



TENNESSEE REGULATORY AUTHORITY

460 James Robertson Parkway
Nashville, Tennessee 37243-0505

MEMORANDUM

To: *Application of Advanced Tel, Inc. d/b/a ATI for Authority to Resell
Telecommunications Services in Tennessee, Docket No. 04-00184
Company ID 128910*

From: Lisa Foust, Utilities Division *LF by DF*
Rebecca Montgomery, Legal Division *RSW/gpc*

Date: October 15, 2010

A Notice to Appear has been issued requiring Advanced Tel, Inc. d/b/a ATI ("ATI" or the "Company") to appear before the Tennessee Regulatory Authority ("TRA" or "Authority") during the Authority Conference scheduled for Monday, October 25, 2010 at 1:00 p.m. and show cause why the Authority should not proceed to convene a proceeding to impose civil penalties and sanctions, including but not limited to revocation of ATI's Certificate of Public Convenience and Necessity, for operating without a bond or irrevocable letter of credit in violation of Tenn. Code Ann. § 65-4-125(j) and violation of Tenn. Code Ann. § 65-4-301.

On July 7, 2009, the Authority received a Notice of Cancellation from CNA Surety ("CNA") regarding bond number 69703658, issued on behalf of ATI with an effective cancellation date of August 11, 2009. On July 14, 2009, Staff phoned the company and spoke with David Singer indicating non-compliance with Tenn. Code Ann. § 65-4-125(j) if the bond was not renewed. Mr. Singer indicated that the company was no longer doing business in Tennessee. Staff requested that Mr. Singer send in a request to cancel the Company's certification. However, Mr. Singer indicated he did not wish to cancel the certification. He was informed if the bond expired, the certification would be cancelled by the Authority. A letter was sent to the company on October 7, 2009 indicating the need to submit a valid bond or letter of credit with an effective date of August 11, 2009.

As of the date of this memo, no Surety Bond or Letter of Credit has been received by the TRA. As a result, ATI has been and continues to be in violation of Tenn. Code Ann. § 65-4-125(j). Additionally, ATI is in violation of Tenn. Code Ann. § 65-4-301 for failure to pay the required inspection fees to the Authority, which were due April 1, 2010.

As evidenced herein, numerous attempts have been made by Staff to see that ATI complies with Tenn. Code Ann. § 65-4-125(j). Nevertheless, these attempts have not resulted in ATI securing and providing to the TRA a Bond or Letter of Credit in compliance with Tenn. Code Ann. § 65-4-125(j). This matter is before the Authority to hear from a representative of ATI during the Authority Conference on October 25, 2010 and to be provided an explanation as to why a docket should not be opened for the purpose of conducting a contested case proceeding to determine whether the TRA should impose sanctions against ATI in the form of civil penalties and/or revocation of its CCN for failure to pay its annual inspection fee pursuant to Tenn. Code Ann. § 65-4-301(a)(1) and failure to have a surety bond or irrevocable letter of credit filed with the Authority as required by Tenn. Code Ann. § 65-4-125(j).

c: Joel Wadman, Advanced Tel, Inc. d/b/a ATI