

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

MOBILE TELECOMMUNICATION TECHNOLOGIES)
CORP. AND MARITEL COMMUNICATIONS, INC.)
_____)) CASE NO. 96-498
))
ALLEGED VIOLATIONS OF KRS 278.020(4))
AND KRS 278.020(5))

O R D E R

This case is established for the sole purpose of considering settlement offers made by two corporations, Mobile Telecommunication Technologies Corporation ("Mtel"), and Maritel Communications, Inc. ("MariTel"). The settlement offers arise from discussions between these companies and Commission Staff regarding Mtel's and MariTel's failure to obtain Commission approval for the transfer of ownership and control of Mtel's marine radiotelephone station in Paducah, Kentucky, a jurisdictional utility, to MariTel on August 31, 1995 -- a violation of KRS 278.020(4) and (5).¹

KRS 278.020(4) states, inter alia, that:

No person shall acquire or transfer ownership of, or control, or the right to control, any utility under the jurisdiction of the

¹ In Administrative Case No. 359, Exemptions for Interexchange Carriers, Long-Distance Resellers, Operator Service Providers and Customer-Owned, Coin-Operated Telephones, Order dated June 21, 1996, and effective August 1, 1996, the Commission exempted long-distance telecommunication carriers from the statutory requirement that transfers receive prior Commission approval. However, the transaction at issue here predates Administrative Case No. 359 by approximately one year.

commission . . . without prior approval by the commission.
[Emphasis added.]

KRS 278.020(5) states that no one shall acquire control, either directly or indirectly, of any utility furnishing service in Kentucky without prior Commission approval.

As a result of these discussions, Mtel and MariTel have made settlement offers to resolve all issues presented in this matter by making a voluntary payment of \$500 each to the Kentucky State Treasurer. Copies of the settlement offers are attached hereto and incorporated herein as Appendices A and B.

Having reviewed Mtel's and MariTel's offers and being otherwise sufficiently advised, the Commission finds that the settlement offers present a reasonable resolution of the alleged unauthorized transfer and should therefore be accepted.


IT IS THEREFORE ORDERED that:

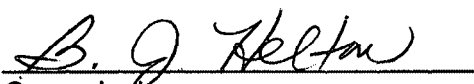
1. Mtel's and MariTel's settlement offers are hereby accepted.
2. Within 30 days from the date of this Order, Mtel and MariTel shall each pay \$500 in the form of a cashier's or certified check made payable to "Treasurer, Commonwealth of Kentucky." Said payment shall be mailed or delivered to: Office of General Counsel, Public Service Commission of Kentucky, 730 Schenkel Lane, Post Office Box 615, Frankfort, Kentucky 40602.
3. MariTel shall file, within 30 days from the date of this Order, an adoption notice pursuant to 807 KAR 5:011, Section 11; and it shall file--in its own name--the tariff of Mtel then in effect and adopted by it or, such other tariff as it proposes to put into effect in lieu thereof.

Done at Frankfort, Kentucky, this 28th day of October, 1996.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A
APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN
CASE NO. 96-498 DATED OCTOBER 28, 1996

mitel

Mobile Telecommunication Technologies
Post Office Box 2469
Jackson, Mississippi 39225
(601) 944-1300

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MAR 19 1996

PUBLIC SERVICE
COMMISSION

March 13, 1996

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MAR 19 1996

GENERAL COUNSEL

Ms Denise Payne Wade, Staff Attorney
Kentucky Public Service Commission
730 Schenkel Lane
Frankfort, KY 40601

Dear Ms. Wade:

In response to our previous conversations, we are writing in an effort to seek administrative resolution to our violation of the terms of Section 278.020(4) and (5) of the Kentucky Public Service Commission law.

The facts of the matter are as follows. Mobile Telecommunication Technologies Corp. (hereinafter, "Mtel") has in the past operated 10 marine radiotelephone stations in eight states. Included in these operations was a station in Paducah, Kentucky. The stations constituted a minute amount of Mtel's operations. During 1994, the last full year for which information is available, the stations generated \$44,000 in revenue, compared with Mtel's consolidated revenues of \$148,000,000. Because the stations were not considered to be a strategic operation, the decision was made to sell the stations.

The stations were sold, effective August 31, 1995, to MariTEL. Both Mtel and MariTEL were granted approval from the Federal Communications Commission for the transfers. However, no approval for the transfers of the stations was sought from any of the states in which the stations resided. The station in Paducah is the only station transferred which was regulated by any state commission, and is therefore the only station which required any regulatory approval.

We understand that, in cases where the facts are at issue, these matters can be resolved at the administrative level, without the issuance of a "show cause" order. We feel that the facts can be stipulated without issue. We have clearly violated the terms of Section 278.020. We would like to point out that the violation was not a willful or wanton disregard of Kentucky statutes, but was merely an honest oversight due to the fact that the Paducah station was the only station which required state level approval. Therefore, we would like to have the matter resolved administratively, without the need for a hearing and a formal finding.



June 26, 1996

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Ms Denise Payne Wade, Staff Attorney
Kentucky Public Service Commission
730 Schenkel Lane
Frankfort, KY 40601

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GENERAL COUNSEL

PUBLIC SERVICE
COMMISSION

Dear Ms. Wade:

Pursuant to our earlier conversation seeking administrative resolution with regards to the purchase of Marine radiotelephone stations in Paducah, KY. As you know, this station was purchased from Mobile Telecommunications Technologies Corporation in August of 1995 with the Federal Communication Commissions approval. Unaware of the Kentucky Public Service Commissions laws pertaining to prior state approval, MariTEL unknowingly violated certain terms noted by the KPSC and we feel that this is a honesty mistake.

We understand that MariTEL can resolve this mistake at the administrative level without the issuance of a show cause order and without the need for a hearing to reiterate the facts of the purchase of the communication site. We also understand MariTEL may be imposed a penalty of \$500 due to our violation of Kentucky status. MariTEL will voluntary contribute for the timely resolution of this matter.

Thank you for your consideration and if I can be of further assistance, please feel free to contact me at (601) - 897-7770.

Best regards,

A handwritten signature in cursive script that reads "Jonathan E. Merrill".

Jonathan E. Merrill
Chief Operation Officer