

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application) Application No. C-5000
of Stratus Networks, Inc.,)
Peoria Heights, Illinois,)
seeking authority to provide) GRANTED
resold local exchange and)
interexchange telecommunications)
services within the State of)
Nebraska.) Entered: September 18, 2018

BY THE COMMISSION:

On August 2, 2018, an application was filed by Stratus Networks, Inc., of Peoria Heights, Illinois ("Stratus" or "Applicant"), seeking authority to provide resold local exchange and interexchange services within the State of Nebraska. Notice of the application was published in The Daily Record, Omaha, Nebraska, on August 8, 2018. 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

Applicant is a privately held company incorporated under the laws of the State of Illinois. Applicant has been authorized by the Secretary of State to operate in Nebraska as a foreign corporation. Applicant holds authorization to provide local exchange and/or interexchange services in approximately fifty states and territories, and previously held authority in Nebraska until its certificate of authority was canceled by the Commission in 2016, in Commission Docket No. C-4844/DC-90. Other than within the aforementioned docket, no officer, director or shareholder having 5% or more of Applicant's voting securities nor any of Applicant's business operations has been involved in a formal complaint or other investigatory or enforcement proceeding.

Applicant will be providing resold local exchange and interexchange service to provide local service, and will rely upon the managerial and technical expertise of the incumbent local exchange carriers and facilities-based interexchange and/or competitive local exchange carriers which have been certified and deemed technically and managerially able to provide exchange service by the Commission. Applicant's local calling areas initially will coincide with the incumbent local exchange carrier's local calling areas.

Applicant states it possesses the technical, managerial, and financial qualifications to provide the proposed service. In support, Applicant submitted a description of its management team's background in Exhibit 3 to its application. Applicant also provided evidence of its financial competence through Exhibit 4 to its application. Exhibit 4 was filed under confidential seal.

Applicant states that approval of its application will promote the public interest by providing greater consumer choice within Nebraska, and by lowering costs and improving the efficiency of delivering services to customers. Applicant seeks to deliver services in Nebraska comparable to those it delivered until its previous certificate of authority was canceled in 2016.

Pursuant to Commission Docket No. C-4844 / DC-90, a fine was levied against Applicant in an order dated August 16, 2016. Prior to filing the current application, Applicant resolved the outstanding fine and reached a stipulated agreement with the Commission. Under the terms of the stipulation, Applicant agreed to ensure all documentation it files with the Commission accurately reflects the business it conducts within the State of Nebraska, and that it will cooperate with Commission staff in filing its documentation and correcting any outstanding errors.

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

- (a) Whether the Applicant has provided the information required by the Commission;
- (b) Whether the Applicant has provided a performance bond, if required;
- (c) Whether the Applicant possesses adequate financial resources to provide the proposed service;
- (d) Whether the Applicant possesses adequate technical competence and resources to provide the proposed service;
- (e) Whether the Applicant possesses adequate managerial competence to provide the proposed service; and

- (f) Whether granting the 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 Act.

Applicant has demonstrated that it meets the standards of financial, technical, and managerial competence and all other criteria necessary to provide local exchange and interexchange telecommunications services in the State of Nebraska. Applicant has further demonstrated its willingness to comply with Commission requirements and regulations.

These opinions and findings carry no precedential value other than establishing minimum standards and criteria to apply when considering applications to provide local exchange services. All telecommunications carriers seeking such a certificate must demonstrate that they meet, at a minimum, the standards and criteria set forth herein.

Before the Applicant is allowed to provide local exchange service to its users, it must either:

1. Through negotiation or arbitration, reach an interconnection/resale agreement with the pertinent incumbent local exchange carrier and receive Commission approval of the interconnection/resale agreement; or
2. In the event a certified local exchange carrier provides a wholesale tariff, purchase rates from that tariff, file its own tariff and receive Commission approval of its tariff.

This order does not terminate, waive or in any manner diminish the exemptions and protections created by the Act for rural carriers, as defined by the Act. This order does not address the issue of the rural local exchange carrier exemption under the Act. Rural exemptions may be terminated, suspended or modified only as provided in Section 251(f) of the Act.

Prior to providing service in any area in the State of Nebraska, Applicant must file tariffs in accordance with the provisions of 291 Neb. Admin. Code, §. 5-002.21.

Upon the offering of local exchange services in the State of Nebraska, Applicant will 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 ILECs 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-5000, be, and it is hereby, approved.

IT IS FURTHER ORDERED that the Applicant comply with Section 251(f)(1)(B) of the Telecommunications Act of 1996 and that the Applicant submit any bona fide request(s) for interconnection, services or network elements from a rural telephone company to the Commission for its approval.

IT IS FURTHER ORDERED that Applicant is obligated to 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 any other interexchange and 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. §§ 86-301 through 86-315 (Relay Act) and defined in 291 Neb. Admin. Code. § 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 the Commission consisting of: (a) a copy of

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

Application No. C-5000

Page 5

the ARMIS Report filed with the Federal Communications Commission if applicable; (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 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 the telephone plant and equipment located within the state, accumulated depreciation thereon, operating revenues, operating expenses and taxes.

IT IS FURTHER ORDERED that within 30 days from the entry of this order that the Applicant file a tariff with the Commission as required by state statutes and the Commission's regulations.



IT IS FURTHER ORDERED that pursuant to Commission rules and regulations, Applicant shall file with the Commission, each year, an annual report on or before April 30th of the succeeding year. Applicant is hereby instructed to consult with Commission staff regarding each year's report to ensure all necessary information is included.

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

ENTERED AND MADE EFFECTIVE at Lincoln, Nebraska, this 18th day of September, 2018.

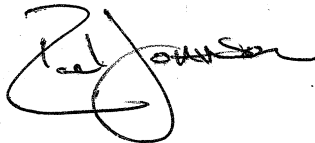
NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

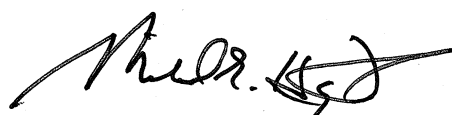



//s//Rod Johnson
//s//Frank E. Landis

Chair



ATTEST:



Executive Director