

ISSUE DATE: June 10, 1997

DOCKET NO. P-5112, 5139, 5271, 3012/C-95-1073

DOCKET NO. P-5271/NA-96-1559

ORDER APPROVING SETTLEMENT WITH CONDITIONS

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Edward A. Garvey
Joel Jacobs
Marshall Johnson
Don Storm

Chair
Commissioner
Commissioner
Commissioner

In the Matter of a Complaint Filed Against
Bottom Line Telecommunications, Inc.,
GTE Card Services Incorporated, GTI
Telecom, and WorldCom, Inc. dba LDDS
WorldCom by Quest Telecom

ISSUE DATE: June 10, 1997

DOCKET NO. P-5112, 5139, 5271, 3012/C-
95-1073

In the Matter of GTI Telecom, Inc.,
Application for Authority to Provide Resale
Interexchange Telecommunications Services

DOCKET NO. P-5271/NA-96-1559

ORDER APPROVING SETTLEMENT WITH
CONDITIONS

PROCEDURAL HISTORY

On October 9, 1995, Quest Telecommunications, Inc. (Quest) filed a complaint against Bottom Line Telecommunications, Inc. (Bottom Line), GTE Card Services Incorporated (GTE), GTI Telecom (GTI or Company) and WorldCom, Inc. d/b/a LDDS WorldCom (LDDS) for the reselling of intrastate telecommunications services, in the form of prepaid calling cards, in the state of Minnesota without authority. The matter was assigned to Docket No. P-5112, 5139, 5271, 3012/C-95-1073.

In a letter dated January 8, 1996, the Minnesota Department of Public Service (the Department) informed GTI that the Company needed to obtain authority to resell intrastate telecommunications services in Minnesota. The letter also stated that if GTI did not file an application within seven days, the Department would recommend that the Public Utilities Commission (Commission) order GTI to cease and desist from offering services in Minnesota. The Department did not receive an application from GTI until December 6, 1996.

On November 5, 1996, the Commission issued an Order dismissing the complaint against GTE & LDDS and approving a settlement between Bottom Line and the Department. The Commission also ordered GTI to show cause why the Commission should not issue a cease and desist order as well as referring this matter to the Attorney General for pursuit of penalties pursuant to Minn. Stat. § 237.74, subd. 11.

On December 6, 1996, the Department filed comments stating that GTI had not responded to the

Commission's Order and recommending that the Commission refer GTI's violation to the Attorney General for penalty proceedings.

On December 6, 1996, GTI filed a petition for a Certificate of Authority to resell interexchange telecommunications services in Minnesota via prepaid calling card. In its filing, GTI admitted that it had intrastate calling capability and that it has provided that service in Minnesota. GTI's petition was assigned to Docket No. P-5271/NA-96-1559.

On February 21, 1997, the Department filed comments on GTI's request for authority and the complaint.

On May 19, 1997, both the Department and GTI submitted a proposed settlement of the issues arising in both dockets: Docket No. P-5112, 5139, 5271, 3012/C-95-1073 and Docket No. P-5271/NA-96-1559.

On May 20, 1997, the Commission met to consider this matter.

FINDINGS AND CONCLUSIONS

A. The Proposed Settlement

The principle terms of the proposed Settlement are as follows:

- Upon the grant of a certificate of authority, GTI will voluntarily restrict its activities within the State of Minnesota solely to the sale of long distance services via prepaid calling cards. The company further agrees to seek modification of this settlement agreement from the Commission in the future if, and when, GTI wished to expand its service offerings.
- GTI will post a \$10,000 bond, for the protection of Minnesota customers.
- GTI will pay in lieu of penalty \$1,000 to the general fund of the State of Minnesota.

B. Standard of Review

The Commission reviews proposed settlements pursuant to Minn. Stat. § 237.076 (1996) and may accept a settlement upon finding that to do so is in the public interest and is supported by substantial evidence.

C. Commission Analysis and Action

Having reviewed this matter in accordance with law and giving due weight to the recommendation of the Department, the Commission finds that the proposed settlement (as conditioned in Ordering Paragraph 2) is in the public interest and supported by substantial evidence in the record.

Accordingly, the Commission will accept the proposed settlement as conditioned. Upon submission of its tariff and evidence that GTI has 1) obtained a surety bond in the amount of \$10,000 and 2) paid \$1,000 to the general fund of the State of Minnesota, close the docket.

ORDER

1. The Settlement proposed by GTI and the Department to resolve the issues raised in Docket Nos. P-5112, 5139, 5271/C-95-10073 and P-5271/NA-96-1559 is accepted. A copy of the parties' Motion stating the Settlement Terms is attached.
2. GTI shall comply with the terms of the Settlement. Specifically, GTI shall:
 - a) post a \$10,000 bond, for the protection of Minnesota customers within 30 days of this Order;
 - b) pay in lieu of penalty \$1,000 to the general fund of the State of Minnesota within 30 days of this Order; and
 - c) upon the grant of a certificate of authority, voluntarily restrict its activities within the State of Minnesota solely to the sale of long distance services via prepaid calling cards. Further, the Company shall be required to seek modification of this settlement agreement from the Commission in the future if, and when, GTI wished to expand its service offerings.
3. GTI's Certificate of Authority is granted, subject to the conditions set forth in Ordering Paragraph 2.
4. GTI shall file a tariff within 10 days of this Order.

5. Upon GTI's submission of evidence of compliance with
 - 1) the conditions a) and b) set forth in Ordering Paragraph 2 and
 - 2) the filing requirement of Ordering Paragraph 3,these dockets (Docket Nos. P-5112, 5139, 5271, 3012/C-95-1073) shall be closed.
6. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar
Executive Secretary

(S E A L)

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