

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

**In the Matter of the Request for a Declaratory
Ruling by SNET America, Inc.**

TC 14-_____

REQUEST OF SNET AMERICA, INC. FOR A DECLARATORY RULING

Pursuant to SDCL Sections 49-1-11(5) and 49-31-3, and ARSD Section 20:10:01:34, SNET America, Inc. ("SAI") seeks a declaratory ruling concerning less than \$10 in intrastate calling card revenue that SAI received in 2007, 2008 and 2010 , without having a certificate to provide such interexchange services in the State. In support of its request, SAI states as follows:

1. SAI is a corporation organized and existing under the laws of the State of Connecticut, with its principal place of business at 310 Orange Street, 3rd Floor, New Haven, CT 06510. SAI is a wholly-owned indirect subsidiary of AT&T Inc., and is engaged in the business of offering interexchange services to both residential and business customers.
2. SAI is registered as a foreign business with the South Dakota Secretary of State and is in good standing. SAI does not, however, have a certificate of authority to provide interexchange telecommunications service in the State of South Dakota, as required by SDCL Section 49-31-3.
3. SAI has no customers domiciled in South Dakota; nearly all of its customers are based in Connecticut. However, SAI customers residing in other states have occasionally traveled to South Dakota and made intrastate telephone calls there using post-paid calling cards issued by SAI. Between 2007 and 2010, the last year such calls were made, these customers made less than 10 minutes of intrastate calls totaling less than \$10 in revenue. These calls were made only in calendar years 2007, 2008, and 2010.
4. Permitting customers to make intrastate calling card calls while in South Dakota was the result of internal administrative oversights. Only within the last two months did SAI determine that it had permitted less than 10 minutes of intrastate calls to be made without the required certificate of authority.

5. SAI is in the process of winding down its long distance calling card services throughout the country, which it expects will be complete by the middle of 2014. In particular, SAI plans to make a filing with the Federal Communications Commission pursuant to 47 U.S.C. § 214 and 47 C.F.R. § 63.71 to discontinue calling card services nationally within the next month and, assuming that this filing is approved, to terminate customers' ability to use the calling cards to make such calls on or after May 15, 2014.
6. SAI brings this matter to the Commission because the company would like to rectify the administrative oversight and have its affairs in order, from a regulatory perspective, as it winds down the operations of the calling card business.
7. SAI is willing to pay whatever gross receipts taxes may be owed in 2007, 2008 and 2010, when it generated South Dakota revenue. Pursuant to SDCL 49-1A-3, that amount would be \$750.00: i.e., the minimum tax amount of \$250.00/year multiplied by three years.
8. However, SAI is not seeking a certificate of authority to provide interexchange telecommunications service in South Dakota, given its plans to wind down its long distance calling card services within the next several months.

WHEREFORE, SAI requests that the Commission issue a declaratory ruling, specifying what the company must do to address the de minimus provision of intrastate long distance service without a certificate of authority.

Respectfully submitted this 27th day of March, 2014.

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/s/ filed electronically

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