than 100,000 access lines or by a telephone cooperative.

LCI International Telecom Corp., is a Delaware corporation authorized to do business in the State of Tennessee. It is a non-dominant, international telecommunications company which has been providing voice and data communications services to both business and residential services since 1984. It is headquartered in McLean, Virginia. Its network control center and customer service department are located in Columbus, Ohio. Applicant maintains other operational facilities and sales offices throughout the United States. Interstate and international traffic is originated in all 50 states. The Company has authority to provide intrastate interexchange service in the 48 contiguous states. Applicant has obtained local service authority in New York, Texas, Illinois, California, Florida, Connecticut and Michigan and has local service applications pending in several other states.

Mr. McMahon testified that Applicant will adhere to all applicable Commission policies, rules and orders.

Mr. McMahon stated that services will be provided either through the use of its facilities or through the resale of other common carriers, with resale being the initial method of offering services.

Applicant is both a facilities-based provider and a reseller of telecommunications services and owns a digital fiber optic network that spans the Midwestern United States; owns switches and maintains Points of Presence located throughout the United States and has agreements with other interexchange carriers for the provision of call handling functions in areas where LCI does not have facilities. Mr. McMahon avers LCI meets or exceeds all federal guidelines regarding service quality for its interexchange network which is entirely digital.

Mr. McMahon avers that Applicant's principal corporate officers have substantial managerial experience in the telecommunications field and presented evidence in the form of exhibits.

Based upon the facts as described in the Applicant's application and exhibits including, but not limited to, the resumes of the managerial staff and officers and financial statements, and in the testimony of Mr. McMahon, I find that the Applicant possesses sufficient managerial, financial and technical ability to provide the telecommunications services it proposes. Therefore, the Applicant meets the statutory criteria for the award of operating authority as a Competing Telecommunications Service Provider under T.C.A. §65-4-201(c).

In accordance with Section 16 of Chapter 408, LCI has filed a small and minority-owned telecommunications businesses participation plan. The plan, attached to the application, fulfills the statutory requirements of Section 16. Mr. McMahon testified that the Applicant is committed to implementation of the plan.

Approval of the application will serve the public interest by creating greater competition in the intrastate telecommunications marketplace. In particular, the public will benefit both directly, through the use of competitive telecommunications services to be offered by the Applicant, and indirectly because the presence of the Applicant in the market will increase the incentives for other telecommunications services providers, including the incumbent local exchange carrier, to operate more efficiently, offer more innovative services, and improve the quality of service.

**WHEREFORE**, based upon the foregoing findings and conclusions, I find that the public convenience and necessity will be served by the issuance of a certificate to the Applicant.

**IT IS THEREFORE ORDERED:**

1. That the application of LCI International Telecom Corp. for a certificate of public convenience and necessity as a competing telecommunications service provider pursuant to Section 7 of Chapter 408 of the Public Acts of 1995, T.C.A. §65-4-201(c), to provide service statewide, except as such portions of any county which is served by an incumbent local exchange telephone company with fewer than 100,000 total access lines or by telephone cooperatives, is hereby **granted**;


2. That the LCI International Telecom Corp. is authorized to offer all of the services that may be provided by a Competing Telecommunications Service Provider, as that term is defined in Section 3 of Chapter 408, T.C.A. §65-4-101(e); those services include, but are not limited to, toll, local exchange, access, private line, paging and enhances services;

3. That the LCI International Telecom Corp. may not provide service to customers served by an incumbent local exchange telephone company with fewer than 100,000 total access lines or by an a telephone cooperative, except in accordance with T.C.A. §65-4-201(d), or as authorized by federal law, or otherwise authorized by the Commission;

4. That the LCI International Telecom Corp. may commence service under its certificate once it has filed proper tariffs for service to be offered and such other information required by the Commission;

5. That any party aggrieved by the Commission's decision in this matter may file a Petition for Reconsideration with the Tennessee Public Service Commission within ten (10) days from and after the date of this Order.

6. That any party aggrieved by the Commission's decision in this matter may file a Petition for Review in the Tennessee Court of Appeals, Middle Section, within sixty (60) days from and after the date of this Order.

  
RALPH B. CHRISTIAN, II  
ADMINISTRATIVE JUDGE