

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application) Application No. C-2399
of Telera Communications Inc.,)
Campbell, California, seeking to)
obtain a Certificate of Public) GRANTED
Convenience and Necessity to)
provide resold and facilities-)
based interexchange and local)
exchange telecommunications)
services within the state of)
Nebraska.) Entered: January 23, 2001

APPEARANCES:

For the Applicant:

Jon Bruning
1079 North 204th Avenue
Elkhorn, Nebraska 68022

For the Commission:

Michael T. Loeffler
300 The Atrium
1200 N Street
Lincoln, Nebraska 68508

BY THE COMMISSION:

By its application filed October 3, 2000, Telera Communications, Inc. of Campbell, California (Telera or Applicant) seeks to obtain a certificate of public convenience and necessity to provide resold and facilities-based interexchange and local exchange telecommunications services within the state of Nebraska. Notice of the application appeared in The Daily Record on October 4, 2000. Petitions of formal intervention were filed on October 16, 2000, by Arapahoe Telephone Company; Benkelman Telephone Company, Inc.; Cozad Telephone Company; Henderson Cooperative Telephone Company and Wauneta Telephone Company, through their attorney, Timothy F. Clare.

On December 4, 2000, the executive director of this Commission sent by first class mail a copy of the notice of hearing. A hearing was held on December 15, 2000, in the Commission Library, Lincoln, Nebraska, with appearances as shown above. No one appeared for the intervenors.

In support of its application, applicant produced one witness, Mr. Scott Temple, senior manager of Telera. Mr. Temple testified that Telera is a privately-held Delaware corporation incorporated in Delaware and based in California. Telera's parent company currently has about 30 business customers.

Mr. Temple testified that Telera's long range plan is to locate switches in every LATA and contract out for maintenance of equipment. Telera plans to offer services integrating web and telephony technologies. The company is also applying for the authority to offer interexchange service in the state.

Mr. Temple further testified that Telera has competitive local exchange carrier (CLEC) status in 24 states and has interexchange authority in 33 states. Telera has never been denied a certificate in any state in which it has made application nor has it ever been subject to a formal complaint.

The executives of Telera have extensive backgrounds in telecommunications. Many of the company officials have between 15-25 years of telecommunications experience. Mr. Temple also presented a commitment letter from Telera's parent company which guarantees funding for Nebraska operations.

Telera will contract out for operator services and 911 services as needed. Telera has yet to begin negotiations for interconnection. The company has filed a sample tariff. Mr. Temple also stated that his company will not offer service in the areas currently served by carriers protected by the rural exemption as provided by the federal Telecommunications Act of 1996.

Testifying in regard to the public interest, Mr. Temple indicated that the public would benefit by the granting of the application because Telera will be employing next generation switches with features not found elsewhere in the market.

O P I N I O N A N D F I N D I N G S

The Commission considers this application for authority in light of the following criteria and standards established in the Commission's telecommunications rules:

- (a) Whether applicant has provided the information required by the Commission;

- (b) Whether applicant has provided a performance bond, if required;
- (c) Whether applicant possesses adequate financial resources to provide the proposed service;
- (d) Whether applicant possesses adequate technical competence and resources to provide the proposed service;
- (e) Whether applicant possesses adequate managerial competence to provide the proposed service; and
- (f) Whether granting applicant a certificate preserves and advances universal service, protects the public safety and welfare, ensures the continued quality of telecommunications services and safeguards the rights of consumers, pursuant to Section 253(b) of the Telecommunications Act of 1996 (Act).

Applicant has demonstrated that it meets the standards of financial, technical and managerial competence and all other criteria necessary to provide competitive local exchange services on a combined resale and facilities-based basis and to provide resold interexchange service as described in the application filed with the Commission. The Commission finds that no performance bond should be required at this time.

Before the applicant is allowed to provide competitive local exchange service and resold services to its end users:

- (a) The applicant, either through negotiation or adoption, must reach an interconnection agreement with Qwest, Citizens, ALLTEL or Sprint;
- (b) The Commission must approve the interconnection agreement; and
- (c) Applicant must file, and the Commission must approve, a tariff in accordance with the provisions of Section 002.21 of Neb. Admin. R. & Regs. Title 291, Chapter 5.

Further, prior to providing local exchange service to any area covered by the rural exemption, the applicant must obtain additional authority from this Commission to expand its service territory.

As a provider of competitive local exchange service in the state of Nebraska, the applicant should be subject to the same laws, rules and regulations, both federal and state (including any laws, rules or regulations regarding universal service, restrictions on joint marketing and quality of service), applicable to any other local exchange company except those obligations imposed on incumbent local exchange carriers pursuant to Section 251(c) of the Act.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-2399 be, and it is hereby, granted.

IT IS FURTHER ORDERED that upon final approval of the interconnection agreement and tariff, applicant is granted authority to provide competitive local exchange service and interexchange services throughout the state of Nebraska.

IT IS FURTHER ORDERED that applicant shall abide by the same laws, rules and regulations, both federal and state (including any laws, rules or regulations regarding universal service, restrictions on joint marketing and quality of service), applicable to other local exchange carriers except obligations imposed on incumbent local exchange carriers pursuant to Section 251(c) of the Act.

IT IS FURTHER ORDERED that, to the extent applicant provides access line service as referenced in the Telecommunications Relay System Act, Neb. Rev. Stat. §§ 86-1302 - 86-1306 (Relay Act) and defined in Neb. Admin. R. & Reg. Title 291, ch. 5 § 001.01B, the applicant shall collect from its subscribers a surcharge (Relay Surcharge) pursuant to the relay act and the Commission's annual orders establishing the amount of the surcharge, and shall remit to the Commission the proceeds from the relay surcharge as provided by the relay act.

IT IS FURTHER ORDERED that the applicant comply with all necessary statutes and Commission Rules and Regulations as they pertain to the Nebraska Universal Service Fund.

IT IS FURTHER ORDERED that applicant shall file, in accordance with the applicable statutes, on or before April 30 of each year, an annual report with this Commission consisting of: (a) a copy of any report filed with the Federal Communications Commission; (b) a copy of any annual report to stockholders; and (c) a copy of the

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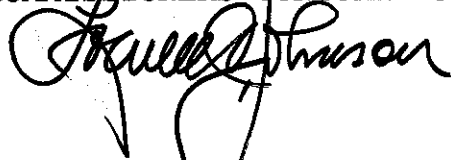
latest Form 10-K filed with the Securities and Exchange Commission. If such reports are unavailable, applicant shall file a balance sheet and income statement for the previous year of operation, and for the State of Nebraska on a combined interstate-intrastate basis, the investment in telephone plant and equipment located within the state, accumulated depreciation thereon, operating revenues, operating expenses, and taxes.

IT IS FINALLY ORDERED that this order be, and hereby is made, the Commission's official Certificate of Public Convenience and Necessity to Applicant to provide resold and facilities-based interexchange and local exchange telecommunications services within the state of Nebraska.

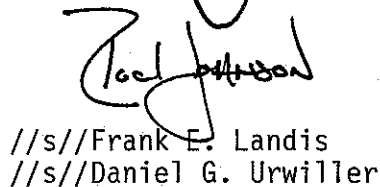
MADE AND ENTERED at Lincoln, Nebraska, this 23rd day of January, 2001.

NEBRASKA PUBLIC SERVICE COMMISSION

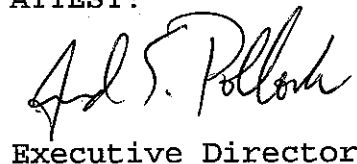
COMMISSIONERS CONCURRING:




Chairman


//s//Frank E. Landis
//s//Daniel G. Urwiller

ATTEST:


Executive Director

