

TENNESSEE REGULATORY AUTHORITY

Tre Hargett, Chairman
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460 James Robertson Parkway
Nashville, Tennessee 37243-0505

T.R.A. DOCUMENT ROOM

03-00393

August 6, 2008

Smarter Technologies Corporation
305 Cardinal Lane
Bristol, Tennessee 37620

VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED
7004 2510 0006 3767 6358

RE: Surety Bond or Irrevocable Letter of Credit Mandated by Tenn. Code Ann. § 65-4-125(j)

To Whom It May Concern:

Tenn. Code Annotated § 65-4-125(j) requires telecommunications service providers such as Smarter Technologies Corporation to file with the Tennessee Regulatory Authority ("Authority") a corporate surety bond or irrevocable letter of credit in the amount of twenty thousand dollars (\$20,000) to secure the payment of any monetary sanction imposed in any enforcement proceeding brought by or on behalf of the Authority under Title 65 or the Consumer Telemarketing Protection Act, Tenn. Code Ann. § 47-18-1501 *et seq.*¹

On July 29, 2008, the Authority received a cancellation notice from CNA Surety indicating the bond (no. 69519655) for Smarter Technologies Corporation will be cancelled on August 29, 2008. If the bond is cancelled on that date, Smarter Technologies Corporation will become non-compliant with Tenn. Code Ann. § 65-4-125(j). Telecommunications service providers that fail to comply with the requirements of Tenn. Code Ann. § 65-4-125(j) are subject to sanction, including the revocation of their certificate of convenience and necessity authorizing them to transact business in Tennessee.² To avoid sanction, a valid and compliant bond or letter of credit must be submitted to the Authority no later than August 29, 2008.

If you have questions, please contact Lisa Foust at (615) 741-2904, extension 220.

Sincerely,

Darlene Standley
Utilities Division Chief

¹ Tenn. Code Ann. § 65-4-125(j) applies to all telecommunications service providers subject to the control and jurisdiction of the Authority, except those owners or operators of public telephone service who pay annual inspection and supervision fees pursuant to Tenn. Code Ann. § 65-4-301(b) and providers that own or operate equipment facilities in Tennessee with a value greater than five million dollars (\$5,000,000).

² See Tenn. Code Ann. § 65-4-201.