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STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION

At a session of the Public Service  
Commission held at its office  
in Jefferson City on the 11th  
day of February, 1998.

In the Matter of the Joint Application of Talton )  
Holdings, Inc., Talton Invision, Inc. and )  
InVision Telecom, Inc. for an Order Authorizing )  
the Sale, Transfer and Assignment of Certain )  
Rights, Properties and assets from Invision ) Case No. TM-98-171  
Telecom, Inc. to Talton Invision, Inc., a Wholly )  
Owned Subsidiary Corporation Formed by Talton )  
Holdings, Inc., and in Connection Therewith, )  
Certain Other Related Transactions. )  
)

**ORDER APPROVING SALE OF CERTAIN ASSETS AND**  
**GRANTING CERTIFICATE OF SERVICE AUTHORITY**

On October 21, 1997, Talton Holdings, Inc. (THI), Talton Invision, Inc. (TII), and InVision Telecom, Inc. (InVision), filed a joint application for approval of the terms of an Asset Acquisition Agreement dated August 21, 1997 (the Agreement), whereby TII would acquire all of the assets of InVision.

InVision is a Georgia corporation with its principal offices at 1150 Northmeadow Parkway, Suite 118, Roswell, Georgia 30076. On April 25, 1996, the Commission granted InVision a certificate of service authority to provide private pay telephone services and a certificate to provide intrastate interexchange telecommunications services in Missouri in Case No. TA-96-303. According to the joint application, InVision currently provides pay telephone services to correctional institutions in Missouri.

THI is a Delaware corporation with its principal offices at 3811 Turtle Creek Boulevard, Suite 1300, Dallas, Texas 75219. TII is also

a Delaware corporation and is a wholly owned subsidiary of THI with its principal place of business at 10101 Linn Station Road, Louisville, Kentucky 40223.

The applicants did not file a copy of the Agreement, but stated that the Agreement would effectuate a transfer of all of the assets of InVision to TII. According to the Applicants, InVision would transfer its two certificates of service authority to TII. After the transfer, TII would adopt the InVision tariffs that are currently in effect and TII would operate the assets in much the same manner as InVision does currently. The applicants requested the Commission approve the transfer of InVision's assets, including its certificates of service authority, to TII. TII also requested classification as a competitive company and permission to adopt InVision's current tariffs. The applicants did not specifically request any waivers of statutes or Commission rules in connection with their request for competitive classification of TII, but they did request any other relief necessary to effectuate the asset sale.

The Commission Staff (Staff) filed a Memorandum recommending approval of the Agreement on December 16, 1997. Staff pointed out that neither THI nor TII have applied for or been granted a certificate of service authority by the Commission. As transference of certificates of service authority is not a current Commission practice, Staff recommended canceling the certificates of service authority held by InVision. However, Staff noted the joint application contained all the information requested of applicants for certificates of service authority to provide intrastate interexchange telecommunications services. Staff recommended issuing an intrastate interexchange certificate of service authority to TII. Staff also recommended that TII be granted the standard waivers for competitive

interexchange telecommunications companies and that TII be classified as a competitive company.

### **Discussion**

Because this is an asset sale involving competitive companies, the applicants were not required to file a copy of the Agreement with their application. See 4 CSR 240-2.060(5)(H). Also, because the applicants averred that the proposed transaction would not impact the tax revenues of the political subdivisions in which the InVision assets are located, no notice was given to the public of the applicants' filing. The applicants alleged, and Staff concurred, that this transaction would not be detrimental to the public interest.

The Commission notes at the outset that Staff has recommended different relief than that requested by the applicants. Whereas the applicants sought a transfer of both of InVision's certificates to TII, the Staff has recommended issuance of an interexchange certificate to TII and cancellation of both of InVision's certificates.

The Commission finds that certificates should only be held by entities that have demonstrated they meet the applicable requirements. This demonstration is normally made by the acquiring entity through the filing of its own application for a certificate of service authority in a proceeding that predates or proceeds simultaneously with the application to acquire the assets of another entity. Therefore, the applicants' request for a transfer of InVision's certificates to TII is not appropriate. However, Staff suggests a procedure involving the issuance of a new certificate to TII and the cancellation of InVision's certificates. The Commission agrees with Staff's proposed procedure for the reasons discussed below.

The joint application is verified and contains allegations supporting a finding that TII, the company that would acquire InVision's assets, possesses all of the characteristics required for the issuance of an interexchange certificate of service authority. The application filed in this case should be treated as an application by TII for a certificate of service authority to provide interexchange and pay telephone services in geographical areas in which InVision currently holds such certificates. Moreover, an interexchange certificate will authorize TII to provide the pay telephone services it seeks to offer. Because the application contains all of the elements of an application for TII to obtain certificates of service authority to provide interexchange services, it would be in the public interest in this case to issue an interexchange certificate to TII and cancel the certificates held by InVision that were granted in Case Nos. TA-96-303 and TA-96-304.

The Commission further finds that TII's private pay telephone service shall be provided consistent with the following terms to ensure that the public interest continues to be served:

- A. Users of the equipment shall be able to reach the operator without charge and without the use of a coin;
- B. Any intrastate operator services provider employed shall hold certificate of service authority, and have on file with the Commission approved tariffs for the provision of operator services to traffic aggregators;
- C. Users of the equipment shall be able to reach local 911 emergency service, where available, without charge and without using a coin or, if 911 is unavailable, there shall be a prominent display on each instrument of the required procedure

to reach local emergency service without charge and without using a coin;

D. The equipment shall be mounted in accordance with all applicable federal, state, and local laws for disabled and hearing impaired persons;

E. The equipment shall allow completion of local and long distance calls;

F. The equipment shall permit access to directory assistance;

G. There shall be displayed in close proximity to the equipment, in 12 Point Times Bold print, the name, address, and telephone number of the COCOT provider, the procedures for reporting service difficulties, the method of obtaining customer refunds, and the method of obtaining long distance access. If applicable, the notice shall state that only one-way calling is permitted. If an alternative operator services (AOS) provider is employed, the COCOT provider shall display such notice as is required by the Commission;

H. The equipment shall be registered under Part 68 of the Rules of the Federal Communications Commission's registration program; and

I. The equipment shall not block access to any local or interexchange telecommunications carrier.

The Commission determines that, unless otherwise ordered by the Commission, TII should remain subject to the provisions of Section 392.390(1) and (3), RSMo 1994, which provide for the filing of annual reports and such information as necessary to determine the jurisdictional nature of the services provided and Section 386.370,

RSMo 1994, which provides for the assessment of public utilities. The Commission also determines that TII shall provide a complete list of its service locations if such information is requested by the Staff of the Commission. Furthermore, TII shall notify the Commission if it ceases to provide COCOT telecommunications services in the State of Missouri, or if the address or phone number of its principal place of business changes.

In connection with their request for approval of the transactions, the parties request that TII be classified as a competitive company. The applicants have not specified any specific statutes or regulations that they seek to have waived. However, Staff recommends that TII be granted the same waivers for its certificate that are typically granted to interexchange carriers. Moreover, the applicants have expressed their desire to adopt the tariffs of InVision that are currently on file with the Commission, and the Commission takes official notice that these tariffs are premised on the waivers previously granted to TII by the Commission. The Commission finds that waiving the statutes and Commission rules set out in Ordered Paragraph 4, which lists the same statutes and rules that are waived for other interexchange carriers, is reasonable and not detrimental to the public interest.

**IT IS THEREFORE ORDERED:**

1. That the transfer of certain assets proposed by Talton Holdings, Inc., Talton Invision, Inc., and InVision Telecom, Inc., is approved, except to the extent that said transactions involve the transfer of certificates of service authority from InVision Telecom, Inc., to Talton Invision, Inc.

2. That the certificates of service authority issued to InVision Telecom, Inc., in Case Nos. TA-96-303 and TA-96-304 are canceled.

3. That Talton Invision, Inc., is granted a certificate of service authority to provide intrastate interexchange telecommunications services in the State of Missouri, including private pay telephone service via customer-owned coin-operated telephone equipment, subject to the conditions of certification set out above and subject to all applicable statutes and Commission rules except as specified in this order.

4. That Talton Invision, 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. 1996 - 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

5. That Talton Invision, Inc., shall file an adoption notice in conformance with this order no later than February 24, 1998.

6. That this order shall become effective on February 24, 1998.

BY THE COMMISSION

*Dale Hardy Roberts*

Dale Hardy Roberts  
Secretary/Chief Regulatory Law Judge

( S E A L )

Lumpe, Ch., Crumpton, Drainer  
and Murray, CC., concur.

Hennessey, Regulatory Law Judge

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COMMISSION COUNSEL  
PUBLIC SERVICE COMMISSION