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ILLINOIS COMMERCE COMMISSION

BEFORE THE
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COMMERCE COMMISSION

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Joint Application of
New Access Communications LLC for
Authority to Acquire Certain Assets of
Ciera Network Systems, Inc.

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)
) Docket No. 03-0470 CHIEF CLERK'S OFFICE
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**JOINT APPLICATION FOR APPROVAL TO ACQUIRE ASSETS
AND REQUEST FOR EXPEDITED APPROVAL**

NOW COMES New Access Communications LLC ("NAC", "Applicant", or "Purchaser") by and through their attorneys Early, Lennon, Crocker & Bartosiewicz, P.L.C., pursuant to the rules and regulations of the Illinois Commerce Commission ("Commission"), and hereby requests approval for NAC to acquire certain assets, including, but not limited to, the subscriber base of Ciera Network Systems, Inc. ("Ciera"). Ciera and its senior lender, Textron Financial Corporation, through its subsidiary RFC Capital Corporation division (collectively hereinafter, "RFC" or "Seller") have entered into a letter of intent for a voluntary foreclosure arrangement whereby certain Ciera assets will transfer to a specified assignee after a voluntary foreclosure from Ciera. We file this request as a result of the contemplated execution of an Asset Purchase Agreement (the "Agreement") by NAC and RFC, pursuant to which NAC will acquire certain assets of Ciera and its subsidiaries in a private sale through the lender's foreclosure.

This transaction is being conducted pursuant to a voluntary foreclosure process. The parties seek expedited treatment of this Application to allow the parties to consummate this transaction as soon as possible. The expeditious approval of this Application will allow NAC promptly to assume responsibility for the service of Ciera's existing customer base without interruption of service or other inconveniences to consumers.

In support of this Application, the Parties respectfully provide the following information:

I. THE PARTIES

A. Ciera Network Systems, Inc.

Ciera is a Texas corporation with its principal place of business located at 1250 Wood Branch Park Drive, Houston Texas 77079. Ciera and its various operating subsidiaries provide facilities-based and/or resold local exchange and interexchange telecommunications services in various jurisdictions throughout the United States. Ciera also holds authority to provide international telecommunications services as a nondominant common carrier pursuant to authority of the Federal Communications Commission ("FCC"). Ciera provides interstate telecommunications services pursuant to FCC blanket authority available to non-dominant interexchange providers.

Further information concerning Ciera's technical and managerial qualifications to provide service was filed with its applications for authority to provide service. This information is, therefore, already a matter of public record at the Commission and Parties respectfully request that it be incorporated by reference herein.

B. New Access Communications LLC

NAC is a Minnesota limited liability company, with its principal business office located at 801 Nicollet Mall, Suite 350, Minneapolis, MN 55402. NAC and its affiliates hold authority to provide facilities-based and/or resold telecommunications services in thirty two (32) states including Illinois. NAC provides facilities-based and/or resold telecommunications services in thirteen (13) states.

Further information concerning NAC's technical and managerial qualifications to provide service was filed with its applications for authority to provide service. This information is, therefore, already a matter of public record at the Commission and Parties respectfully request that it be incorporated by reference herein.

DESIGNATED CONTACTS

The Designated Contacts for this Application are:

Purchaser

Patrick D. Crocker
Early, Lennon, Crocker & Bartosiewicz, P.L.C.
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Kalamazoo, MI 49007
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with a copy to:

Steven Clay
New Access Communications LLC
801 Nicollet Mall, Suite 350
Minneapolis, MN 55402
Telephone: (612) 256-0078
Facsimile: (612) 339-0835

Seller

Textron Financial Corporation
RFC Capital Corporation
130 Chestnut Street
Columbus, OH 43215
Attn: Steve Jaffee

III. DESCRIPTION OF TRANSACTION

NAC proposes to acquire certain assets of Ciera in connection with a reorganization of Ciera currently being overseen by RFC. RFC and New Access Seller will execute the Asset Purchase Agreement under which NAC will acquire assets of Ciera as assignee/purchaser of the assets under the voluntary foreclosure procedure. Among other things, NAC will acquire all assets associated with Ciera's telecommunications operations in Illinois including, but not limited to, Ciera's customer base. A copy of the agreement, in draft form, is attached hereto as **Exhibit A**.

The Applicant will be filing with the Federal Communications Commission ("FCC") to use the FCC's streamlined procedures for the acquisition of another telecommunications carrier's subscriber base. A draft of the customer notification required by the FCC's rules is attached hereto as **Exhibit B**.

NAC has determined that the proposed acquisition of Ciera's assets in the proceeding will enhance its competitive position and ability to provide an array of high quality services to consumers in Illinois. Although the proposed acquisition will result in a transfer of substantially all of the Seller's telecommunications assets, the Agreement will not involve a change in the manner in which Ciera customers will receive telecommunications services, and the transfer will be virtually seamless to customers. Specifically, customers will continue to receive the high quality, affordable telecommunications services that they presently receive. NAC will mirror the terms and conditions of the Seller's tariff, thus providing a seamless transition for existing customers of Ciera. As a result, the proposed acquisition will be virtually transparent to Ciera's customers as the rates, terms, and conditions of NAC's services will be identical to those of Ciera. Moreover, once the transaction is complete, CIERA customers will receive service from NAC's team of well-qualified telecommunications managers and its customer services department. To ensure a seamless transition and avoid customer confusion, inconvenience, or disconnection, the Parties will notify customers of this transaction and of the change in carrier upon Commission approval, and prior to consummation of the transaction, consistent with all state and federal regulations and statutes.

IV. PUBLIC INTEREST CONSIDERATIONS AND REQUEST FOR EXPEDITED PROCESSING

The Parties respectfully submit that telecommunications services in Illinois, in general, and for Ciera customers in particular, will realize significant public interest benefits from NAC's acquisition of the assets of Ciera, including Ciera's customer base. The proposed transaction will enable Ciera's customers to continue to receive high quality, competitively priced telecommunications services without interruption. At the same time, the proposed asset

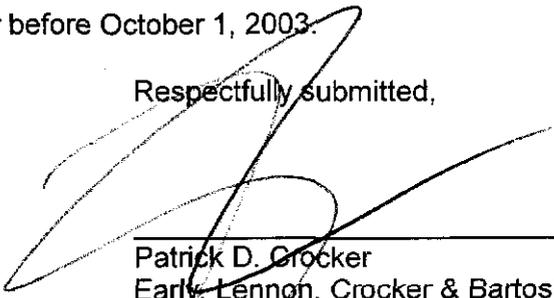
acquisition through the voluntary foreclosure process will promote competition in Illinois by enhancing NAC's ability to take advantage of certain efficiencies that will support expanded services and more competitive rates. By creating a more effective and multifaceted telecommunications carrier, the proposed transaction will expand competitive choices for U.S. telecommunications customers, including customers in Illinois. The Parties hope to complete the proposed acquisition as quickly as possible in order to avoid any interruption of service or other inconvenience to Ciera's existing customers.

To that end, the Parties respectfully request that the Commission expedite the processing of this Application and grant the requested authority as soon as possible. Ciera serves a largely residential customer base. Very few carriers have an interest in or are even capable of providing service in such a manner to such customers, especially to customers located in often the most rural areas of their states. In the event that Ciera's service is disrupted, these residential customers have few, if any, alternatives for local dial tone telephone service. Any delay in approving the transaction risks service disruption for the customers that rely on Ciera for their local dial tone telephone service in the State of Illinois.

CONCLUSION

WHEREFORE, NAC and CIERA respectfully request that the Commission authorize the transfer of assets, including the customer base, as described herein. In addition, the Parties respectfully request that this authorization be granted on an expedited basis to allow them to consummate the transaction on or before October 1, 2003.

Respectfully submitted,



Patrick D. Crocker
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900 Comerica Building
Kalamazoo, MI 49007
(269) 381-8844 (v)
(269) 381-8822 (f)
Its: Attorneys

Dated: 7-30-03

VERIFICATION

I, Steven C. Clay, am the President of Carrier Services for New Access Communications LLC, and am authorized to make this verification on its behalf. I do hereby verify that I have read the foregoing Application and the statements made therein are true, correct, and complete to the best of my knowledge, information, and belief.

Executed on the 24th day of July 2003.

New Access Communications LLC

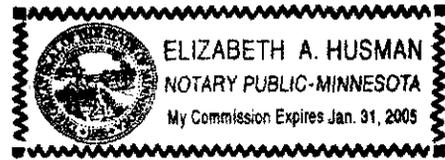


Steven C. Clay
President of Carrier Services

Subscribed and sworn before me this 24th day of July 2003.



Notary Public:

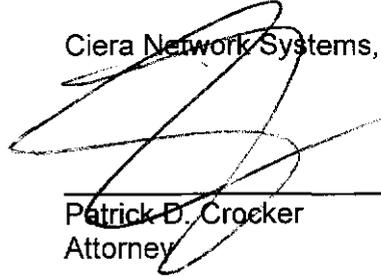


VERIFICATION

I, Patrick D. Crocker, am authorized to make this verification on its behalf. I do hereby verify that I have read the foregoing Application and the statements made therein are true, correct, and complete to the best of my knowledge, information, and belief.

Executed on the 31st day of July 2003.

Ciera Network Systems, Inc.



Patrick D. Crocker
Attorney

Subscribed and sworn before me this 31st day of July 2003.



Notary Public:

PAULA A SCHNEIDER
Notary Public, Kalamazoo County, MI
My Commission Expires Jun 24, 2004

PAULA A SCHNEIDER
Notary Public, Kalamazoo County, MI
My Commission Expires Jun 24, 2004