

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

May 24, 2006

IN RE:)	
)	
PETITION FOR AUTHORITY FOR)	DOCKET NO.
IBFA ACQUISITION COMPANY, LLC)	05-00238
D/B/A FARM BUREAU CONNECTION)	
TO ACQUIRE CERTAIN ASSETS OF)	
AMERICAN FARM BUREAU, INC.)	

**ORDER APPROVING TRANSFER OF AUTHORITY AND CUSTOMER
NOTIFICATION LETTER**

This matter came before Chairman Ron Jones, Director Pat Miller and Director Sara Kyle of the Tennessee Regulatory Authority (the "Authority" or "TRA"), the voting panel assigned to this docket, at a regularly scheduled Authority Conference held on March 6, 2006 for consideration of the *Joint Petition for Approval to Acquire Assets and Request for Expedited Approval* (the "*Joint Petition*") filed by IBFA Acquisition Company, LLC d/b/a Farm Bureau Connection ("IFBA") and American Farm Bureau, Inc. ("AFBI") on August 22, 2005. IBFA seeks to acquire certain assets and the customer base of AFBI.

The Joint Petition

IBFA is a limited liability company organized under the laws of the State of Michigan with principal offices located at Elk Grove Village, Illinois. IBFA is authorized to provide intrastate, interexchange service in 27 jurisdictions and has filed nationwide for authority to provide local exchange and/or interexchange telecommunications services. The Authority

authorized IBFA to provide competing local and interexchange telecommunications services in Docket No. 05-00151 on January 23, 2006.

AFBI is a corporation organized under the laws of the State of Illinois with offices located in Washington, DC. AFBI has been authorized under Section 214 of the Communications Act of 1934, as amended, to provide domestic interstate and international telecommunications service, and has authority to provide intrastate, interexchange service in 39 states, with CLEC authority in 13 of those states. In Tennessee, AFBI was issued a Certificate of Public Convenience and Necessity (“CCN”) as an operator service provider and/or reseller of telecommunications services in Docket No. 97-00025 on February 26, 1997. In Docket No. 03-00552 on November 19, 2003, the Authority granted AFBI d/b/a The Farm Bureau Connection approval to provide competing local telecommunications services.

The *Joint Petition* filed on August 22, 2005 notified the Authority of the proposed acquisition of certain AFBI telecommunication assets, including the subscriber base, by IBFA, which will occur as a result of an Asset Purchase Agreement executed on January 31, 2005. AFBI has agreed to sell to IBFA, and IBFA has agreed to purchase assets, including but not limited to: (1) all PUC/PSC/FCC licenses, CCNs and tariffs authorizing AFBI to do business in all relevant states to the extent assignable or transferable; and (2) the customer base and other communications and ISP assets as of the Closing Date.

IBFA was formed by former employees and managers of AFBI who operated the Farm Bureau Connection program for AFBI. The Domestic Section 214 Application filed for the Acquisition of Assets of American Farm Bureau, Inc. to IBFA Acquisition Company, LLC d/b/a Farm Bureau Connection has been granted streamlined approval from the Federal Communications Commission in WC Docket No. 05-272.

According to the *Joint Petition*, IBFA will provide notice to the AFBI customers,

assuring them of IBFA's commitment to continue the provision of high quality, affordable telecommunications services that they currently receive. The Petitioners state that IBFA has filed its tariff to establish rates, terms, and conditions identical to those in AFBI's tariffs, thus providing a seamless transition for existing customers of AFBI. The Petitioners maintain that the proposed acquisition will be virtually transparent to AFBI's customers in terms of the services they receive and will not cause inconvenience or confusion to AFBI customers.

The *Joint Petition* asserts that this transaction serves the public interest by promoting competition in Tennessee, and that having managers and employees that own the company would give the managers and owners a direct economic incentive to maintain and extend the high quality of service provided to its customers.

Statutory Framework

The Petitioners requested approval of the transfer pursuant to Tenn. Code Ann. § 65-4-113 (2004) and TRA Rule 1220-4-2-.56(2)(d). However, Tenn. Code Ann. § 65-4-113 (2004) is not applicable here. The transfer at issue in this docket involves the lease, merger, or consolidation of property, rights, or franchises between two Tennessee public utilities pursuant to Tenn. Code Ann. § 65-4-112 (2004), which states in part:

- a) No lease of its property, rights, or franchises, by any such public utility, and no merger or consolidation of its property, rights, and franchises by any such public utility with the property, rights, and franchises of any other such public utility of like character shall be valid until approved by the authority, even though power to take such action has been conferred on such public utility by the state of Tennessee or by any political subdivision of the state.

Regarding the transfer of customer base, TRA Rule 1220-4-2-.56(2) (d) states:

- (d) In the case of a transfer of a customer base between two or more telecommunications service providers, the Authority, upon petition by the acquiring telecommunications service provider, may deem that sufficient notice has been given and approval received from the affected customers when the following criteria are met:

...

2. A notification letter, pre-approved by the Authority, shall be mailed by the current provider of telecommunications service to its customers describing the customer transfer and explaining that unless the customer selects another telecommunications service provider, the customers' local or long distance service will be transferred to the acquiring telecommunications service provider by a date specified in the notification letter. The notification letter shall be mailed by U.S. First Class Postage, with the logo or name of the current provider displayed on both the letterhead and the exterior envelope, no less than thirty (30) days prior to the actual customer transfer. For good cause shown, the Authority may waive any requirement of this part or order any requirement thereof to be fulfilled by the acquiring provider. Good cause includes, but is not limited to, evidence that the current provider is no longer providing service in Tennessee.

3. The acquiring telecommunications service provider agrees to pay any fees charged to the customer associated with changing service to the acquiring telecommunications service provider. The notification letter required in 1220-4-2-.56(2)(d)(2) shall inform the customer of this provision.

4. The acquiring telecommunications service provider agrees to provide to the affected customers a thirty (30) day written notice of any rate increase that may affect their service up to ninety (90) days from the date of the transfer of customers. The notification letter mentioned in 1220-4-2-.56(2)(d)(2) shall inform the customer of this provision.

The March 6, 2006 Authority Conference

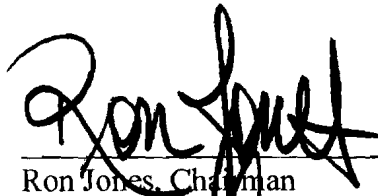
At the regularly scheduled Authority Conference held on March 6, 2006, the panel found that approval of the transfer proposed by IBFA and AFBI should be considered under Tenn. Code Ann. § 65-4-112 (2004) because the transfer involves the consolidation of property and both companies currently hold a CCN. Tenn. Code Ann. § 65-4-113 (2004) does not apply when Tenn. Code Ann. § 65-4-112 (2004) is applicable. The panel found that according to the *Joint Petition*, former employees and managers of AFBI have formed IBFA to accomplish this transaction and will continue to own and operate the company after the transaction. In addition, the *Joint Petition* states that although AFBI will no longer provide service in Tennessee, IBFA, a new entrant, will take over its place and the transaction will be virtually transparent to subscribers. The panel also found that no person or entity has intervened to contest the parties' assertions or any other aspect of the asset purchase agreement and the FCC has approved an

application concerning the same transaction. Thereafter, the panel voted unanimously to approve the transfer pursuant to Tenn. Code Annotated 65-4-112 (2004) and the customer notification letter pursuant to Authority Rule 1220-4-2-.56(2)(d).

IT IS THEREFORE ORDERED THAT:

1. The transfer of certain telecommunications assets, including the Certificate of Public Convenience and Necessity, of American Farm Bureau, Inc. to IBFA Acquisition Company, LLC d/b/a Farm Bureau Connection as described in the *Joint Petition for Approval to Acquire Assets and Request for Expedited Approval* and discussed herein is approved.


2. The customer notification letter filed by the Petitioners is approved pursuant to TRA Rule 1220-4-2-.56(2)(d).



Ron Jones, Chairman



Pat Miller, Director



Sara Kyle, Director