

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Joint) Application No. C-2915
Application of Digital Teleport,)
Inc. of Chesterfield, Missouri)
and CenturyTel Fiber Company II,)
L.L.C. of Monroe, Louisiana,) GRANTED
seeking authority for approval)
of the assignments of assets and)
authorization to provide)
telecommunications service.) Entered: May 13, 2003

BY THE COMMISSION:

On April 8, 2003, a joint application was filed by Digital Teleport, Inc. (Digital) of Chesterfield, Missouri, and CenturyTel Fiber Company II, L.L.C. (CenturyTel) of Monroe, Louisiana, seeking authority for approval of the assignments of assets and authorization to provide telecommunications service. Notice of the application was published in The Daily Record, Omaha, Nebraska, on April 11, 2003. No protests were filed; therefore, this application is processed pursuant to the Commission's Rule of Modified Procedure.

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

The Parties:

CenturyTel is a Louisiana limited liability company with its headquarters in Monroe, Louisiana. The parent company, CenturyTel, Inc. and its subsidiaries provide communications services including local exchange, long distance, Internet access and data services to more than 3 million customers in 22 states.

Digital is a Missouri corporation with its headquarters in Chesterfield, Missouri. Digital was authorized by this Commission to provide local exchange services and interLATA interexchange services in Nebraska pursuant to Application No. C-1913 granted on December 15, 1998.

Description of the Transaction:

Digital provides wholesale fiber optic transport services and tertiary markets to national and regional communications carriers. Digital also provides ethernet service to enterprise customers and governmental agencies in office buildings in areas adjacent to the company's metropolitan network rings. Digital purchased a nationwide network of dark fiber with plans to build a national long-haul transmission network, but was unable to

obtain the funding to complete and operate such a network. As a result, Digital found it necessary to file for Chapter 11 reorganization on December 31, 2001, to facilitate an orderly withdrawal from the national long-haul business.

Pursuant to a bidding process overseen by the Bankruptcy Court, CenturyTel has agreed to acquire the core domestic telecommunications assets of Digital pursuant to Sections 363 and 365 of the Bankruptcy Code and will operate those assets and continue to provide services to Digital's customers. In order to complete the transaction, CenturyTel entered into an Assets Purchase Agreement with Digital for the sale of substantially all of the assets utilized by Digital to operate its domestic telecommunications business, as well as the assignment of certain contracts and leases.

Along with the assignment of assets request, CenturyTel would like the authority to provide telecommunications services within the state of Nebraska.

Interexchange reseller applications are subject to Commission jurisdiction under Neb. Rev. Stat. §§ 75-604 and 86-805 and Title 291 of the Commission's Rules and Regulations, Chapter 5, Rule 003.12. From examination of the application filed herein, the Commission finds CenturyTel II, L.L.C. has provided all the information required by the Commission, possesses adequate financial resources to provide the proposed service, and possesses adequate technical competency to provide the proposed service. The application should be granted.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-2915 be, and it is hereby, granted.

IT IS FURTHER ORDERED that CenturyTel II Inc., within 30 days of the close of the transaction, file an amended tariff reflecting any change in the rates, terms, or conditions, if such changes are made.

IT IS FURTHER ORDERED that the applicant shall file, in accordance with the applicable statutes on or before April 30th 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 latest Form 10-K filed with the Securities and Exchange Commission. If these are not available, applicant shall submit a balance sheet and income

statement for the previous year of operation, as well as the investment made in telephone plant and equipment located within the state, accumulated depreciation thereon, operating revenues and expenses, and taxes.

IT IS FURTHER ORDERED that, to the extent applicable, the applicant shall comply with all laws pertaining to, and all rules and regulations promulgated under, the Telecommunications Relay System Act (Neb. Rev. Stat. §§ 86-301 to 86-315) and the Nebraska Telecommunications Universal Service Fund Act (Neb. Rev. Stat. §§ 86-316 to 86-329).

IT IS FURTHER ORDERED that applicant file its current tariff prior to offering service pursuant to the certificate granted in this order.

IT IS FINALLY ORDERED that this order be, and it is hereby made, the Commission's official certificate of authority to furnish the service authorized herein as a common carrier.

MADE AND ENTERED at Lincoln, Nebraska, this 13th day of May, 2003.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Chair

ATTEST:

Executive Director