

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

February 1, 2007

IN RE:

**PETITION OF TENNESSEE TELEPHONE SERVICE, LLC
D/B/A FREEDOM COMMUNICATIONS, LLC
D/B/A FREEDOM COMMUNICATIONS USA, LLC
AND U-DIAL OF TENNESSEE, INC. TO TRANSFER U-DIAL'S
CUSTOMERS TO FREEDOM COMMUNICATIONS USA**

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**DOCKET NO.
06-00255**

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

This matter came before Director Eddie Roberson, Director Pat Miller and Director Ron Jones of the Tennessee Regulatory Authority (the "Authority" or "TRA"), the voting panel assigned to this docket, at a regularly scheduled Authority Conference held on October 16, 2006 for consideration of the *Joint Petition Of Tennessee Telephone Service, LLC And U-Dial Of Tennessee, Inc. For Approval Of A Customer Base Transfer ("Joint Petition")* filed on October 2, 2006 by Tennessee Telephone Service, LLC d/b/a Freedom Communications, LLC d/b/a/ Freedom Communications USA, LLC ("Tennessee Telephone") and U-Dial of Tennessee, Inc. ("U-Dial"), (together, "Petitioners").

Tennessee Telephone is a limited liability company which maintains its principal place of business in Tennessee. Tennessee Telephone is certified as a local reseller in nine (9) states and was granted authorization to provide telecommunications services in Tennessee by Authority Order in Docket No. 04-00075 issued on July 23, 2004.

U-Dial is a Tennessee Corporation which maintains its principal place of business in Union City, Tennessee. U-Dial is a local reseller in Tennessee and was granted such authorization by Authority Order in Docket No. 03-00379 issued on July 22, 2003.

The Joint Petition

On October 2, 2006, Tennessee Telephone and U-Dial filed their *Joint Petition* requesting Authority approval, pursuant to Tenn. Code Ann. § 65-4-112 (2004), to transfer U-Dial's customer base to Tennessee Telephone. The Petitioners also seek a waiver of the pre-approval provision of TRA Rule 1220-4-2-.56(2)(d) and approval of the notification letter already sent to transferring customers. The Petitioners provided a copy of the self-certification letter filed with the Federal Communications Commission as required by TRA Rule 1220-4-2-.56(2)(d)(1). Consistent with TRA Rules, the *Joint Petition* states the following: that U-Dial customers will receive written notification of the proposed transfer at least thirty (30) days before the transfer occurs; Freedom agrees to pay any charges associated with the transfer of U-Dial customers to Freedom; Freedom agrees to provide 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 transfer of customers; and, finally, that there will be no interruption of service or rate change as a result of the transfer.

October 16, 2006 Authority Conference

Tenn. Code Ann. § 65-4-112(a) (2004) states:

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 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 a customer base, TRA Rule 1220-4-2-.56(2)(d) provides:

- (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:

1. The acquiring telecommunications service provider shall provide the Authority a copy of the self-certification letter it shall file with the Federal Communications Commission ("FCC"), as required in CC Docket No. 00-257, certifying that the customer transfer is in compliance with all FCC regulations governing such transactions.
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.

At the regularly scheduled Authority Conference held on October 16, 2006, the panel voted unanimously to approve the *Joint Petition* and made the following findings:

1. The proposed transaction will serve the public interest because it will ensure the continued provision of telecommunications services to U-Dial customers and promote competition in the Tennessee telecommunications market;
2. There will be no interruption of service or increase in rates to U-Dial customers as a result of this transaction;

3. The customer notification letter complies with TRA Rule 1220-4-2-.56(2)(d)(2) except for the pre-approval requirement; and

4. There is good cause to waive the pre-approval requirement because the letter was sent to customers to ensure that customers received no less than thirty (30) days notice prior to the transfer.

IT IS THEREFORE ORDERED THAT:

1. The transfer of customer base from U-Dial of Tennessee, Inc. to Tennessee Telephone Service, LLC d/b/a Freedom Communications, LLC d/b/a/ Freedom Communications USA, LLC as described in the *Joint Petition Of Tennessee Telephone Service, LLC And U-Dial Of Tennessee, Inc.* and discussed herein is approved.

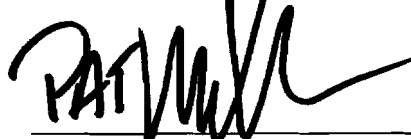
2. The pre-approval provision of TRA Rule 1220-4-2-.56(2)(d)(2) is waived for good cause.

3. The customer notification letter sent to U-Dial of Tennessee, Inc. customers on September 29, 2006 is approved pursuant to TRA Rule 1220-4-2-.56(2)(d).

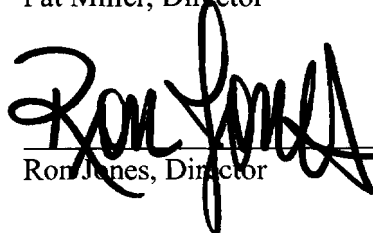
4. The Petitioners shall file with the Authority any documentation from the Federal Communications Commission regarding subsequent action on the transfer.



Eddie Roberson, Director



Pat Miller, Director



Ron Jones, Director