

DIVIDER

**STATE OF NORTH DAKOTA
INFORMATION TECHNOLOGY DEPARTMENT
SFN 2053 (4-2002)**

PU-2382-00-424

**Telera Communications, Inc.
Long Distance/Local Exchange Reseller
Public Convenience & Nece**

Filed 8/17/2000

Closed 10/26/2000

00

Scott, Sandi L.

From: Bauske, Shelly A.
Sent: Tuesday, March 20, 2001 10:49 AM
To: Scott, Sandi L.; Geiger, Gloria A.
Subject: Money Received....

Case No. PU-2382-00-424
Telera
\$156.47

Case No. PU-314-99-119
AT&T
\$769.70

APPROVED:
DATE: 12-29-00
KMF

MOTION

December 29, 2000

Telera Communications, Inc.
Local/Interexchange
Public Convenience & Necessity

Case No. PU-2382-00-424

I move the Commission bill Telera Communications, Inc. for costs incurred to date in Case No. PU-2382-00-424, Telera Communications, Inc., Local/Interexchange, Public Convenience & Necessity.



Public Service Commission
State of North Dakota

600 E Boulevard Ave. Dept. 408
Bismarck, North Dakota 58505-0480
e-mail: sab@oracle.psc.state.nd.us
TDD 800-366-6888
Fax 701-328-2410
Phone 701-328-2400

COMMISSIONERS

Bruce Hagen
President
Susan E. Wefald
Leo M. Reinbold

December 29, 2000

Executive Secretary
Jon H. Mielke

Lance J M Steinhart
6455 E Johns Crossing Ste 285
Duluth GA 30097

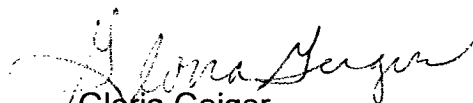
RE: Case No. PU-2382-00-424
Telera Communications, Inc.
Local/Interexchange
Public Convenience & Necessity

Enclosed is a copy of the statement approved at the December 29, 2000
Public Service Commission meeting for the expenses incurred to date in Case
No. PU-2382-00-424.

Under N.D.C.C. 49-21-01.7, these expenses are billed through the Valuation
Fund and must be paid for by the telecommunications company involved.

Please make your check payable to the Public Service Commission.

Sincerely,


Gloria Geiger
Administrative Assistant
701-328-2401

Enc.

Billing Statement

December 29, 2000

Telera Communications, Inc.
Local/Interexchange
Public Convenience & Necessity

Case No. PU-2382-00-424

Expenses Incurred to Date:

Advertising Costs	\$156.47
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Amount Due:

Telera Communications, Inc.	\$156.47
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Send Payment To:

Public Service Commission
600 E Boulevard Ave Dept 408
Bismarck ND 58505-0480

Federal Tax ID 45-0309764

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

Telera Communications, Inc.
Local/Interexchange
Public Convenience & Necessity

Case No. PU-2382-00-424

AFFIDAVIT OF SERVICE BY CERTIFIED MAIL

STATE OF NORTH DAKOTA
COUNTY OF BURLEIGH

Sharon Helbling deposes and says that:

she is over the age of 18 years and not a party to this action and, on the **26th day of October, 2000**, she deposited in the United States Mail, Bismarck, North Dakota, **one** envelope with certified postage, return receipt requested, fully prepaid, securely sealed and each containing a photocopy of:

Order and Certificates

The envelope was addressed as follows:

Lance J M Steinhart
6455 E Johns Crossing Ste 285
Duluth GA 30097
Cert. No. 7099 3400 0014 4513 7344

Each address shown is the respective addressee's last reasonably ascertainable post office address.

Subscribed and sworn to before me
this **26th day of October, 2000**.

SEAL

Sharon Helbling

Sandra L Scott

Notary Public
SANDRA L. SCOTT
Notary Public, STATE OF NORTH DAKOTA
My Commission Expires JUNE 11, 2004

47 PU-2382-00-424

Pages: 2

Affidavit of Service by Certified Mail

by Public Service Commission

10/26/2000

CC: Comm Legal PUD (3)

PU-2382-00-424

Copies To:

State Library (8 copies)

Historical Society

Associated Press

MOTION

October 25, 2000

APPROVED:

DATE: 10-25-00
KMF

**Telera Communications, Inc.
Local Exchange/Interexchange
Public Convenience and Necessity**

Case No. PU-2382-00-424

I move the Commission adopt the Order granting the application of Telera Communications, Inc. and issue Certificates of Public Convenience and Necessity to provide competitive local exchange telecommunications services in all exchanges currently served by U S WEST and interexchange services throughout North Dakota, Case No. PU-2382-00-424.

JRL/sdh

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

Telera Communications, Inc.
Local Exchange/Interexchange
Public Convenience and Necessity

Case No. PU-2382-00-424

ORDER

October 25, 2000

On August 17, 2000, Telera Communications, Inc. (Telera) filed an application for certificates of public convenience and necessity to provide facilities-based competitive local exchange telecommunications services in all exchanges currently served by U S WEST, and interexchange telecommunications services throughout North Dakota.

On August 23, 2000, the Public Service Commission's Director of Accounting filed a memorandum indicating that New Edge has the financial ability to provide telecommunications service.

On August 30, 2000, the Commission issued a Notice of Opportunity for Hearing, which stated that interested persons could comment on the application or request a hearing until October 6, 2000. No comments or requests for hearing were received. The Notice indicated the following issues to be considered in this matter:

1. Fitness and ability of the applicant to provide service.
2. Adequacy of the proposed service.
3. The technical, financial and managerial ability of the applicant to provide service.

Telera is a Delaware Corporation headquartered at Cambell, California and a wholly-owned subsidiary of Telera, Inc., also a Delaware Corporation and formerly CallNet Communications, Inc. Telera is in the process of obtaining nation wide authority and has been authorized to provide service in several states. Telera provided biographical information indicating that its officers and management team have extensive telecommunications business, technical and managerial expertise. The Commission finds Telera is fit, able, and has the technical, financial and managerial ability to provide service.

Telera intends to provide specific forms of intrastate local exchange and interexchange services targeted primarily at business customers including switched local exchange services including carrier access, switched and dedicated interexchange


services, 1+ and 101XXXX outbound dialing, toll-free inbound dialing and data services. The Commission finds Telera's proposed service is adequate.

Order

The Commission Orders:

1. The application of Telera Communications, Inc. for certificates of public convenience and necessity to provide facilities-based competitive local exchange services in all exchanges currently served by U S WEST and interexchange services throughout North Dakota is GRANTED.
3. Telera's certificates of public convenience and necessity shall require that it secure such approval from the local governing entity as required by state and federal law prior to providing service in any local territory.

PUBLIC SERVICE COMMISSION



Susan E. Wefald
Commissioner

"ABSENT"

Bruce Hagen
President



Leo M. Reinbold
Commissioner

STATE OF NORTH DAKOTA

Certificate of Public Convenience and Necessity

Certificate Number 4560

This is to certify that public convenience and necessity require, and permission is granted for Telera Communications, Inc., a telecommunications public utility, to provide statewide interexchange (toll) telecommunications services, with facilities, in North Dakota.

This certificate is issued in Case No. PU-2382-00-424 and is conditioned upon Telera Communications, Inc. securing the franchise or other authority of the proper municipal or other authority for the exercise of these rights and privileges, and other conditions and limitations noted in the Order dated October 25, 2000.

Bismarck, North Dakota, October 25, 2000

ATTEST:

PUBLIC SERVICE COMMISSION



Executive Secretary



Commissioner

STATE OF NORTH DAKOTA

Certificate of Public Convenience and Necessity

Certificate Number 4561

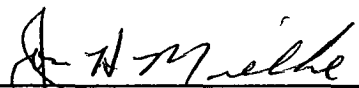
This is to certify that public convenience and necessity require, and permission is granted for Telera Communications, Inc., a telecommunications public utility, to provide local exchange telecommunications services inside the Alexander, North Dakota local exchange area.

This certificate is issued in Case No. PU-2382-00-424 and is conditioned upon Telera Communications, Inc. securing the franchise or other authority of the proper municipal or other authority for the exercise of these rights and privileges, and other conditions and limitations noted in the Order dated October 25, 2000.

Bismarck, North Dakota, October 25, 2000

ATTEST:

PUBLIC SERVICE COMMISSION



Executive Secretary



Commissioner

STATE OF NORTH DAKOTA

Certificate of Public Convenience and Necessity

Certificate Number 4562


This is to certify that public convenience and necessity require, and permission is granted for Telera Communications, Inc., a telecommunications public utility, to provide local exchange telecommunications services inside the Belfield, North Dakota local exchange area.

This certificate is issued in Case No. PU-2382-00-424 and is conditioned upon Telera Communications, Inc. securing the franchise or other authority of the proper municipal or other authority for the exercise of these rights and privileges, and other conditions and limitations noted in the Order dated October 25, 2000.

Bismarck, North Dakota, October 25, 2000

ATTEST:

PUBLIC SERVICE COMMISSION


Executive Secretary


Commissioner

STATE OF NORTH DAKOTA

Certificate of Public Convenience and Necessity

Certificate Number 4563

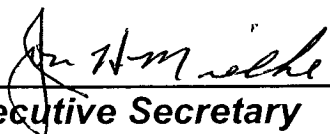
This is to certify that public convenience and necessity require, and permission is granted for Telera Communications, Inc., a telecommunications public utility, to provide local exchange telecommunications services inside the Bismarck, North Dakota local exchange area.

This certificate is issued in Case No. PU-2382-00-424 and is conditioned upon Telera Communications, Inc. securing the franchise or other authority of the proper municipal or other authority for the exercise of these rights and privileges, and other conditions and limitations noted in the Order dated October 25, 2000.

Bismarck, North Dakota, October 25, 2000

ATTEST:

PUBLIC SERVICE COMMISSION


Executive Secretary


Commissioner

STATE OF NORTH DAKOTA

Certificate of Public Convenience and Necessity

Certificate Number 4564


This is to certify that public convenience and necessity require, and permission is granted for Telera Communications, Inc., a telecommunications public utility, to provide local exchange telecommunications services inside the Casselton, North Dakota local exchange area.

This certificate is issued in Case No. PU-2382-00-424 and is conditioned upon Telera Communications, Inc. securing the franchise or other authority of the proper municipal or other authority for the exercise of these rights and privileges, and other conditions and limitations noted in the Order dated October 25, 2000.

Bismarck, North Dakota, October 25, 2000

ATTEST:

PUBLIC SERVICE COMMISSION


Executive Secretary


Commissioner

STATE OF NORTH DAKOTA

Certificate of Public Convenience and Necessity

Certificate Number 4565

This is to certify that public convenience and necessity require, and permission is granted for Telera Communications, Inc., a telecommunications public utility, to provide local exchange telecommunications services inside the Emerado, North Dakota local exchange area.

This certificate is issued in Case No. PU-2382-00-424 and is conditioned upon Telera Communications, Inc. securing the franchise or other authority of the proper municipal or other authority for the exercise of these rights and privileges, and other conditions and limitations noted in the Order dated October 25, 2000.

Bismarck, North Dakota, October 25, 2000

ATTEST:

PUBLIC SERVICE COMMISSION



Executive Secretary



Commissioner

STATE OF NORTH DAKOTA

Certificate of Public Convenience and Necessity

Certificate Number 4566

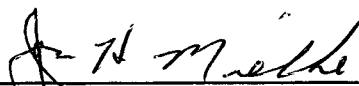
This is to certify that public convenience and necessity require, and permission is granted for Telera Communications, Inc., a telecommunications public utility, to provide local exchange telecommunications services inside the Fairmount, North Dakota local exchange area.

This certificate is issued in Case No. PU-2382-00-424 and is conditioned upon Telera Communications, Inc. securing the franchise or other authority of the proper municipal or other authority for the exercise of these rights and privileges, and other conditions and limitations noted in the Order dated October 25, 2000.

Bismarck, North Dakota, October 25, 2000

ATTEST:

PUBLIC SERVICE COMMISSION



Executive Secretary



Commissioner

STATE OF NORTH DAKOTA

Certificate of Public Convenience and Necessity

Certificate Number 4567

This is to certify that public convenience and necessity require, and permission is granted for Telera Communications, Inc., a telecommunications public utility, to provide local exchange telecommunications services inside the Fargo, North Dakota local exchange area.

This certificate is issued in Case No. PU-2382-00-424 and is conditioned upon Telera Communications, Inc. securing the franchise or other authority of the proper municipal or other authority for the exercise of these rights and privileges, and other conditions and limitations noted in the Order dated October 25, 2000.

Bismarck, North Dakota, October 25, 2000

ATTEST:

PUBLIC SERVICE COMMISSION


Executive Secretary


Commissioner

STATE OF NORTH DAKOTA

Certificate of Public Convenience and Necessity

Certificate Number 4568

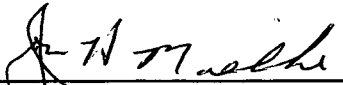
This is to certify that public convenience and necessity require, and permission is granted for Telera Communications, Inc., a telecommunications public utility, to provide local exchange telecommunications services inside the Gardner, North Dakota local exchange area.

This certificate is issued in Case No. PU-2382-00-424 and is conditioned upon Telera Communications, Inc. securing the franchise or other authority of the proper municipal or other authority for the exercise of these rights and privileges, and other conditions and limitations noted in the Order dated October 25, 2000.

Bismarck, North Dakota, October 25, 2000

ATTEST:

PUBLIC SERVICE COMMISSION



Executive Secretary



Commissioner

STATE OF NORTH DAKOTA

Certificate of Public Convenience and Necessity

Certificate Number 4569

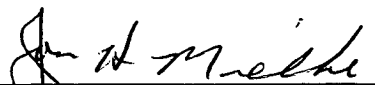
This is to certify that public convenience and necessity require, and permission is granted for Telera Communications, Inc., a telecommunications public utility, to provide local exchange telecommunications services inside the Grafton, North Dakota local exchange area.

This certificate is issued in Case No. PU-2382-00-424 and is conditioned upon Telera Communications, Inc. securing the franchise or other authority of the proper municipal or other authority for the exercise of these rights and privileges, and other conditions and limitations noted in the Order dated October 25, 2000.

Bismarck, North Dakota, October 25, 2000

ATTEST:

PUBLIC SERVICE COMMISSION



Executive Secretary



Commissioner

STATE OF NORTH DAKOTA

Certificate of Public Convenience and Necessity

Certificate Number 4570

This is to certify that public convenience and necessity require, and permission is granted for Telera Communications, Inc., a telecommunications public utility, to provide local exchange telecommunications services inside the Grand Forks, North Dakota local exchange area.

This certificate is issued in Case No. PU-2382-00-424 and is conditioned upon Telera Communications, Inc. securing the franchise or other authority of the proper municipal or other authority for the exercise of these rights and privileges, and other conditions and limitations noted in the Order dated October 25, 2000.

Bismarck, North Dakota, October 25, 2000

ATTEST:

PUBLIC SERVICE COMMISSION



Executive Secretary



Commissioner

STATE OF NORTH DAKOTA

Certificate of Public Convenience and Necessity

Certificate Number 4571

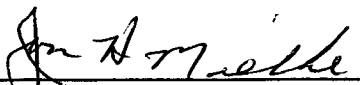
This is to certify that public convenience and necessity require, and permission is granted for Telera Communications, Inc., a telecommunications public utility, to provide local exchange telecommunications services inside the Gwinner, North Dakota local exchange area.

This certificate is issued in Case No. PU-2382-00-424 and is conditioned upon Telera Communications, Inc. securing the franchise or other authority of the proper municipal or other authority for the exercise of these rights and privileges, and other conditions and limitations noted in the Order dated October 25, 2000.

Bismarck, North Dakota, October 25, 2000

ATTEST:

PUBLIC SERVICE COMMISSION



Executive Secretary



Commissioner

STATE OF NORTH DAKOTA

Certificate of Public Convenience and Necessity

Certificate Number 4572

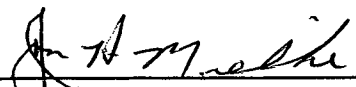
This is to certify that public convenience and necessity require, and permission is granted for Telera Communications, Inc., a telecommunications public utility, to provide local exchange telecommunications services inside the Hatton, North Dakota local exchange area.

This certificate is issued in Case No. PU-2382-00-424 and is conditioned upon Telera Communications, Inc. securing the franchise or other authority of the proper municipal or other authority for the exercise of these rights and privileges, and other conditions and limitations noted in the Order dated October 25, 2000.

Bismarck, North Dakota, October 25, 2000

ATTEST:

PUBLIC SERVICE COMMISSION



Executive Secretary



Commissioner

STATE OF NORTH DAKOTA

Certificate of Public Convenience and Necessity

Certificate Number 4573

This is to certify that public convenience and necessity require, and permission is granted for Telera Communications, Inc., a telecommunications public utility, to provide local exchange telecommunications services inside the Hillsboro, North Dakota local exchange area.

This certificate is issued in Case No. PU-2382-00-424 and is conditioned upon Telera Communications, Inc. securing the franchise or other authority of the proper municipal or other authority for the exercise of these rights and privileges, and other conditions and limitations noted in the Order dated October 25, 2000.

Bismarck, North Dakota, October 25, 2000

ATTEST:

PUBLIC SERVICE COMMISSION



Executive Secretary



Commissioner

STATE OF NORTH DAKOTA

Certificate of Public Convenience and Necessity

Certificate Number 4574

This is to certify that public convenience and necessity require, and permission is granted for Telera Communications, Inc., a telecommunications public utility, to provide local exchange telecommunications services inside the Jamestown, North Dakota local exchange area.

This certificate is issued in Case No. PU-2382-00-424 and is conditioned upon Telera Communications, Inc. securing the franchise or other authority of the proper municipal or other authority for the exercise of these rights and privileges, and other conditions and limitations noted in the Order dated October 25, 2000.

Bismarck, North Dakota, October 25, 2000

ATTEST:

PUBLIC SERVICE COMMISSION



Executive Secretary



Commissioner

STATE OF NORTH DAKOTA

Certificate of Public Convenience and Necessity

Certificate Number 4575

This is to certify that public convenience and necessity require, and permission is granted for Telera Communications, Inc., a telecommunications public utility, to provide local exchange telecommunications services inside the Kindred, North Dakota local exchange area.

This certificate is issued in Case No. PU-2382-00-424 and is conditioned upon Telera Communications, Inc. securing the franchise or other authority of the proper municipal or other authority for the exercise of these rights and privileges, and other conditions and limitations noted in the Order dated October 25, 2000.

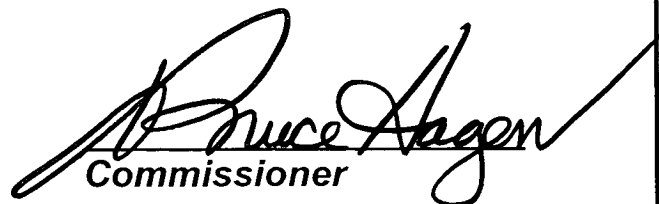
Bismarck, North Dakota, October 25, 2000

ATTEST:

PUBLIC SERVICE COMMISSION



Executive Secretary



Commissioner

STATE OF NORTH DAKOTA

Certificate of Public Convenience and Necessity

Certificate Number 4576

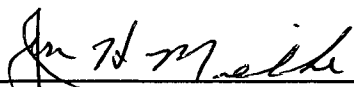
This is to certify that public convenience and necessity require, and permission is granted for Telera Communications, Inc., a telecommunications public utility, to provide local exchange telecommunications services inside the Larimore, North Dakota local exchange area.

This certificate is issued in Case No. PU-2382-00-424 and is conditioned upon Telera Communications, Inc. securing the franchise or other authority of the proper municipal or other authority for the exercise of these rights and privileges, and other conditions and limitations noted in the Order dated October 25, 2000.

Bismarck, North Dakota, October 25, 2000

ATTEST:

PUBLIC SERVICE COMMISSION



Executive Secretary



Commissioner

STATE OF NORTH DAKOTA

Certificate of Public Convenience and Necessity

Certificate Number 4577


This is to certify that public convenience and necessity require, and permission is granted for Telera Communications, Inc., a telecommunications public utility, to provide local exchange telecommunications services inside the Leonard, North Dakota local exchange area.

This certificate is issued in Case No. PU-2382-00-424 and is conditioned upon Telera Communications, Inc. securing the franchise or other authority of the proper municipal or other authority for the exercise of these rights and privileges, and other conditions and limitations noted in the Order dated October 25, 2000.

Bismarck, North Dakota, October 25, 2000

ATTEST:

PUBLIC SERVICE COMMISSION



Executive Secretary



Commissioner

STATE OF NORTH DAKOTA

Certificate of Public Convenience and Necessity

Certificate Number 4578

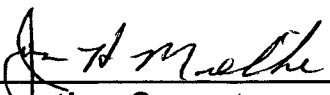
This is to certify that public convenience and necessity require, and permission is granted for Telera Communications, Inc., a telecommunications public utility, to provide local exchange telecommunications services inside the Lisbon, North Dakota local exchange area.

This certificate is issued in Case No. PU-2382-00-424 and is conditioned upon Telera Communications, Inc. securing the franchise or other authority of the proper municipal or other authority for the exercise of these rights and privileges, and other conditions and limitations noted in the Order dated October 25, 2000.


Bismarck, North Dakota, October 25, 2000

ATTEST:

PUBLIC SERVICE COMMISSION



Executive Secretary



Commissioner

STATE OF NORTH DAKOTA

Certificate of Public Convenience and Necessity

Certificate Number 4579

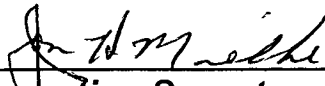
This is to certify that public convenience and necessity require, and permission is granted for Telera Communications, Inc., a telecommunications public utility, to provide local exchange telecommunications services inside the Mandan, North Dakota local exchange area.

This certificate is issued in Case No. PU-2382-00-424 and is conditioned upon Telera Communications, Inc. securing the franchise or other authority of the proper municipal or other authority for the exercise of these rights and privileges, and other conditions and limitations noted in the Order dated October 25, 2000.

Bismarck, North Dakota, October 25, 2000

ATTEST:

PUBLIC SERVICE COMMISSION



Executive Secretary



Commissioner

STATE OF NORTH DAKOTA

Certificate of Public Convenience and Necessity

Certificate Number 4580

This is to certify that public convenience and necessity require, and permission is granted for Telera Communications, Inc., a telecommunications public utility, to provide local exchange telecommunications services inside the Manvel, North Dakota local exchange area.

This certificate is issued in Case No. PU-2382-00-424 and is conditioned upon Telera Communications, Inc. securing the franchise or other authority of the proper municipal or other authority for the exercise of these rights and privileges, and other conditions and limitations noted in the Order dated October 25, 2000.

Bismarck, North Dakota, October 25, 2000

ATTEST:

PUBLIC SERVICE COMMISSION


Executive Secretary


Commissioner

STATE OF NORTH DAKOTA

Certificate of Public Convenience and Necessity

Certificate Number 4581

This is to certify that public convenience and necessity require, and permission is granted for Telera Communications, Inc., a telecommunications public utility, to provide local exchange telecommunications services inside the Mayville, North Dakota local exchange area.

This certificate is issued in Case No. PU-2382-00-424 and is conditioned upon Telera Communications, Inc. securing the franchise or other authority of the proper municipal or other authority for the exercise of these rights and privileges, and other conditions and limitations noted in the Order dated October 25, 2000.

Bismarck, North Dakota, October 25, 2000

ATTEST:

PUBLIC SERVICE COMMISSION



Executive Secretary



Commissioner

STATE OF NORTH DAKOTA

Certificate of Public Convenience and Necessity

Certificate Number 4582

This is to certify that public convenience and necessity require, and permission is granted for Telera Communications, Inc., a telecommunications public utility, to provide local exchange telecommunications services inside the Minto, North Dakota local exchange area.

This certificate is issued in Case No. PU-2382-00-424 and is conditioned upon Telera Communications, Inc. securing the franchise or other authority of the proper municipal or other authority for the exercise of these rights and privileges, and other conditions and limitations noted in the Order dated October 25, 2000.

Bismarck, North Dakota, October 25, 2000

ATTEST:

PUBLIC SERVICE COMMISSION



Executive Secretary



Commissioner

STATE OF NORTH DAKOTA

Certificate of Public Convenience and Necessity

Certificate Number 4583

This is to certify that public convenience and necessity require, and permission is granted for Telera Communications, Inc., a telecommunications public utility, to provide local exchange telecommunications services inside the Northwood, North Dakota local exchange area.

This certificate is issued in Case No. PU-2382-00-424 and is conditioned upon Telera Communications, Inc. securing the franchise or other authority of the proper municipal or other authority for the exercise of these rights and privileges, and other conditions and limitations noted in the Order dated October 25, 2000.

Bismarck, North Dakota, October 25, 2000

ATTEST:

PUBLIC SERVICE COMMISSION


Executive Secretary


Commissioner

STATE OF NORTH DAKOTA

Certificate of Public Convenience and Necessity

Certificate Number 4584

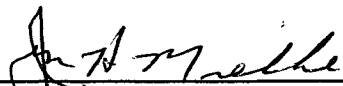
This is to certify that public convenience and necessity require, and permission is granted for Telera Communications, Inc., a telecommunications public utility, to provide local exchange telecommunications services inside the Pembina, North Dakota local exchange area.

This certificate is issued in Case No. PU-2382-00-424 and is conditioned upon Telera Communications, Inc. securing the franchise or other authority of the proper municipal or other authority for the exercise of these rights and privileges, and other conditions and limitations noted in the Order dated October 25, 2000.

Bismarck, North Dakota, October 25, 2000

ATTEST:

PUBLIC SERVICE COMMISSION



Executive Secretary



Commissioner

STATE OF NORTH DAKOTA

Certificate of Public Convenience and Necessity

Certificate Number 4585

This is to certify that public convenience and necessity require, and permission is granted for Telera Communications, Inc., a telecommunications public utility, to provide local exchange telecommunications services inside the Reynolds, North Dakota local exchange area.

This certificate is issued in Case No. PU-2382-00-424 and is conditioned upon Telera Communications, Inc. securing the franchise or other authority of the proper municipal or other authority for the exercise of these rights and privileges, and other conditions and limitations noted in the Order dated October 25, 2000.

Bismarck, North Dakota, October 25, 2000

ATTEST:

PUBLIC SERVICE COMMISSION



Executive Secretary



Commissioner

STATE OF NORTH DAKOTA

Certificate of Public Convenience and Necessity

Certificate Number 4586

This is to certify that public convenience and necessity require, and permission is granted for Telera Communications, Inc., a telecommunications public utility, to provide local exchange telecommunications services inside the Thompson, North Dakota local exchange area.

This certificate is issued in Case No. PU-2382-00-424 and is conditioned upon Telera Communications, Inc. securing the franchise or other authority of the proper municipal or other authority for the exercise of these rights and privileges, and other conditions and limitations noted in the Order dated October 25, 2000.

Bismarck, North Dakota, October 25, 2000

ATTEST:

PUBLIC SERVICE COMMISSION



Executive Secretary



Commissioner

STATE OF NORTH DAKOTA

Certificate of Public Convenience and Necessity

Certificate Number 4587

This is to certify that public convenience and necessity require, and permission is granted for Telera Communications, Inc., a telecommunications public utility, to provide local exchange telecommunications services inside the Valley City, North Dakota local exchange area.

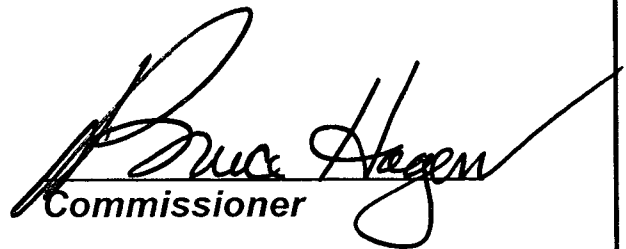
This certificate is issued in Case No. PU-2382-00-424 and is conditioned upon Telera Communications, Inc. securing the franchise or other authority of the proper municipal or other authority for the exercise of these rights and privileges, and other conditions and limitations noted in the Order dated October 25, 2000.

Bismarck, North Dakota, October 25, 2000

ATTEST:

PUBLIC SERVICE COMMISSION


Executive Secretary


Commissioner

STATE OF NORTH DAKOTA

Certificate of Public Convenience and Necessity

Certificate Number 4588

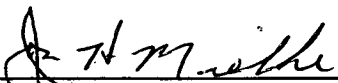
This is to certify that public convenience and necessity require, and permission is granted for Telera Communications, Inc., a telecommunications public utility, to provide local exchange telecommunications services inside the Wahpeton, North Dakota local exchange area.

This certificate is issued in Case No. PU-2382-00-424 and is conditioned upon Telera Communications, Inc. securing the franchise or other authority of the proper municipal or other authority for the exercise of these rights and privileges, and other conditions and limitations noted in the Order dated October 25, 2000.

Bismarck, North Dakota, October 25, 2000

ATTEST:

PUBLIC SERVICE COMMISSION



Executive Secretary



Commissioner

STATE OF NORTH DAKOTA

Certificate of Public Convenience and Necessity

Certificate Number 4589

This is to certify that public convenience and necessity require, and permission is granted for Telera Communications, Inc., a telecommunications public utility, to provide local exchange telecommunications services inside the Watford City, North Dakota local exchange area.

This certificate is issued in Case No. PU-2382-00-424 and is conditioned upon Telera Communications, Inc. securing the franchise or other authority of the proper municipal or other authority for the exercise of these rights and privileges, and other conditions and limitations noted in the Order dated October 25, 2000.

Bismarck, North Dakota, October 25, 2000

ATTEST:

PUBLIC SERVICE COMMISSION



Executive Secretary



Commissioner

STATE OF NORTH DAKOTA

Certificate of Public Convenience and Necessity

Certificate Number 4590

This is to certify that public convenience and necessity require, and permission is granted for Telera Communications, Inc., a telecommunications public utility, to provide local exchange telecommunications services inside the Williston, North Dakota local exchange area.

This certificate is issued in Case No. PU-2382-00-424 and is conditioned upon Telera Communications, Inc. securing the franchise or other authority of the proper municipal or other authority for the exercise of these rights and privileges, and other conditions and limitations noted in the Order dated October 25, 2000.

Bismarck, North Dakota, October 25, 2000

ATTEST:

PUBLIC SERVICE COMMISSION



Executive Secretary



Commissioner

STATE OF NORTH DAKOTA

Certificate of Public Convenience and Necessity

Certificate Number 4591

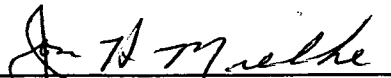
This is to certify that public convenience and necessity require, and permission is granted for Telera Communications, Inc., a telecommunications public utility, to provide local exchange telecommunications services inside the Wyndmere, North Dakota local exchange area.

This certificate is issued in Case No. PU-2382-00-424 and is conditioned upon Telera Communications, Inc. securing the franchise or other authority of the proper municipal or other authority for the exercise of these rights and privileges, and other conditions and limitations noted in the Order dated October 25, 2000.

Bismarck, North Dakota, October 25, 2000

ATTEST:

PUBLIC SERVICE COMMISSION


Executive Secretary


Commissioner

STATE OF NORTH DAKOTA

Certificate of Public Convenience and Necessity

Certificate Number 4592

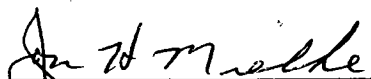
This is to certify that public convenience and necessity require, and permission is granted for Telera Communications, Inc., a telecommunications public utility, to provide local exchange telecommunications services inside the suburban territory near Fairview, Montana, part of the Fairview local exchange area, but located in North Dakota and served from the Fairview, Montana local central office.

This certificate is issued in Case No. PU-2382-00-424 and is conditioned upon Telera Communications, Inc. securing the franchise or other authority of the proper municipal or other authority for the exercise of these rights and privileges, and other conditions and limitations noted in the Order dated October 25, 2000.

Bismarck, North Dakota, October 25, 2000

ATTEST:

PUBLIC SERVICE COMMISSION


Executive Secretary


Commissioner

STATE OF NORTH DAKOTA

Certificate of Public Convenience and Necessity

Certificate Number 4593

This is to certify that public convenience and necessity require, and permission is granted for Telera Communications, Inc., a telecommunications public utility, to provide local exchange telecommunications services inside the rural territory near Sidney, Montana, part of the Sidney local exchange area, but located in North Dakota and served from the Sidney, Montana local central office.

This certificate is issued in Case No. PU-2382-00-424 and is conditioned upon Telera Communications, Inc. securing the franchise or other authority of the proper municipal or other authority for the exercise of these rights and privileges, and other conditions and limitations noted in the Order dated October 25, 2000.

Bismarck, North Dakota, October 25, 2000

ATTEST:

PUBLIC SERVICE COMMISSION



Executive Secretary



Commissioner

INFORMAL AGENDA

October 11, 2000

PU-2376-00-413

CCCND, Inc.
Local Exchange
Public Convenience and Necessity

PU-2382-00-424

Telera Communications, Inc.
Local Exchange/Interexchange
Public Convenience and Necessity

13

PU-2376-00-413

Pages: 0

Informal Hearing held

by Public Service Commission

10/11/2000

CC: Comm Legal PUD (3)

10

PU-2382-00-424

Pages: 0

Informal Hearing held

by Public Service Commission

10/11/2000

CC: Comm Legal PUD (3)

Affidavit of Publication

State of North Dakota)
County of Burleigh)

Laurie Thiel, being duly sworn, state as follows:

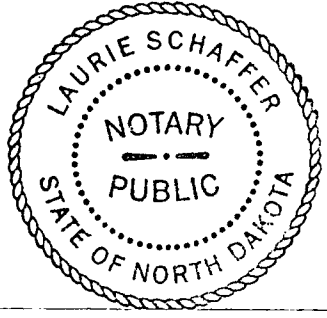
1. I am the designated agent, under the provisions and for the purposes of, Section 31-04-06, NDCC, for the newspapers listed on the attached exhibits.
2. The newspapers listed on the exhibits published the advertisement of:
CCEND, Inc. / Telera, 1 time(s)
as required by law or ordinance.
3. All of the listed newspapers are legal newspapers in the State of North Dakota and, under the provisions of Section 46-05-01, NDCC, are qualified to publish any public notice or any matter required by law or ordinance to be printed or published in a newspaper in North Dakota.

Signed: Laurie Thiel

Subscribed and sworn to before me this 21st day of September A.D. 2000.

Laurie Schaffer

LAURIE SCHAFFER
Notary Public, STATE OF NORTH DAKOTA
My Commission Expires DEC. 1, 2005



12 PU-2376-00-413 Pages: 11
Affidavit of Publication
by North Dakota Advertising Service, Inc.
10/10/2000 CC: Comm Legal PUD (3)

9 PU-2382-00-424 Pages: 11
Affidavit of Publication
by North Dakota Advertising Service, Inc.
10/10/2000 CC: Comm Legal PUD (3)

Notice of Opportunity For Hearing
August 30, 2000

Case # PU-2382-00-424

Bismack	9-6
Devils Lake	9-6
Dickinson	9-6
Fargo	9-11
Grand Forks	9-6
Jamestown	9-6
Minot	9-8
Valley City	9-6
Wahpeton	9-6
Williston	9-6

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

CCCND, Inc.
Local Exchange
Public Convenience & Necessity

Case No. PU-2376-00-413

Telera Communications, Inc.
Local Exchange/Interexchange
Public Convenience & Necessity

Case No. PU-2382-00-424

AFFIDAVIT OF SERVICE BY CERTIFIED MAIL

STATE OF NORTH DAKOTA
COUNTY OF BURLEIGH

Sharon Helbling deposes and says that:

she is over the age of 18 years and not a party to this action and, on the **31st day of August, 2000**, she deposited in the United States Mail, Bismarck, North Dakota, **two** envelopes with certified postage, return receipt requested, fully prepaid, securely sealed and each containing a photocopy of:

Notice of Opportunity for Hearing

The envelope was addressed as follows:

Jonathan E Canis Erin R Swansiger
Kelley Drye & Warren LLP
1200 19th St NW Ste 500
Washington D C 20036
Cert. No. 7099 3220 0002 8477 4204

Lance J M Steinhart
6455 E Johns Crossing Ste 285
Duluth GA 30097

Cert. No. 7099 3220 0002 8477 4211

Sharon Helbling further deposes and says that on the **31st day of August, 2000**, she deposited in the United States Mail, Bismarck, North Dakota, **one** envelope by regular mail, with postage fully prepaid, securely sealed, each containing a photocopy of the same.

Cindy Lee
CCCND Inc
125 W Capitol Ave Ste 250
Little Rock AR 72201

Each address shown is the respective addressee's last reasonably ascertainable post office address.

Subscribed and sworn to before me
this **31st day of August, 2000**.

Sharon Wellington

Sandra L. Scott

Notary Public

SEAL

SANDRA L. SCOTT
Notary Public, STATE OF NORTH DAKOTA
My Commission Expires JUNE 11, 2004

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

CCCND, Inc.
Local Exchange
Public Convenience & Necessity

Case No. PU-2376-00-413

Telera Communications, Inc.
Local Exchange/Interexchange
Public Convenience & Necessity

Case No. PU-2382-00-424

AFFIDAVIT OF SERVICE BY ORDINARY MAIL OR E-MAIL

STATE OF NORTH DAKOTA
COUNTY OF BURLEIGH

Sharon Helbling deposes and says that:

she is over the age of 18 years and not a party to this action and, on the **31st day of August, 2000**, she deposited in the United States Mail, Bismarck, North Dakota, envelopes by first class mail, fully prepaid, securely sealed, each containing a photocopy of:

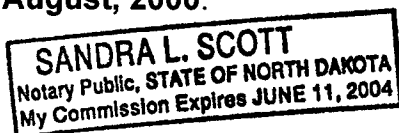
Notice of Opportunity for Hearing

The envelopes were addressed as follows:

See Attached List

Each address shown is the respective addressee's last reasonably ascertainable post office address.

Subscribed and sworn to before me
this **31st day of August, 2000**.



Sharon Helbling

Sandra L. Scott

Notary Public

SEAL

PU-2382-00-424

Copies To:

State Library (8 copies)

Historical Society

Associated Press

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T P C Inc
PO Box 180
Devils Lake ND 58301-0180

Regulatory Analyst
Technologies Management Inc
PO Drawer 200
Winter Park FL 32790-0200

Jack Medaris
Telco Partners Inc
484 Norristown Rd Ste 123
Blue Bell PA 19422

Tele-Tech Inc
2900 W 11th St
Sioux Falls SD 57104-3660

T-Netix Inc
67 Inverness Drive E
Englewood CO 80112

Richard Alyanak
U S WEST Communications Inc
1801 California St Rm 4700
Denver CO 80202

Giuseppe Vitale
UKI Communications Inc
500 N Rainbow Blvd Ste 300
Las Vegas NV 89107

Kenneth Carlson
United Telephone Mut Aid Corp
Langdon ND 58249

Telecomm Dept
University of North Dakota
Box 8193
Grand Forks ND 58202-7141

Val-Ed Joint Venture LLP
150 2nd St SW
Perham MN 56573

Target Telecom Inc
1515 S Federal Hwy Ste 400
Boca Raton FL 33432-7451

Thomas Cirrito
Telco Communications
1100 Wilson Blvd Ste 1425
Arlington VA 22209-2297

Al Bosch
Tele-Beep Company
PO Box 7072
Bismarck ND 58502-7072

Liz Petroni
Teltrust Comm Services Inc
6322 S 3000 East
Salt Lake City UT 84121

Kenneth Carlson
Turtle Mountain Communications
PO Box 729
Langdon ND 58249-0729

Dick Boyer
U S West Interprise America Inc
1999 Bdwy Rm 700
Denver CO 80202

Sam Billingsley
United States Advanced Network Inc
3000 Nrothwoods Pkwy Ste 140
Norcross GA 30071

Dennis Houston
Universal Network Services of ND
1572 North Batavia St Ste 1A
Orange CA 92867

USBG Inc
5601 W 120th st
Alsip IL 60658

Randy Houdek
Venture Communications Inc
PO Box 157
Highmore SD 57345-0157

Mick Grosz
West River Communications Inc
PO Box 467
Hazen ND 58545-0467

Doris Coe, Jr
West River Long Distance Co
PO Box 467
Hazen ND 58545-0467

Mick Grosz
West River Telecomm Coop
PO Box 467
Hazen ND 58545-0467

Western CLEC Corporation
3650 131st Ave SE #400
Bellevue WA 98006

Z-Tel Communications Inc
601 S Harbour Island Blvd Ste 220
Tampa FL 33602-5925

Helbling, Sharon D.

From: Helbling, Sharon D.
Sent: Thursday, August 31, 2000 9:42 AM
To: 'ndna'
Subject: Attached Notices

Please have the attached Notice of Opportunity to File Written Comments and the attached Notice of Opportunity for Hearing published as legal publications in the next issue of the ten North Dakota daily newspapers. Also run them as "News Item Only" articles.

Send the bill to the Public Service Commission, along with a tear sheet, for billing purposes.

If you have any questions, please call me at 328-4076.

Thank you.

**Sharon Helbling
Public Utilities Division
Public Service Commission**

1.doc

1.doc

6 **PU-2382-00-424**

Pages: 1

Notice e-mailed to NDNA requesting
publication
by Public Service Commission

08/31/2000

CC: Comm Legal PUD (3)

MOTION

August 30, 2000

APPROVED:
DATE: 8-30-00
KMF

**CCCND, Inc.
Local Exchange
Public Convenience & Necessity**

Case No. PU-2376-00-413

**Telera Communications, Inc.
Local Exchange/Interexchange
Public Convenience & Necessity**

Case No. PU-2382-00-424

I move the Commission issue a Notice of Opportunity for Hearing in the application of CCCND, Inc. for a Certificate of Public Convenience and Necessity to provide local exchange telecommunications services in North Dakota, Case No. PU-2376-00-413, and the application of Telera Communications, Inc. for Certificates of Public Convenience and Necessity to provide local exchange telecommunications services in all exchanges currently served by U S WEST, and interexchange telecommunications services throughout North Dakota, Case No. PU-2382-00-424.

JRL/sdh

000424-2.doc

STATE OF NORTH DAKOTA

PUBLIC SERVICE COMMISSION

CCCND, Inc.
Local Exchange
Public Convenience & Necessity

Case No. PU-2376-00-413

Telera Communications, Inc.
Local Exchange/Interexchange
Public Convenience & Necessity

Case No. PU-2382-00-424

NOTICE OF OPPORTUNITY FOR HEARING

August 30, 2000

On August 15, 2000, CCCND, Inc. filed an application for a certificate of public convenience and necessity to provide facilities-based local exchange telecommunications services throughout North Dakota.

On August 17, 2000, Telera Communications, Inc. filed an application for certificates of public convenience and necessity to provide facilities-based local exchange telecommunications services in all exchanges currently served by U S WEST, and interexchange telecommunications services throughout North Dakota.

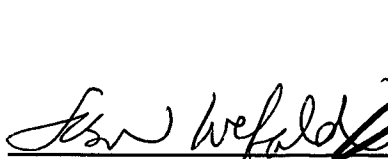
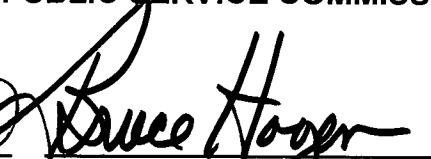

The issues to be considered in these matters are:

1. Fitness and ability of the applicant to provide service.
2. Adequacy of the proposed service.
3. The technical, financial and managerial ability of the applicant to provide service.

Those interested are invited to comment on these applications in writing. Persons desiring a hearing must file a written request identifying their interest in the proceeding and the reasons for requesting a hearing. Comments and requests for hearings must be received by **October 6, 2000**. If deemed appropriate, the Commission can determine these matters without hearings.

For more information contact the Public Service Commission, State Capitol, Bismarck, North Dakota 58505, 701-328-2400; or Relay North Dakota 1-800-366-6888 TTY. If you require any auxiliary aids or services, such as readers, signers, or Braille materials please notify Jon Mielke, Executive Secretary.

PUBLIC SERVICE COMMISSION

		
<hr/>	<hr/>	<hr/>
Susan E. Wefald Commissioner	Bruce Hagen President	Leo M. Reinbold Commissioner

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

Telera Communications, Inc.
Local/Interexchange
Public Convenience & Necessity

Case No. PU-2382-00-424

AFFIDAVIT OF SERVICE BY CERTIFIED MAIL

STATE OF NORTH DAKOTA
COUNTY OF BURLEIGH

Sharon Helbling deposes and says that:

she is over the age of 18 years and not a party to this action and, on the **23rd day of August, 2000**, she deposited in the United States Mail, Bismarck, North Dakota, **one** envelope with certified postage, return receipt requested, fully prepaid, securely sealed and each containing a photocopy of:

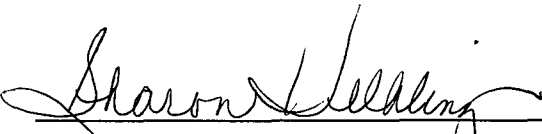
Staff Memorandum on Financial Ability


The envelope was addressed as follows:

Lance J M Steinhart
6455 E Johns Crossing Ste 285
Duluth GA 30097
Cert. No. 7099 3220 0002 8476 9040

Each address shown is the respective addressee's last reasonably ascertainable post office address.

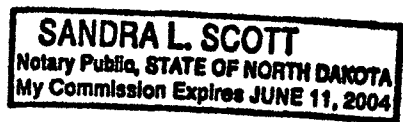
Subscribed and sworn to before me
this **23rd day of August, 2000**.





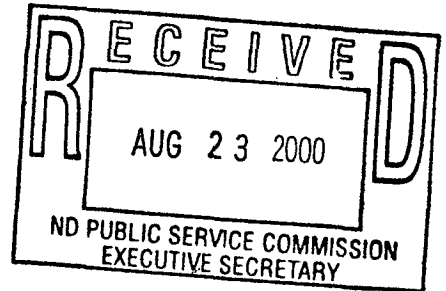
Notary Public

SEAL



Memorandum

To: Jon Mielke
From: Mike Diller *Mike Diller*
Date: August 23, 2000
Re: **Telera Communications, Inc.**
Local / Interexchange PC&N Application
Case No. PU-2382-00-424



The following is written to provide the commission with a very limited review of this case regarding the Applicant's financial ability to serve.

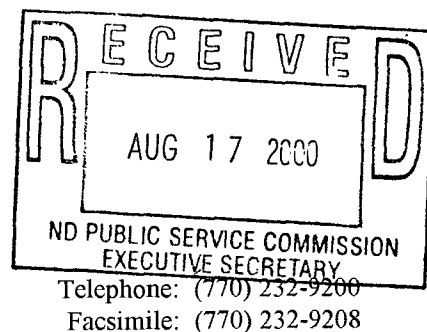
I reviewed the financial statements as filed by the Applicant. Based on my review, staff concludes that Telera has access to sufficient equity to provide service in North Dakota.

The Telecommunications Act of 1996 established a national policy to create a competitive environment for telephone service. The Applicant is one of many companies responding to the act.

Staff sees no reason to deny this application.

In accordance with the Commission's wishes, staff will serve this document on the applicant.

Lance J.M. Steinhart
Attorney At Law
6455 East Johns Crossing
Suite 285
Duluth, Georgia 30097



Also Admitted in New York
and Maryland

August 15, 2000

VIA FEDERAL EXPRESS

Mr. Jon Mielke
Executive Secretary
Public Service Commission
State Capitol
600 E. Boulevard
Bismarck, ND 58505-0480

Re: Telera Communications, Inc.

Dear Mr. Mielke:

Enclosed please find for filing an original and seven (7) copies of Telera Communications, Inc.'s Application for a Certificate of Public Convenience and Necessity to Provide Telecommunications Services.

I have enclosed an extra copy of this letter to be date stamped and returned to me in the enclosed preaddressed-postage-prepaid envelope. If you have any questions or if I may provide you with any additional information, please do not hesitate to contact me. Thank you.

Respectfully submitted,


Lance J.M. Steinhart
Attorney for Telera Communications, Inc.

Enclosures
cc: Scott Temple

1 PU-2382-00-424

Pages: 45

Local / Interexchange application

by Telera Communications, Inc.

08/17/2000

CC: Comm Legal PUD (3)

PUBLIC SERVICE COMMISSION
STATE OF NORTH DAKOTA

In the matter of the Application of)
Telera Communications, Inc.)
for a Certificate of)
Public Convenience and Necessity to)
provide Telecommunications Services)

Docket No. _____

The applicant, Telera Communications, Inc. ("Telera") a Corporation organized and existing under the laws of the State of Delaware with its principal place of business of 910 East Hamilton Ave., Suite 200, Campbell, California 95008, does hereby represent and show the Commission as follows:

1. On July 21, 2000, the North Dakota Secretary of State issued to Telera a Certificate of Authority under the provisions of North Dakota law governing foreign corporations, giving it authority to do business in the State of North Dakota and a copy of such certificate is submitted with this application.

2. Telera was organized as a Delaware Corporation to engage in the business of offering telecommunications services, including local exchange and toll telephone service, and intends to offer these services throughout the United States. By this application, Telera requests a Certificate of Public Convenience and Necessity to provide local exchange along with other telecommunications services at all locations throughout the State of North Dakota that are currently served by US West Communications, Inc., and to provide interexchange services statewide. Applicant is a wholly owned operating subsidiary of Telera, Inc.

3. Telera has applied for a Certificate of Registration to resell interexchange services in North Dakota, and to resell local exchange services in North Dakota.

The following exhibits are attached to this application and incorporated herein by this reference:

- Exhibit 1: A copy of the Certificate of Authority of Telera issued by the State of North Dakota;
- Exhibit 2: A certificate of Good Standing from the State of North Dakota;
- Exhibit 3: Service Area Map
- Exhibit 4: A copy of Telera, Inc.'s Financial Statements
- Exhibit 5: Affidavit of Robert Stewart
- Exhibit 6: Biographical Information

3. All correspondence and notices regarding this application should be directed to Lance J.M. Steinhart, of the Law Office of Lance Steinhart, 6455 E. Johns Crossing, Suite 285, Duluth, GA 30097, whose telephone and fax numbers are 770-232-9200 and 770-232-9208 respectively.

4. The rate structure for providing local exchange and toll services is intended to be Competitive with the rates charged by the incumbent provider(s).

5. Telera is fit and has the experience and ability to provide the local exchange and toll services for which authority is sought herein. Telera intends to provide specific forms of intrastate local exchange and interexchange telecommunications services targeted primarily at business customers including:

- A. Switched local exchange services including carrier access.
- B. Interexchange (switched and dedicated services): 1+ and 101XXXX outbound dialing; toll-free inbound dialing; and data services.

6. Telera has the technical, financial and managerial ability to provide the indicated services.

7. By enacting the Telecommunications Act of 1996, Congress has established a national public policy of opening the local exchange to competition and increasing the level of competition in all other areas of telecommunications services. Congress perceived a need for such competition, and Telera hopes to meet this need to the ultimate benefit of North Dakota consumers.

8 Since Telera intends to provide local exchange telecommunications services in those geographic areas in North Dakota currently served by US West as illustrated in the exchange area maps attached hereto as Exhibit 3.

9. The Public Service Commission (“Commission”) for the State of North Dakota has Authority to grant this application under the provision of Chapter 49-03.1 of the North Dakota Century Code and the Commission’s Rules of Practice and Procedure.

WHEREFORE, Telera respectfully requests that a Certificate of Public Convenience and Necessity be issued for the services sought herein following appropriate notice; and further, Telera respectfully requests that the Certificate of Public Convenience and Necessity be issued without hearing, if appropriate, according to the applicable statutes and the rules and regulations of the Commission.

Dated this 15 of Aug, 2000.

Telera Communications, Inc.

By: _____

Lance J.M. ~~Steinhart~~

Law Office of Lance Steinhart

6455 E. Johns Crossing, Suite 285

Duluth, GA 30097

Telephone No.: 770-232-9200

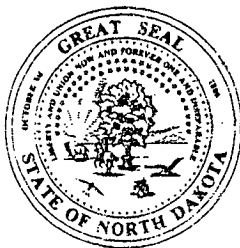
Facsimile No.: 770-232-9208

Attorney for Applicant

Exhibit 1: A copy of the Certificate of Authority of Telera issued by the State of North Dakota

State of North Dakota

SECRETARY OF STATE



CERTIFICATE OF AUTHORITY

OF

TELERA COMMUNICATIONS, INC.

The undersigned, as Secretary of State of the State of North Dakota, hereby certifies that an application of

TELERA COMMUNICATIONS, INC.

for a Certificate of Authority to transact business in this State, duly signed and verified pursuant to the provisions of the North Dakota Century Code, have been received in this office and are found to conform to law.

ACCORDINGLY the undersigned, as such Secretary of State, and by virtue of the authority vested in him by law, hereby issues this Certificate of Authority to

TELERA COMMUNICATIONS, INC.

to transact business in this State under the name of

TELERA COMMUNICATIONS, INC.

Issued: July 21, 2000

A handwritten signature in cursive script, reading "Alvin A. Jaeger".

Alvin A. Jaeger
Secretary of State

**LIST OF OFFICERS & DIRECTORS OF
TELERA COMMUNICATIONS, INC.**

Officers

**Prem Uppaluru
Robert Stewart
Lee Bauman**

**Chief Executive Officer
President
Secretary, Chief Financial Officer and Vice
President of Operations**

Directors

**Prem Uppaluru
Mukesh Sundaram
Lee Bauman
Rahoul Seth
Robert Stewart**

**All the above referenced Officers & Directors can be reached at:
910 East Hamilton Avenue; Suite 200; Campbell, CA 95008-0625**

Exhibit 2: A certificate of Good Standing from the State of North Dakota

State of North Dakota

SECRETARY OF STATE



CERTIFICATE OF GOOD STANDING

OF

TELERA COMMUNICATIONS, INC.

The undersigned, as Secretary of State of the State of North Dakota, hereby certifies that TELERA COMMUNICATIONS, INC., a Delaware corporation, authorized to transact business in the State of North Dakota on July 21, 2000, and according to the records of this office as of this date, has paid all fees due this office as required by North Dakota statutes governing foreign corporations.

ACCORDINGLY the undersigned, as such Secretary of State, and by virtue of the authority vested in him by law, hereby issues this Certificate of Good Standing to

TELERA COMMUNICATIONS, INC.

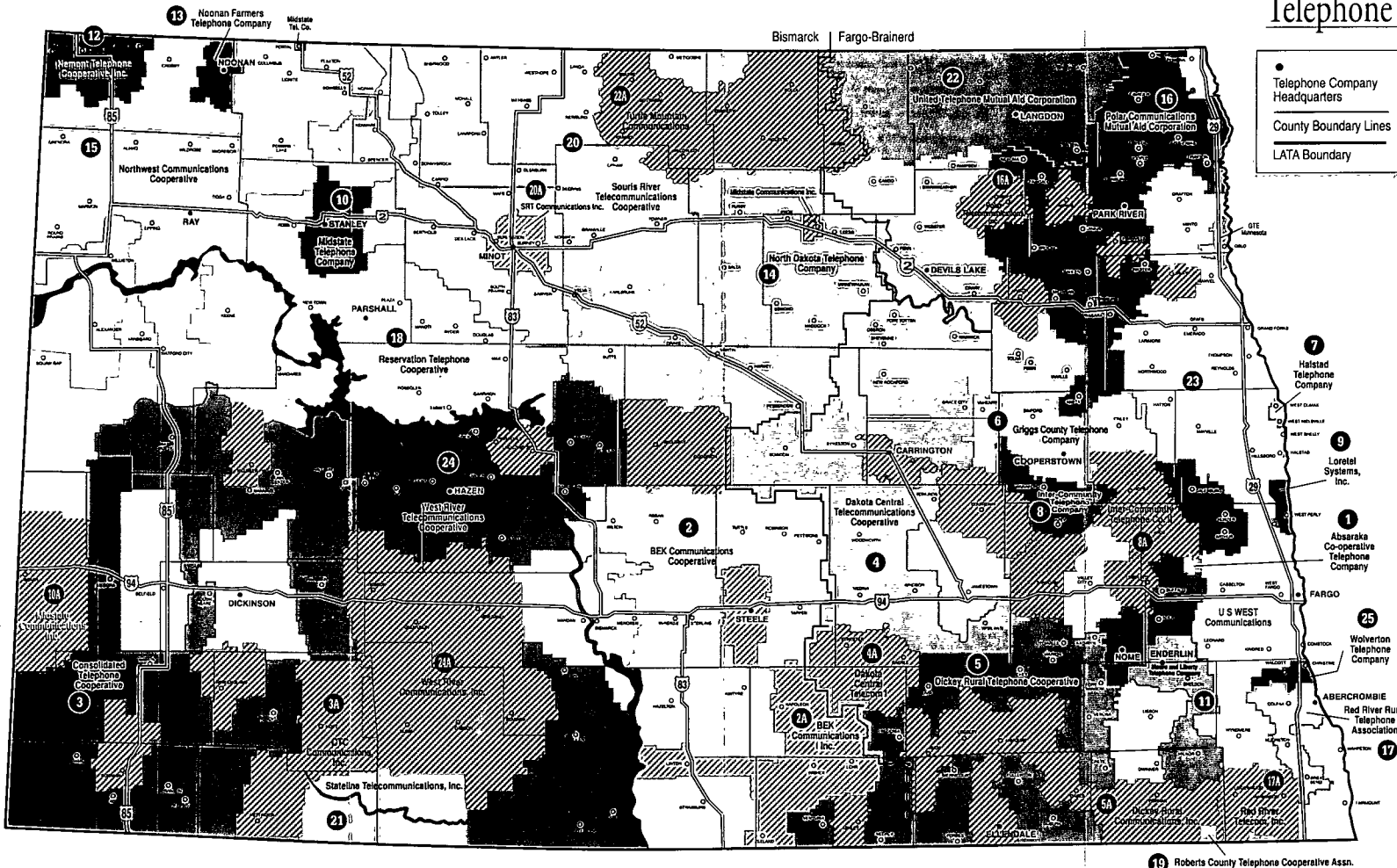
Issued: July 21, 2000

A handwritten signature in cursive script, reading "Alvin A. Jaeger".

Alvin A. Jaeger
Secretary of State

Exhibit 3: Service Area Map

Telephone Companies Service Area



● Telephone Company Headquarters
 --- County Boundary Lines
 - - - LATA Boundary

Local Exchange Companies

1	1. Absaraka Co-operative Telephone Company	.....(701) 896-3404
2	2. BEK Communications Cooperative	.....(701) 475-2361
2A	2A. BEK Communications I Inc.	
3	3. Consolidated Telephone Cooperative	.....(701) 225-6061
3A	3A. CTC Communications, Inc.	
4	4. Dakota Central Telecommunications Cooperative	.....(701) 652-3184
4A	4A. Dakota Central Telecom I	
5	5. Dickey Rural Telephone Cooperative	.....(701) 349-3687
5A	5A. Dickey Rural Communications, Inc.	
6	6. Griggs County Telephone Company	.....(701) 797-3301
7	7. Halstad Telephone Company	.....(218) 456
8	8. Inter-Community Telephone Company	.....(701) 924
8A	8A. Inter-Community Telephone Co. II	
9	9. Lorelei Systems, Inc.	.....(218) 784-7171
10	10. Midstate Telephone Company	.....(701) 628-2522
10A	10A. Midstate Communications Inc.	
11	11. Moore and Liberty Telephone Company	.....(701) 437-3300
12	12. Nemont Telephone Cooperative, Inc.	.....(406) 783-5654
13	13. Noonan Farmers Telephone Company	.....(701) 925-5717
14	14. North Dakota Telephone Company	.....(701) 662-1700
15	15. Northwest Communications Cooperative	.....(701) 568-3331
16	16. Polar Communications Mutual Aid Corporation	.....(701) 284-7221
16A	16A. Polar Telecommunications, Inc.	
17	17. Red River Rural Telephone Association	.....(701) 553-8309
17A	17A. Red River Telecom, Inc.	
18	18. Reservation Telephone Cooperative	.....(701) 862-3115
19	19. Roberts County Telephone Cooperative Assn.	.....(605) 637-5211
20	20. Souris River Telecommunications Cooperative	.....(701) 858-1200
20A	20A. SRT Communications Inc.	
21	21. Slatine Telecommunications, Inc.	.....(605) 244-5236
22	22. United Telephone Mutual Aid Corporation	.....(701) 256-5155
22A	22A. Turtle Mountain Communications	
23	23. U S WEST Communications	.....(701) 241-34...
24	24. West River Telecommunications Cooperative	.....(701) 748-2211
24A	24A. West River Communications, Inc.	
25	25. Wolverton Telephone Company	.....(218) 995-2900

19 Roberts County Telephone Cooperative Assn.

Exhibit 4: A copy of Telera, Inc.'s Financial Statements for year ended December 31, 1999 and six months ending June 30, 2000.

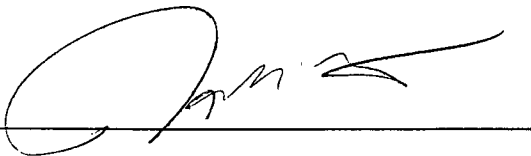
TELERA, INC.
(Formerly CallNet Communications, Inc.)
(A Development Stage Enterprise)

Financial Statements

December 31, 1999 and 1998

Certification:

The financial information contained in the foregoing statements accurately reflects in all material aspects the financial status of the Company as of the dates indicated thereon.



Rahoul Seth

Vice President and Chief Financial Officer

7/25/00

Date

TELERA, INC.
(Formerly CallNet Communications, Inc.)
(A Development Stage Enterprise)

Table of Contents

	Page
Balance sheet	2
Statement of Operations	3
Statement of Stockholders' Equity	4
Statement of Cash Flows	5
Notes to Financial Statements	6

TELERA
(Formerly CallNet Communications, Inc.)
(A Development Stage Enterprise)
Balance Sheets
December 31, 1999 and 1998
(In thousands)

Assets	1999	1998
Current assets:		
Cash and cash equivalents	\$ 19,734	\$ 5,531
Accounts receivable	160	-
Prepaid expenses and other assets	295	65
Total current assets	<u>20,189</u>	<u>5,596</u>
Property and equipment, net	2,384	165
Total assets	<u>\$ 22,573</u>	<u>\$ 5,761</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Current obligations under capital leases	\$ 115	\$ -
Note payable, bank	120	-
Accounts payable and accrued liabilities	1,114	195
Accrued compensation and benefits	132	11
Deferred revenue	160	0
Total current liabilities	<u>1,641</u>	<u>206</u>
Long term obligations under capital leases, net of current portion	409	-
Total liabilities	<u>2,050</u>	<u>206</u>
Commitments (see Note 6)		
Stockholders' equity:		
Convertible preferred stock:		
\$0.0001 par value; 11,342,448 shares authorized;		
11,168,041 shares issued and outstanding;		
liquidation preference of \$28,452,000	1	1
Additional paid in capital - Preferred	28,588	6,219
Common stock:		
\$0.0001 par value; 32,000,000 shares		
authorized; 10,753,211 shares issued		
and 10,730,711 shares outstanding	1	1
Additional paid in capital - Common	390	49
Notes receivable - Common	(70)	(44)
Treasury stock	(2)	
Deficit accumulated during the development stage	<u>(8,385)</u>	<u>(671)</u>
Total stockholders' equity	<u>20,523</u>	<u>5,555</u>
Total liabilities and stockholders' equity	<u>\$ 22,573</u>	<u>\$ 5,761</u>

See accompanying notes to financial statements.

TELERA, INC.
(Formerly CallNet Communications, Inc.)
(A Development Stage Enterprise)

Statement of Operations

Year ended December 31, 1999 and period from August 28, 1998 (inception) to December 31, 1998
(In thousands)

	1999	1998
Operating expenses:		
Research and engineering	\$ 5,248	\$ 392
Sales and marketing	1,419	121
General and administrative	1,229	197
Total operating expenses	<u>7,896</u>	<u>710</u>
Interest and other income, (expense), net	<u>182</u>	<u>39</u>
Net loss	<u>\$ (7,714)</u>	<u>\$ (671)</u>

See accompanying notes to financial statements.

TELERA
(Formerly CallNet Communications, Inc.)
(A Development Stage Enterprise)
Statement of Stockholders' Equity
Year ended December 31, 1999 and period from August 28, 1998 (inception) to December 31, 1998
(In thousands)

	Preferred stock Shares	Preferred stock Amount	Common stock Shares	Common stock Amount	Additional paid-in capital	Treasury stock Shares	Treasury stock Amount	Stockholders' notes receivable	accumulated during the development stage	Total stockholders' equity
Issuance of common stock for notes receivable			75	\$0	\$0			(\$1)	\$0	\$0
Issuance of common stock for cash			750	0	5			0	0	5
Issuance of common stock in exchange for forgiveness of debt			6,675	1	44			0	0	45
Issuance of Series A convertible preferred stock, for cash, net of issuance costs	7,761	1	0	0	6,176			0	0	6,177
Issuance of Series A convertible preferred stock for notes receivable	54	0	0	0	43			(43)	0	0
Net loss	0	0	0	0	0			0	(671)	(671)
Balances, December 31, 1998	<u>7,815</u>	<u>1</u>	<u>7,500</u>	<u>1</u>	<u>6,268</u>	<u>0</u>	<u>0</u>	<u>(44)</u>	<u>(671)</u>	<u>5,555</u>
Issuance of common stock for notes receivable			698	0	70			(70)		(0)
Issuance of common stock for cash			2,556	0	255					255
Acquisition of treasury stock						(23)	(2)			0
Issuance of Series A convertible preferred stock, for cash, net of issuance costs		0			(1)			43		42
Issuance of Series B convertible preferred stock, for cash, net of issuance costs	1,941	0			12,177					0
Issuance of Series C convertible preferred stock, for cash, net of issuance costs	1,427	0			9,990					0
Issuance of Warrants					205					205
Issuance of options for services					14					14
Amortization										0
Net loss									(7,714)	(7,714)
Balances, December 31, 1999	<u>11,183</u>	<u>1</u>	<u>10,753</u>	<u>1</u>	<u>28,978</u>	<u>(23)</u>	<u>(2)</u>	<u>(70)</u>	<u>(8,385)</u>	<u>20,522</u>

TELERA
(Formerly CallNet Communications, Inc.)
(A Development Stage Enterprise)

Statement of Cash Flows

Year ended December 31, 1999 and period from August 28, 1998 (inception) to December 31, 1998
(In thousands)

	1999	1998
Cash flows used in operating activities:		
Net loss	(\$7,714)	(\$671)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	300	1
Loss on sale of property and equipment	20	
Amortization of deferred stock compensation		
Changes in operating assets and liabilities:		
Prepaid expenses and other assets	(230)	(65)
Accounts payable and accrued expenses	919	206
Accrued compensation and benefits	121	
Accounts receivable	(160)	
Deferred revenue	160	
Net cash used in operating activities	(6,584)	(529)
Cash flows used in investing activities		
Purchases of property and equipment	(2,586)	(166)
Proceeds from sale of property and equipment	45	
Net cash used in investing activities	(2,541)	(166)
Cash flow from financing activities:		
Proceeds from borrowings under capital lease obligation	534	
Proceeds from borrowings under bank debt facility	120	
Principal payments under capital lease obligation	(10)	
Net proceeds from sale of preferred stock	22,368	6,177
Net proceeds from loans from founders		44
Net proceeds from sale of common stock	313	5
Net cash provided by financing activities	23,325	6,226
Net increase in cash and cash equivalents	14,202	5,531
Cash and cash equivalents, beginning of period	5,531	0
Cash and cash equivalents, end of period	\$19,733	\$5,531
Supplemental disclosures of cash flow information:		
Noncash investing and financing activities:		
Issuance of preferred stock for notes receivable	\$1	\$44
Issuance of common stock for notes receivable	\$70	\$0
Issuance of common stock for forgiveness of debt		\$44
Issuance of common stock for outside services	\$14	
Obligations under capital leases acquired under the year	\$508	
Convertible preferred stock warrant issuances	\$205	
Supplemental Disclosures of Cashflow Information:		
Cash paid during the year for interest	\$57	
Cash paid during the year for taxes	\$12	

See accompanying notes to financial statements.

TELERA, INC.
(Formerly CallNet Communications, Inc.)
(A Development Stage Enterprise)

Notes to Financial Statements

December 31, 1999 and 1998

(1) Description of Business and Summary of Significant Accounting Policies

(a) Description of Business

Telera, Inc. (the Company) (formerly CallNet Communications, Inc.) was incorporated in the state of Delaware on August 28, 1998. The Company has been engaged in the development and marketing of innovative enhanced communications services for business customers. Primary activities to date have included raising capital, hiring key personnel, performing research and development activities, developing strategic alliances, identifying markets, and developing certain beta software applications. The Company created a communications platform which is connected to the publicly switched telephone network at various locations around the United States. The Company intends to sell access to this platform to potential customers based on the volume of utilization of certain platform features. The Company is currently engaged in developing customer specific communications software applications which integrate customer's web servers with the Company's communications platform. As an additional service, the Company will host such applications on its own equipment rather than on the customer's equipment. To date, none of these activities has generated any commercial revenue.

(b) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported results of operations during the reporting period. Actual results could differ from those estimates.

(c) Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity at time of purchase of 90 days or less to be cash equivalents. Cash equivalents consist of money market funds in the amount of \$19,435 million.

(d) Concentration of Credit Risk

Financial instruments that subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents. The Company's cash balances are maintained with highly accredited financial institutions. The Company's cash equivalents are primarily in highly liquid money market funds. Management believes the financial risks associated with these financial instruments are minimal.

(e) Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization. Depreciation is calculated using the straight-line method over the estimated useful lives of the equipment, generally two to five years.

TELERA, INC.
(Formerly CallNet Communications, Inc.)
(A Development Stage Enterprise)

Notes to Financial Statements

December 31, 1999 and 1998

(f) Revenue Recognition

The Company recognizes revenue upon delivery of its communication platform services provided a contract is received, the fee is fixed or determinable, the delivery of such services is accepted by the customer, and no significant obligations remain to be performed by the Company, assuming collectibility of the resulting receivable is probable. Regarding the development of customer specific communications software applications, the Company recognizes revenue in accordance with the provisions of Statements of Position (SOP) 97-2 and 81-1. Accordingly, the company recognizes revenue from developing, testing, and deploying software applications using the completed contract method of accounting, provided a contract is received, the fee is fixed or determinable, the application is accepted by the customer and no significant obligations remain to be performed by the Company, assuming collectibility of the resulting receivable probable. The Company recognizes revenue upon delivery of its application hosting services provided a contract is received, the fee is fixed or determinable, the delivery of such services is accepted by the customer, and no significant obligations remain to be performed by the Company, assuming collectibility of the resulting receivable is probable.

Deferred revenue represents amounts invoiced to customers in accordance with contracts but in advance of meeting the requirements for revenue recognition.

(g) Income Taxes

The Company utilizes the asset and liability method of accounting for income taxes. Under the asset and liability method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. A valuation allowance is recorded to reduce deferred tax assets to an amount whose realization is more likely than not. The effect on deferred tax assets and liabilities of a change in tax rates is recognized as income in the period that includes the enactment date.

(h) Stock-Based Compensation

The Company uses the intrinsic value-based method of accounting for all of its employee stock-based compensation plans.

(i) Impairment of Long-Lived Assets

The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount

TELERA, INC.
(Formerly CallNet Communications, Inc.)
(A Development Stage Enterprise)

Notes to Financial Statements

December 31, 1999 and 1998

of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell.

(j) Research and Development Costs

Development costs incurred in the research and development of new products are expensed as incurred until technological feasibility in the form of a working model has been established. To date, software developments have been completed concurrent with the establishment of technological feasibility, and, accordingly, no costs have been capitalized.

(k) Comprehensive Income

The Company has no material components of comprehensive income.

(2) Property and Equipment

Property and equipment consisted of the following as of December 31, 1999 and 1998:

	1999		1998
Computer equipment	\$ 2,420	\$	74
Software	144		
Furniture and office equipment	58		92
Leasehold improvements	50		
	<u>2,672</u>		<u>166</u>
Less accumulated depreciation and amortization	288		<u>1</u>

(3) Accounts Payable and Accrued Liabilities

A summary of accrued liabilities as of December 31, 1999 and 1998, follows:

	1999	1998
Accounts payable	<u>\$332</u>	<u>\$63</u>
Property and equipment accruals	118	60
Professional and consulting services	506	38
Other	<u>126</u>	<u>34</u>
Accrued liabilities	<u>750</u>	<u>132</u>
Total	<u>\$1,082</u>	<u>\$195</u>

TELERA, INC.
(Formerly CallNet Communications, Inc.)
(A Development Stage Enterprise)

Notes to Financial Statements

December 31, 1999 and 1998

(4) Income Taxes

The Company's has no income tax expense for the year ended December 31, 1999 and the period from August 28, 1998 (inception) to December 31, 1998. The difference between recorded income taxes and the "expected" tax benefit computed by applying the federal statutory income tax rate of 34% to pretax loss is due to the valuation allowance on deferred tax assets.

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets as of December 31, 1999 and 1998, are as follows:

	1999	1998
Deferred tax assets:		
Net operating loss carryforwards	\$ 2,100	262
Capitalized start up costs	1,000	—
Reserves and accruals	200	7
Credit carryforwards	400	24
	3,700	293
Valuation allowance	(3,700)	(293)
Net deferred tax assets	\$ —	—

As of December 31, 1999, the Company has available for carryover net operating losses for both federal and California income tax purposes of approximately \$5.3 million. The federal net operating loss carryforward will expire, if not utilized, beginning in the year 2019. The California net operating loss carryforward will expire, if not utilized, beginning in the year 2007.

As of December 31, 1999, the Company has available for federal and California, research and experimentation tax credits of approximately \$260,000 and \$178,000, respectively. The federal research and experimentation tax credits will expire, if not utilized, beginning in the year 2019. The California research and experimentation tax credits carry forward indefinitely until utilized.

The Tax Reform Act of 1986 imposes substantial restrictions on the utilization of net operating loss and tax credits in the event of an "ownership of change," as defined in the Internal Revenue Code. Accordingly, the Company's ability to utilize net operating loss and credit carryforwards may be limited as a result of such an "ownership change." Management has not determined whether such an ownership change has occurred.

(5) Lines of Credit

Revolving line of credit

In December 1999, the Company entered into a revolving line of credit agreement with a bank. The agreement provides for borrowings of \$2 million plus 75% of eligible accounts receivable, up to a

TELERA, INC.
(Formerly CallNet Communications, Inc.)
(A Development Stage Enterprise)

Notes to Financial Statements
December 31, 1999 and 1998

maximum of \$2.5 million. Borrowings under the line of credit bear interest at the bank's prime rate plus 0.5%, with interest payable monthly and principal payable at maturity, and are collateralized by certain assets of the Company other than intellectual property. The agreement requires the Company to meet certain financial and reporting covenants. The line of credit maturity date is December 22, 2000. As of December 31, 1999, \$120,000 was outstanding under this facility.

In connection with the line of credit agreement, the Company issued to the bank a warrant to purchase 7,950 shares of Series B convertible preferred stock at an exercise price of \$6.29 per share. The warrant is exercisable through December 22, 2006 and had not been exercised as of December 31, 1999. The fair value of the warrant was determined to be \$17,721 using the Black-Scholes option pricing model, using the following assumptions: no dividends; contractual term of 7 years; risk free interest of 6.35%; and expected volatility of 0%. The fair value of the warrant has been recorded as additional paid-in capital and is being amortized as interest expense over the term of the line of credit agreement.

Equipment line of credit

In December 1999, the Company entered into an equipment line of credit agreement with a finance company, which provides for borrowings of up to \$5 million. Borrowings under the line of credit bear interest at an annual rate of 13.54% and are collateralized by the equipment. Principal and interest payments are due monthly over periods ranging from 30 to 42 months. The agreement requires the Company to meet certain financial and reporting covenants. The Company may borrow under the line of credit until April 30, 2001. As of December 31, 1999, there were no amounts outstanding under this facility.

In connection with the equipment line of credit agreement, the Company issued to the finance company a warrant to purchase 39,767 shares of Series B convertible preferred stock at an exercise price of \$6.29 per share. The warrant is exercisable through December 13, 2006 and had not been exercised as of December 31, 1999. The fair value of the warrant was determined to be \$88,641 using the Black-Scholes option pricing model, using the following assumptions: no dividends; contractual term of 7 years; risk free interest of 6.35%; and expected volatility of 0%. The fair value of the warrant has been recorded as additional paid-in capital and is being amortized as interest expense over the term of the line of credit agreement.

(6) Lease Obligations and Commitments

In 1999, the Company entered into an equipment leasing line of credit agreement with a finance company, which provides for borrowings of up to \$5 million. Borrowings under the line of credit bear interest at an annual rate of 13.54% and are collateralized by the equipment. Principal and interest payments are due monthly over periods ranging from 30 to 42 months. The agreement requires the Company to meet certain financial and reporting covenants. The Company may borrow under the line of credit agreement until June 30, 2001. As of December 31, 1999, there was \$524,000 outstanding under this facility.

In connection with the equipment leasing line of credit agreement, the Company issued to the finance company a warrant to purchase 31,250 shares of Series A convertible preferred stock at an exercise price of

TELERA, INC.
(Formerly CallNet Communications, Inc.)
(A Development Stage Enterprise)

Notes to Financial Statements
December 31, 1999 and 1998

\$ 0.80 per share and 39,767 shares of Series B convertible preferred stock at an exercise price of \$6.29 per share. The warrant to purchase Series A preferred convertible stock is exercisable through January 21, 2009 and the warrant to purchase Series B preferred convertible stock is exercisable through December 1, 2006. Neither warrant had not been exercised as of December 31, 1999. The fair value of the Series A warrant was determined to be \$9,938 using the Black-Scholes option pricing model, using the following assumptions: no dividends; contractual term of 10 years; risk free interest of 5.14%; and expected volatility of 0%. The fair value of the Series B warrant was determined to be \$88,641 using the Black-Scholes option pricing model, using the following assumptions: no dividends; contractual term of 7 years; risk free interest of 6.35%; and expected volatility of 0%. The fair value of the warrants has been recorded as additional paid-in capital and is being amortized as interest expense over the term of the line of credit agreement.

In October 1999, the Company entered into a 3 year operating sublease for office space, which requires the Company to pay minimum base monthly rents and certain operating expenses, taxes, and insurance. Rent expense was \$484,000 and \$23,000 for the year ended December 31, 1999 and for the period from August 28, 1998 (inception) to December 31, 1998, respectively.

Future minimum lease payments under the noncancelable capital and operating leases as of December 31, 1999 were as follows (in thousands):

Year ending	Capital	Operating
<u>December 31,</u>	<u>Leases</u>	<u>Leases</u>
2000.....	\$174	\$868
2001.....	168	906
2002.....	168	621
2003.....	<u>152</u>	<u>-</u>
Total future minimum lease payments	\$662	<u>\$2,395</u>
Less imputed interest	<u>(138)</u>	
Amount representing principal	524	
Less current portion	<u>115</u>	
Long term portion	<u>\$409</u>	

(7) **Convertible Preferred Stock**

TELERA, INC.
(Formerly CallNet Communications, Inc.)
(A Development Stage Enterprise)

Notes to Financial Statements

December 31, 1999 and 1998

In 1999, the Company issued 1,941,000 shares of Series B convertible preferred stock, par value \$0.0001 per share, and 1,412,000 shares of Series C convertible preferred stock, par value \$0.0001 per share. The price of the Series B convertible preferred stock was \$6.29 per share for cash proceeds of \$12.2 million, net of issuance costs of \$20,000. The price of the Series C convertible preferred stock was \$7.08 per share for cash proceeds of \$9.9 million, net of issuance costs of \$10,000.

The rights, preferences, and privileges of the holders of Series A, B, and C convertible preferred stock are as follows:

- The holders of Series A, Series B, and Series C preferred stock are entitled to receive dividends at an annual rate equal to \$0.04, \$0.3133, \$0.3540 per share, per annum, respectively. Dividends are payable when and if declared by the Board of Directors, preference and priority to any payments of dividends to holders of the Company's common stock. The dividends rights are not cumulative.
- Each share of Series A, Series B, and Series C preferred stock has a liquidation preference of \$0.80, \$6.2867, and \$7.08, respectively.
- None of the convertible preferred stock is not redeemable.
- Holders of Series A, Series B, and Series C preferred stock vote equally with shares of common stock on an "as if converted" basis.
- Each share of preferred stock shall be convertible into a number of shares of common stock as determined by dividing the original issue price of the Series of preferred stock by the then applicable conversion price for such Series of preferred stock. Conversion will occur automatically upon a firm commitment underwritten public offering pursuant to a registration statement under the Securities Act of 1933, which results in aggregate cash proceeds to the corporation of \$20 million (net of underwriting discounts and commission) and at a pre-offering Company valuation of at least \$225 million.

No dividends have been declared or paid on preferred stock or common stock since inception of the Company.

(8) Common Stock

On December 8, 1999 the Board of Directors approved a 3 for 2 forward split of its common and preferred stock. All share data and stock option plan information have been restated to reflect the forward split.

At December 31, 1999, there were approximately 2,719,000 shares of common stock outstanding that were unvested and subject to repurchase by the Company.

TELERA, INC.
(Formerly CallNet Communications, Inc.)
(A Development Stage Enterprise)

Notes to Financial Statements
December 31, 1999 and 1998

During 1998, the Company issued 4,450,000 shares of common stock to the Company's founders for \$0.0001 per share in exchange for the forgiveness of loans. During the period from August 28, 1998 (inception) to December 31, 1998, an additional 50,000 shares common stock were issued at \$0.0001 per share in exchange for full recourse stockholder notes receivable and 500,000 shares of common stock were issued at \$0.0001 for cash.

(9) Benefit Plans

401 (k) Savings Plan

The Company has a savings plan (the "Savings Plan") that qualifies as a deferred salary arrangement under Section 401 (k) of the Internal Revenue Code. Under the Savings Plan, participating employees may defer a percentage (not to exceed 25%) of their eligible pretax earnings up to the Internal Revenue Service's annual contribution limit. All employees of the Company are eligible to participate in the Savings Plan. The Company is not required to contribute to the Savings Plan and has make no contribution since the inception of the Savings Plan.

1999 Stock Option Plan

The Company's Board of Directors approved the 1998 Stock Option Plan (the Plan), which provides for the issuance of up to 3,750,000 shares of common stock to employees, officers, directors, and consultants. The Plan provides for the issuance of incentive and nonstatutory stock options.

The Plan authorizes the granting of incentive and nonstatutory common stock options to employees and nonemployees at exercise prices determined as follows:

- (i) In the case of an Incentive Stock Option that is:
 - (a) granted to an employee who, at the time of the grant of such Incentive Stock Option, owns stock representing more than 10% of the total combined voting power of all classes of stock of the Company or any parent or subsidiary, the per share exercise price shall be no less than 110% of the fair market value per share on the date of grant.
 - (b) granted to any other employee, the per share exercise price shall be no less than 100% of the fair market value per share on the date of grant.
- (ii) In the case of a Nonstatutory Stock Option that is:
 - (a) granted to a person who, at the time of the grant of such option, owns stock representing more than 10% of the total combined voting power of all classes of stock of the Company or any parent or subsidiary, the per share exercise price shall be no less than 110% of the fair market value per share on the date of the grant.
 - (b) granted to any other eligible person, the per share exercise price shall be no less than 85% of the fair market value per share on the date of grant.

TELERA, INC.
(Formerly CallNet Communications, Inc.)
(A Development Stage Enterprise)

Notes to Financial Statements
December 31, 1999 and 1998

(iii) Notwithstanding the foregoing, options may be granted with a per share exercise price other than as required above pursuant to a merger or other corporate transaction.

Any option granted prior to the date if any, upon which the common stock becomes a listed security, shall become exercisable at the rate of at least 20% per year over the five-year period (the vesting period) after the option is granted.

Upon termination of service, exercised and unvested shares may be repurchased by the Company. In the case of an option granted to an officer, director, or consultant of the Company the option may become fully exercisable at any time.

Under APB Opinion No. 25, the Company has recorded no compensation costs related to its stock option plan for the year ended December 31, 1999, and the period from August 28, 1998 (inception) to December 31, 1998, because the exercise price of each option granted to an employee equals or exceeds the market value of the underlying common stock as of the grant date for each stock option. Had compensation cost for the Company's plans been determined consistent with the fair value approach enumerated in SFAS No. 123, the Company's pro forma net loss for the year ended December 31, 1999 and the period from August 28, 1998 (inception) to December 31, 1998, would not have been materially different from the net loss reported in the accompanying statement of operations.

A summary of the activities related to the Company's option plan for the year ended December 31, 1999 and for the period from August 28, 1998 (inception) to December 31, 1998, is as follows:

	Options available for grant	Options outstanding	
		Shares	Weighted- average exercise price
Authorized	3,750,000	—	\$ —
Granted	(967,500)	967,500	0.10
Balances as of December 31, 1998	2,782,500	967,500	0.10
Authorized	—	—	—
Granted	(2,598,125)	2,598,125	0.11
Exercised		(3,252,875)	
Balances as of December 31, 1999	184,375	312,750	\$ 0.21

The per share weighted-average fair value of stock options granted during 1999 was \$0.11 on the date of grant using the minimum-value method with the following assumptions: risk free interest rate of 4.5% to 5.5%; an expected life of four years; expected volatility of -0-%; and no dividends.

TELERA, INC.
(Formerly CallNet Communications, Inc.)
(A Development Stage Enterprise)

Notes to Financial Statements

December 31, 1999 and 1998

Options covering 101,250 shares were exercisable as of December 31, 1999. Outstanding options as of December 31, 1999, had a weighted-average remaining contractual life of 9.34 years.

(10) Subsequent Events

In January 2000, the Company entered into a subordinated debt agreement with an investor. The agreement provides for borrowings of up to \$7 million with interest at 10.875%, payable monthly. Borrowings under this agreement are collateralized by a first lien on all of the assets of the Company other than equipment and intellectual property, and is subordinated to the rights of the Company's other lenders. This credit facility is available to the Company until June 30, 2001, and amounts borrowed under it must be repaid by July 1, 2002.

On January 11, 2000 and April 3, 2000 the Board of Directors approved increases to the options available for grant under the 1999 Stock Option Plan by 1,500,000 and 500,000 respectively.


TELERA, INC.
(Formerly CallNet Communications, Inc.)
(A Development Stage Enterprise)

Financial Statements

June 30, 2000

Certification:

The financial information contained in the foregoing statements accurately reflects in all material aspects the financial status of the Company as of the dates indicated thereon.



Rahoul Seth

7/26/00

Date

Vice President and Chief Financial Officer

TELERA, INC.
(Formerly CallNet Communications, Inc.)
(A Development Stage Enterprise)

Table of Contents

	Page
Balance sheet	1
Statement of Operations	2
Statement of Cash Flows	3

TELERA
(Formerly CallNet Communications, Inc.)
(A Development Stage Enterprise)
Balance Sheets
(In thousands)

	June 30, 2000	December 31, 1999
Assets		
Current assets:		
Cash and cash equivalents	\$ 9,946	\$ 19,734
Accounts receivable	235	160
Prepaid expenses and other assets	567	295
Total current assets	10,748	20,189
Property and equipment, net	5,712	2,384
Total assets	\$ 16,460	\$ 22,573
Liabilities and Stockholders' Equity		
Current liabilities:		
Current obligations under debt and capital leases	\$ 1,289	\$ 115
Note payable, bank	120	120
Accounts payable and accrued liabilities	2,520	1,114
Accrued compensation and benefits	420	132
Deferred revenue	526	160
Total current liabilities	4,875	1,641
Long term obligations under debt and capital leases, net of current portion	4,191	409
Total liabilities	9,066	2,050
Stockholders' equity:		
Convertible preferred and common stock	29,010	28,908
Deficit accumulated during the development stage	(21,616)	(8,385)
Total stockholders' equity	7,394	20,523
Total liabilities and stockholders' equity	\$ 16,460	\$ 22,573

TELERA, INC.
(Formerly CallNet Communications, Inc.)
(A Development Stage Enterprise)
Statement of Operations
Six months ended June 30, 2000
(In thousands)

Operating expenses:	
Research and engineering	\$ 7,620
Sales and marketing	4,449
General and administrative	<u>1,326</u>
Total operating expenses	13,395
Interest and other income, (expense), net	<u>164</u>
Net loss	\$ <u><u>(13,231)</u></u>

TELERA
 (Formerly CallNet Communications, Inc.)
 (A Development Stage Enterprise)
 Statement of Cash Flows
 Six months ended June 30, 2000
 (In thousands)

Cash flows used in operating activities:	
Net loss	(\$13,231)
Adjustments to reconcile net loss to net cash used in operating activities:	
Depreciation	782
Changes in operating assets and liabilities:	
Accounts receivable	(75)
Prepaid expenses and other assets	(272)
Accounts payable and accrued expenses	1,406
Accrued compensation and benefits	288
Deferred revenue	366
Net cash used in operating activities	<u>(10,736)</u>
Cash flows used in investing activities	
Purchases of property and equipment	(4,110)
Net cash used in investing activities	<u>(4,110)</u>
Cash flow from financing activities:	
Net borrowings under debt and capital lease facilities	4,956
Net proceeds from sale of preferred and common stock	102
Net cash provided by financing activities	<u>5,058</u>
Net increase in cash and cash equivalents	(9,788)
Cash and cash equivalents, beginning of period	<u>19,734</u>
Cash and cash equivalents, end of period	<u><u>\$9,946</u></u>

Exhibit 5: Affidavit of Robert Stewart

PUBLIC SERVICE COMMISSION
STATE OF NORTH DAKOTA

In the matter of the Application of)
Telera Communications, Inc.)
for a Certificate of)
Public Convenience and Necessity to)
provide Telecommunications Services)

Docket No. _____

AFFIDAVIT OF Robert Stewart

INTRODUCTION

My name is Robert Stewart. My business address is 910 East Hamilton Ave., Suite 200, Campbell, California 95008. I am the President of Telera Communications, Inc. ("Telera"). I am responsible for all regulatory matters.

The purpose of my affidavit is to demonstrate the fitness of the applicant Telera to operate as a facilities-based CLEC in the areas of North Dakota currently served by US West Communications, Inc. ("US West"). As described in Telera's Application, Telera's proposes to provide a range of facilities-based, high capacity local exchange services, including but not limited to: data services, switched and dedicated trunks, digital subscriber line, and exchange access services. Telera may also offer local services by utilizing the switching and transport capacity of other existing telecommunications providers pursuant to negotiated or tariffed arrangements.

Upon its entry into the North Dakota market, Telera intends to install equipment for the provision of local exchange services. Telera seeks authority to resell and provide through its own facilities local exchange services throughout the State. Applicant's local calling areas initially will coincide with the incumbent local exchange carrier's local calling areas. Telera intends to install equipment for the provision of local exchange services. Telera will provide voice and high speed

data services through a combination of the latest technology switching and transport media, including customer control of certain features development via extensible markup language (XML). The switching system consists of a processing and control capable of interconnection as a peer to the incumbent as well as competitive local exchange companies. The switch will interconnect with the public switched network on Signaling System 7 ("SS7") or Feature Group D ("FGD") facilities. Signaling, control and calling/caller information to the network will be in accordance with industry network standards and specifications. Additionally, these services will be delivered over a combination of delivery mechanisms through incumbent local carriers' unbundled loop network. Telera will be engaged in interconnection negotiations with US West in the future, and will obtain Commission approval of any agreement negotiated.

DESCRIPTION AND QUALIFICATIONS OF TELERA

Telera is a Corporation organized under the laws of the State of Delaware. Telera is qualified to conduct business within the State of North Dakota as a foreign business entity. Upon initiation of service in North Dakota, Telera Communications, Inc., (Telera) proposes to offer resold and facilities-based interexchange and local exchange services. Applicant is currently seeking authorization to provide competitive local exchange and interexchange service in the 48 contiguous states and the District of Columbia. Applicant is currently authorized to provide local exchange and/or interexchange services in Iowa, Michigan, New Jersey, Montana, Texas, Utah and Virginia. Applicant has not been denied authority for any of the services for which it seeks authority in this Application. Telera is well-qualified, managerially, technically and financially to provide the competitive local exchange services for which authority is requested in its Application.

The senior management of Telera has great depth in the telecommunications industry and offer extensive telecommunications business technical and managerial expertise. Biographical information on key members of Telera's management team is attached to the application as Exhibit 6.

Telera has sufficient financial capability to provide the requested telecommunications services in North Dakota and the financial capability to maintain those services. Applicant's proposed competitive local exchange service is economically feasible and in the public interest.

Telera's management team will adhere to a strict and high standard of service policies and procedures which will ensure continued quality service. As a new entrant in the North Dakota telecommunications market, Telera will be able to win over a keep customers only through consistent application of those policies and procedures. Additionally, Telera will maintain a customer service department. Customer service representatives will be trained in all areas of customer complaints and services and will be held to the highest standards of accountability and ethics. Customers will be able to reach Telera customer service via a local or toll-free number 24 hours a day, seven days a week.

PUBLIC CONVENIENCE AND NECESSITY

A decision by the Commission to grant Telera authority to provide competitive local exchange telecommunications services is in the public interest. Telera is well qualified to operate as such a service provider in North Dakota. Consumers of telecommunications services in North Dakota will receive the benefits of downward pressure on prices, increased choice, improved quality of service and customer responsiveness, innovative service offerings, and access to increasingly advanced telecommunications technology. The market incentives for new and existing providers of telecommunications services will be improved through an increase in the diversity of suppliers and competition within the local exchange telecommunications market. Granting Telera's Application would enhance this development of competition in the local exchange market and provide the consumers of North Dakota with all of the benefits described above.

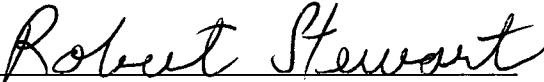
The grant of Telera's application will preserve and advance universal service, safeguard the rights of consumers, protect the public health, safety and welfare, and promote the public interest.

The grant of Telera's application will preserve and advance universal service, safeguard the rights of consumers, protect the public health, safety and welfare, and promote the public interest. Telera is an alternative, competitive carrier which intends to provide telecommunications services targeted toward small and medium size businesses. Telera will thus give these customers in North Dakota a real choice for their telecommunications needs.

CONCLUSION

Telera's Application and my Affidavit in support thereof demonstrate that Telera possesses all the requisite qualifications to be a competitive local exchange service provider in North Dakota, and that the grant of this request is in the public interest.

Telera Communications, Inc.



Robert Stewart

Its: President

VERIFICATION

State of California

)

)

County of Santa Clara

)

)

Case No. PU-_____

I, Robert Stewart, do on oath depose and state that the facts contained in the foregoing statement are true and correct to the best of my knowledge and belief.

Robert Stewart

Robert Stewart

Its: President

Subscribed and sworn to me
this 31st day of JULY, 2000.

[Signature]

Notary Public

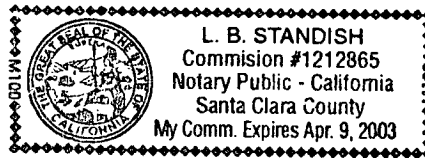


Exhibit 6: Biographical Information

Officer Team

Prem Uppaluru CEO

Mr. Uppaluru is leading Telera's mission to become the foremost Business Communications Applications Service Provider (ASP), designed for the convergence of the Internet and telecommunications. A seasoned executive with a proven track record, Prem has 20 years experience in telecommunications, network management, multimedia and telephony.

Prior to co-founding Telera, Mr. Uppaluru co-founded VOIS Corporation where he served as CEO. Before launching into his entrepreneurial efforts, Prem held vice president and general manager positions at Novell. He also was the vice president of engineering at Fluent and Samsung Software America. Mr. Uppaluru's career also includes positions with Bell Labs and Bellcore. Mr. Uppaluru holds a Ph.D. in electrical engineering and computer science from the University of Texas.

Robert Stewart President

Mr. Stewart has over 20 years of regulatory and network services experience. Most recently, he held various management positions at Pacific Bell where he led successful product development efforts in video, data and voice communications. Mr. Stewart was responsible for introducing Pacific Bell's first commercial launch of CTI, Network ACD, and call center Internet integration services.

While at Pacific Bell, Mr. Stewart successfully introduced new digital video transport technologies to the broadcast, studio and post-production industries, which helped change the way television is broadcasted and movies are made. Among awards, Mr. Stewart received written commendation from the film industry for technical contributions in the making of Jurassic Park.

Mr. Stewart has a BS in economics and a BA in political science from Pacific Lutheran University and an MBA from Pepperdine University.

Lee Bauman
Secretary, Chief Financial Officer and Vice President of Operations

For over twenty years, Mr. Bauman has held senior management positions in both design and implementation of telecommunications systems as well as sales and marketing at such well-known companies as Bell Labs, Northern Telecom, Pacific Telesis and Pacific Bell.

Mr. Bauman built a global telecommunications consulting practice for PHB-Hagler Bailly in his role as Senior Vice President, Global Telecommunications Sector. As Vice President of Local Competition for Pacific Bell, Mr. Bauman spearheaded Pacific Bell's competitive local exchange strategy and business unit to provide local service outside of Pacific Bell's franchised territories. Earlier, he led the effort to reduce network implementation costs while increasing network enhancements as Vice President of Network Technology and Engineering. Previously, Mr. Bauman was Senior Vice President and, subsequently, President of PacTel Meridian Systems at Pacific Telesis when they acquired the business systems group of Northern Telecom. Mr. Bauman was Vice President of the Western Region at Northern Telecom, directing sales and service of communications systems.

Mr. Bauman holds a Bachelor of Science degree in Mechanical Engineering from the University of Cincinnati, a Master of Science degree in Mechanical Engineering from Rutgers University, a Master of Science degree in Electrical Engineering and Computer Science from the University of Colorado and a Masters in Business from Stanford University.

Mukesh Sundaram
Vice President of Engineering, and Cofounder

Sundaram is the guiding technical hand in development of the Company's patented Intelligent Communications Network architecture. Sundaram has 20 years of engineering management and R&D experience in networking, network management and telephony. Most recently, he served as vice president of engineering at VOIS Corporation and director of engineering at Novell, where he spearheaded the ManageWise product line.

Sundaram's career also includes engineering management positions at Excelan, Ungermann-Bass and COMSAT. He received a Master of Science degree (MS) in

Computer Science from the University of Tennessee, with additional postgraduate work at the University of Illinois.

Rahoul Seth
Board of Directors

Mr. Seth brings over 25 years of operating and financial experience to Telera. As a CFO, he has helped guide a number of companies from their early stages to become successful businesses with substantial revenues. Most recently Mr. Seth helped start Charitableway.com, a web based provider of technology and services to the philanthropy industry. Prior to that he was EVP & CFO of Sentient Networks Inc., a manufacturer of carrier class voice and data access switches that was acquired by Cisco in 1999.

Previously Mr. Seth was CFO at FAST Multimedia Inc and at ABEKAS Video Systems, Inc. He has also held senior financial and international business development positions at Corning Inc. and Raychem.

Mr. Seth holds an MBA from Harvard University and a B.A. in Economics from Delhi University (India). He is also a Chartered Accountant (England).

Management Team

Robert Stewart
President

Mr. Stewart has over 20 years of regulatory and network services experience. Most recently, he held various management positions at Pacific Bell where he led successful product development efforts in video, data and voice communications. Mr. Stewart was responsible for introducing Pacific Bell's first commercial launch of CTI, Network ACD, and call center Internet integration services.

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Mr. Stewart has a BS in economics and a BA in political science from Pacific Lutheran University and an MBA from Pepperdine University.

Scott Temple

Senior Systems Manager

Mr. Temple has over 20 years of telecommunications experience. Most recently, he held various management and technical positions at SBC, Inc. His job functions included operations support systems, computer operations, billing applications development, DBMS development for customer support software, application design, Network Management System development for SONET, and technology planning for broadband products such as ATM and Frame Relay. Mr. Temple also had a research internship at Bellcore/Telcordia.

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SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 		A. Received by (Please Print Clearly)	B. Date of Delivery 8-25-00
1. Article Addressed to: Rance J M Steinhart 6455 E Johns Crossing Ste 285 Duluth Ga 30099		C. Signature X <i>Christa Fallin</i>	<input type="checkbox"/> Agent <input type="checkbox"/> Addressee
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2. Article Number (Copy from service label) 7099 3220 0002 8477 4211		D. Is delivery address different from item 1? If YES, enter delivery address below:	<input type="checkbox"/> Yes <input type="checkbox"/> No
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		Domestic Return Receipt 102595-99-M-1789	

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1. Article Addressed to: Rance J M Steinhart 6455 E Johns Crossing Ste 285 Duluth Ga 30099		C. Signature X <i>Christa Fallin</i>	<input type="checkbox"/> Agent <input type="checkbox"/> Addressee
2. Article Number (Copy from service label) 7099 3400 0014 4513 7344		D. Is delivery address different from item 1? If YES, enter delivery address below:	<input type="checkbox"/> Yes <input type="checkbox"/> No
PS Form 3811, July 1999		3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes
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