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ORDER APPROVING INTEREXCHANGE AND NONSWITCHED LOCAL EXCHANGE
CERTIFICATES OF SERVICE AUTHORITY AND ORDER APPROVING TARIFF

A.R.C. Networks, Inc. (ARC) applied to the Public Service Commission on March 17, 1997, for a certificate of service authority to provide intrastate interexchange telecommunications services in Missouri under Section 392.410-.450, RSMo 1994 and RSMo Supp. 1997¹. On May 29, 1998, ARC amended its application to include a request for certification to provide nonswitched local exchange telecommunications services as well. ARC asked the Commission to classify it as a competitive company and waive certain statutes and rules as authorized by Sections 392.361 and 392.420. ARC is a New York corporation, with its principal office located at 1300 Veteran Memorial Highway, Hauppauge, New York 11788.

The Commission issued a Notice of Applications and Opportunity to Intervene on April 1, 1997, directing parties wishing to intervene to file their requests by April 16, 1997. The requirement for a hearing is met when the opportunity for hearing has been provided and no proper party has requested the opportunity to present evidence. State ex rel. Rex Deffenderfer Enterprises, Inc. v. Public Service Commission,

¹ All statutory references are to the Revised Statutes of Missouri 1994 unless otherwise indicated.

776 S.W.2d 494, 496 (Mo. App. 1989). Since no one has asked permission to intervene or requested a hearing, the Commission may grant the relief requested based on the verified application.

ARC filed a proposed tariff in conjunction with its application. ARC filed a replacement tariff on March 18, 1998 and filed substitute sheets on June 9. The tariff's effective date is July 7. ARC's tariff describes the rates, rules, and regulations it intends to use, identifies ARC as a competitive company, and lists the waivers requested. ARC intends to provide interexchange and nonswitched local exchange telecommunications services including 1+ direct dial, 800/888/877, operator, private line and debit card services.

In its Memorandum filed on June 22 the Staff of the Commission stated that ARC's proposed services are similar to existing IXC offerings. Staff recommended that the Commission grant ARC a certificate of interexchange service authority, and a certificate of service authority for local exchange telecommunication services on condition that this authority be restricted to providing dedicated, nonswitched local exchange private line services. Staff recommended that the Commission grant ARC competitive status, and waiver of the statutes and rules listed in the Notice. Staff recommended that the Commission approve the proposed tariff as amended to become effective on July 7.

The Commission finds that competition in the intrastate interexchange and nonswitched local exchange telecommunications markets is in the public interest and ARC should be granted certificates of service authority. The Commission finds that the services ARC proposes to offer are competitive and ARC should be classified as a competitive company. The Commission finds that waiving the statutes and Commission

rules set out in the ordered paragraph below is reasonable and not detrimental to the public interest.

The Commission finds that ARC's proposed tariff details the services, equipment, and pricing it proposes to offer, and is similar to tariffs approved for other Missouri certificated interexchange and nonswitched local exchange carriers. The Commission finds that the proposed tariff filed on March 18 shall be approved as amended to become effective on July 7.

IT IS THEREFORE ORDERED:

1. That A.R.C. Networks, Inc. is granted a certificate of service authority to provide intrastate interexchange telecommunications services in the state of Missouri, subject to the conditions of certification set out above.

2. That A.R.C. Networks, Inc. is granted a certificate of service authority to provide local exchange telecommunications services in the state of Missouri limited to providing dedicated, nonswitched local exchange private line services, subject to all applicable statutes and Commission rules except as specified in this order.

3. That A.R.C. Networks, Inc. is classified as a competitive telecommunications company. Application of the following statutes and regulatory rules shall be waived:

Statutes

392.240(1)	- ratemaking
392.270	- valuation of property (ratemaking)
392.280	- depreciation accounts
392.290	- issuance of securities
392.310	- stock and debt issuance
392.320	- stock dividend payment
392.340	- reorganization(s)
392.330, RSMo Supp. 1997	- issuance of securities, debts and notes

Commission Rules

- 4 CSR 240-10.020 - depreciation fund income
- 4 CSR 240-30.010(2)(C) - rate schedules
- 4 CSR 240-30.040 - Uniform System of Accounts
- 4 CSR 240-32.030(1)(B) - exchange boundary maps
- 4 CSR 240-32.030(1)(C) - record-keeping
- 4 CSR 240-32.030(2) - in-state record-keeping
- 4 CSR 240-32.050(3) - local office record-keeping
- 4 CSR 240-32.050(4) - telephone directories
- 4 CSR 240-32.050(5) - call intercept
- 4 CSR 240-32.050(6) - telephone number changes
- 4 CSR 240-32.070(4) - public coin telephone
- 4 CSR 240-33.030 - minimum charges rule
- 4 CSR 240-33.040(5) - financing fees

4. That the tariff filed by A.R.C. Networks, Inc. on March 18, 1998, is approved as amended to become effective on July 7, 1998. The tariff approved is:

P.S.C.MO. No. 1

- 5. That this order shall become effective on July 7, 1998.
- 6. That this case shall be closed on July 13, 1998.

BY THE COMMISSION



(S E A L)

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

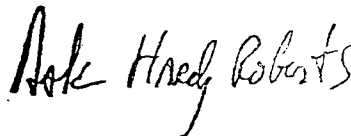
Amy E. Randles, Regulatory Law
Judge, by delegation of authority
pursuant to 4 CSR 240-2.120(1)
(November 30, 1995) and
Section 386.240, RSMo 1994.

Dated at Jefferson City, Missouri,
on this 2nd day of July, 1998.

**STATE OF MISSOURI
OFFICE OF THE PUBLIC SERVICE COMMISSION**

I have compared the preceding copy with the original on file in this office and
I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City,
Missouri, this 2nd day of July, 1998.



Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION
JEFFERSON CITY**

July 2, 1998

CASE NO: TA-97-385

Office of the Public Counsel

P.O. Box 7800
Jefferson City, MO 65102

~~X~~ **General Counsel**

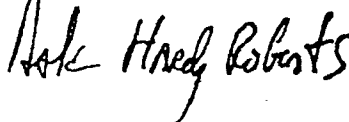
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102

Mary Ann Young

William D. Steinmeier, P.C.
2031 Tower Drive, PO Box 104595
Jefferson City, MO 65110

Enclosed find certified copy of ORDER in the above-numbered case(s).

Sincerely,



**Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge**

Uncertified Copy:

Glenn S. Richards/Jaqualin Friend Peterson

Fisher wayland Cooper Leader and Zaragoza
2001 Pennsylvania Avenue, N.W., St. 400
Washington, DC 20006

RECEIVED

JUL 02 1998

COMMISSION COUNSEL
PUBLIC SERVICE COMMISSION