

BEFORE THE TENNESSEE REGULATORY AUTHORITY AT

NASHVILLE, TENNESSEE

April 17, 2002

IN RE:

APPLICATION OF AMERICAN LONG LINES, INC. FOR  
APPROVAL OF TRANSFER OF AUTHORITY TO  
PROVIDE UTILITY SERVICES

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DOCKET NO.  
02-00263

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ORDER APPROVING TRANSFER OF AUTHORITY

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This matter came before the Tennessee Regulatory Authority (the "Authority") at the regularly scheduled Authority Conference held on March 26, 2002 for consideration of the *Application* (the "*Application*") filed by American Long Lines, Inc. ("ALL") for approval of a transfer of authority to provide utility services. The *Application* was considered pursuant to the provisions of Tenn. Code Ann. § 65-4-113, which requires Authority approval of such a transfer.

**Requirement of and Standards for Authority Approval**

Tenn. Code Ann. § 65-4-113 requires a public utility to obtain Authority approval to transfer its authority to provide utility services. Tenn. Code Ann. § 65-4-113(a) provides as follows:

(a) No public utility, as defined in § 65-4-101, shall transfer all or any part of its authority to provide utility services, derived from its certificate of public convenience and necessity issued by the authority, to any individual, partnership, corporation or other entity without first obtaining the approval of the authority.

Tenn. Code Ann. § 65-4-113(b) provides the standards by which the Authority shall consider an application for transfer of authority, in pertinent part, as follows:

(b) Upon petition for approval of the transfer of authority to provide utility services, the authority shall take into consideration all relevant factors, including, but not limited to, the suitability, the financial responsibility, and capability of the proposed transferee to perform efficiently the utility services to be transferred and the benefit to the consuming public to be gained from the transfer. . . .

### **The Application**

ALL's *Application* is contained in a letter to the Authority dated February 26, 2002.<sup>1</sup> In its *Application*, ALL requests approval of a transfer of all operations and assets, including the associated operating authority, from its parent, Teligent, Inc., to ALL Acquisition Corporation. ALL received its long distance reseller certification in Tennessee by Order dated May 7, 1997, in Docket No. 97-00094.

In its *Application*, ALL states that its parent company, Teligent, Inc., voluntarily filed a petition under Chapter 11 of the U.S. Bankruptcy Code in order to reorganize its operations and financial structure. In connection with this proceeding, ALL Acquisition Corporation, a company formed by employees of ALL, filed a motion for the Bankruptcy Court's approval of the sale of substantially all of the assets of ALL as the best way to maximize creditor recoveries and preserve uninterrupted service to ALL's customers. On August 30, 2001, the Bankruptcy Court approved ALL Acquisition Corporation's motion. ALL Acquisition Corporation subsequently changed its name to American Long Lines, Inc.

### **Technical, Managerial and Financial Qualifications**

According to the Application, the technical, managerial and financial staff of ALL will not change. The Bankruptcy Court made the following finding in its Order (Exhibit A, page 3): "that pursuant to Section 365(b)(1)(C) of the Bankruptcy Code, adequate assurance of Buyer's

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<sup>1</sup> The February 26, 2002 letter is a notification to the Authority of the proposed transaction. Because, as explained herein, this transaction involves a transfer of the authority to provide utility services held by ALL, approval by the Authority is required, and the Authority treated ALL's letter of notification as its Application for such approval.

future performance under the Assumed Executory Contracts has been provided.”

### **Public Interest Considerations**

According to the *Application*, the proposed transaction will prevent a discontinuance of services to ALL’s customers, and will be virtually transparent to these customers. The change of control will not affect the company’s rates or customer service in any way.

### **Findings**

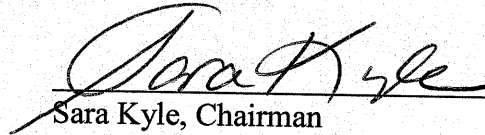
The Directors of the Authority considered this matter at the March 26, 2002 Authority Conference. Based upon careful consideration of the *Application*, the Authority finds and concludes as follows:

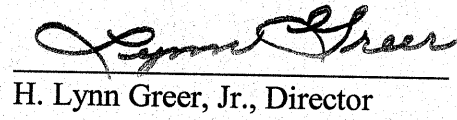
1. The Authority has jurisdiction over the subject matter of this *Application* pursuant to Tenn. Code Ann. § 65-4-113;
2. American Long Lines, Inc. has been granted authority to provide telecommunication services in Tennessee;
3. Ownership of the telecommunications assets of American Long Lines, Inc. will be transferred from its parent company, Teligent, Inc., to ALL Acquisition Corporation, which has changed its name to American Long Lines, Inc., resulting in a transfer of the authority granted the original American Long Lines, Inc. to provide utility services; and
4. Approval of the transfer of authority is appropriate pursuant to the provisions of Tenn. Code Ann. § 65-4-113.

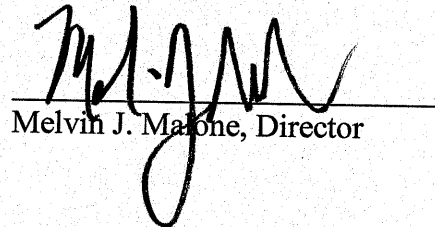
### **IT IS THEREFORE ORDERED THAT:**

1. The *Application* of American Long Lines, Inc. for approval of the transfer of authority described herein is approved; and

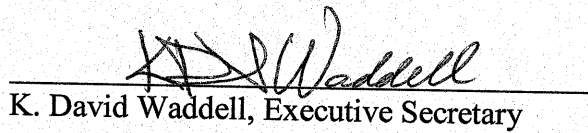
2. Any party aggrieved by the Authority's decision in this matter may file a Petition for Reconsideration with the Authority within fifteen (15) days from and after the date of this Order.

  
Sara Kyle, Chairman

  
H. Lynn Greer, Jr., Director

  
Melvin J. Malone, Director

ATTEST:

  
K. David Waddell, Executive Secretary