BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application of Matrix Telecom, Inc., Oklahoma City, Oklahoma, seeking a Certificate of Public Convenience and Necessity to Operate as a Reseller of Local Exchange Telecommunications Services within the state of Nebraska.	)	Application No. C-3397 GRANTED Entered: June 28, 2005

BY THE COMMISSION:

By its application filed March 28, 2005, Matrix Telecom, Inc., Oklahoma City, Oklahoma, (Applicant or Matrix) seeks authority to operate as a reseller of local exchange telecommunications services with the state of Nebraska. Notice of the application was published in the Daily Record, Omaha, Nebraska, on April 5, 2005. No protests or interventions were filed; therefore, this application is processed in accordance with the Commission's Rule of Modified Procedure.

E V I D E N C E

Applicant is a Texas corporation with its principal place of business in Oklahoma City, Oklahoma. Applicant requests authority to operate as a non facilities-based reseller of local exchange services in the exchanges where the Commission has authorized local competition. Applicant intends to serve business and residential customers.

Applicant filed its financial statements for confidential Commission review. Applicant further provided the financial statements of its parent company, Platinum Equity, LLC, in accordance with Commission staff's request, for further evidence of its financial competency.

Matrix states that it possesses the managerial and technical qualifications necessary to provide the services for which it seeks authority. To that end, Matrix states that its officers and directors possess extensive experience in the telecommunications industry. Matrix currently operates as a reseller of intrastate interexchange (toll) telecommunications services within all states and has applied for authority in Hawaii. As of the date of its filing with this Commission, Matrix has been granted authority to operate as a reseller of local exchange telecommunications services in Texas, with applications pending in all other states. Moreover, Applicant states that the services proposed in the pending application are the same as those proposed herein. As evidence of its managerial

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and technical capabilities, Matrix has provided the biographies of its principal officers who will have primary management and technical responsibility for the business operations.

With the grant of the application, Matrix further asserts that it will be able to serve the public interest. Applicant states it will increase competition which will lead to efficient pricing, improved service quality, expanded product and service capabilities, greater reliability and increased consumer choice. Also, Matrix states that its entrance into the market will create increased diversity of the supply of existing and future telecommunications services and products in Nebraska. Subsequently, that will provide increased choice among providers which will promote competitively driven cost-based rates for telecommunications services.

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 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 service in the Qwest, Citizens/Frontier, ALLTEL and Sprint incumbent exchange areas. Applicant is granted authority to provide local exchange

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services throughout Nebraska except in areas served by incumbent local exchange carriers eligible for a small or rural carrier exemption pursuant to Section 251(f)(1) of the Federal Act. By this application, applicant does not seek to provide service to customers in the rural incumbent territories.

If Applicant desires to provide service those customers in small or rural company territories which qualify for an exemption pursuant to Section 251(f)(1), Applicant must first make a subsequent application to the Commission to extend its certificate of authority to those areas.

These opinions and findings carry no precedential value other than establishing minimum standards and criteria to apply when considering applications to provide local exchange service in the above-mentioned territories. 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:

(a) 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

(b) 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 local exchange service in any area in the state of Nebraska, applicant must file tariffs in accordance with the provisions of Section 002.21 of the Neb. Admin. R. & Regs. Title 291, Chapter 5.

As a provider of local exchange service in the state of Nebraska, applicant would 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

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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 C-3397 be, and hereby is, granted as provided herein.

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 Neb. Admin. R. & Reg. Title 291, Chapter 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 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 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

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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 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 local exchange telecommunications services in the state of Nebraska.

MADE AND ENTERED at Lincoln, Nebraska, this 28th day of June, 2005.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Chairman

ATTEST:

Executive Director

//s// Frank E. Landis
//s// Gerald L. Vap