

**BEFORE THE TENNESSEE REGULATORY AUTHORITY**

**NASHVILLE, TENNESSEE**

**June 29, 2007**

**IN RE:**

**APPLICATION OF COMMUNICATION LINES, INC.  
FOR CERTIFICATE TO PROVIDE COMPETING LOCAL  
TELECOMMUNICATIONS SERVICES**

)  
)  
)  
)  
)

**DOCKET NO.  
07-00072**

---

**INITIAL ORDER GRANTING CERTIFICATE OF  
PUBLIC CONVENIENCE AND NECESSITY**

---

This matter came before the Hearing Officer of the Tennessee Regulatory Authority (the "Authority" or "TRA") at a Hearing held on May 17, 2007, to consider the *Application for Certificate to Provide Competing Local Telecommunications Services* (the "*Application*") filed by Communication Lines, Inc. ("CLI" or "Applicant") on March 22, 2007, and supplemented via Data Response on May 3, 2007. In its *Application*, CLI seeks a certificate of public convenience and necessity ("CCN") for authority to provide competing local telecommunications services, including facilities-based and resold local exchange telecommunications services, within the State of Tennessee.

**Legal Standard for Granting Certificate of Public Convenience and Necessity**

CLI's *Application* was made pursuant to, and was considered in light of, the criteria for granting a CCN as set forth in Tenn. Code Ann. § 65-4-201 (Supp. 2006), which provides, in pertinent part:

(a) No public utility shall establish or begin the construction of, or operate any line, plant, or system, or route in or into a municipality or other territory already receiving a like service from another public utility, or establish service therein, without first having obtained from the authority, after written application and hearing, a certificate that the present or future public convenience and necessity

require or will require such construction, establishment, and operation, and no person or corporation not at the time a public utility shall commence the construction of any plant, line, system or route to be operated as a public utility, or the operation of which would constitute the same, or the owner or operator thereof, a public utility as defined by law, without having first obtained, in like manner, a similar certificate . . .

\* \* \*

(c) After notice to the incumbent local exchange telephone company and other interested parties and following a hearing, the authority shall grant a certificate of convenience and necessity to a competing telecommunications service provider if after examining the evidence presented, the authority finds:

(1) The applicant has demonstrated that it will adhere to all applicable commission policies, rules and orders; and

(2) The applicant possesses sufficient managerial, financial, and technical abilities to provide the applied for services.

\* \* \*

Furthermore, pursuant to Tenn. Code Ann. § 65-5-112 (2004), a competing telecommunications provider is required to file with the Authority (1) a plan containing the provider's plan for purchasing goods and services from small and minority-owned telecommunications businesses; and (2) information on programs that might provide technical assistance to such businesses.

### **The May 17, 2007 Hearing**

Pursuant to Tenn. Code Ann. § 65-4-204 (2004), public notice of the Hearing in this matter was issued by the Hearing Officer on May 7, 2007. No persons sought intervention prior to or during the Hearing. On May 9, 2007, CLI filed a request to participate in the Hearing by telephone. On May 10, 2007, CLI sent an electronic mail clarifying that its request for approval to participate by telephone extended only to its CLI witness-representative, and that the Attorney for the Applicant, April Ingram, Esq., would be appearing in person at the Hearing. The Hearing Officer granted CLI's request by Order dated May 10, 2007. Subsequently, at the Hearing, Mr. Stanley Johnson, President of CLI, participated telephonically and was subject to examination by the Hearing Officer. Mr.

Johnson adopted his pre-filed testimony, clarified CLI's tariff provision regarding the Lifeline and Link-up program, described CLI's current process for verifying a potential subscriber's intent prior to switching service providers, and stated that CLI will comply with all services and obligations mandated in TRA Rule 1220-4-8-.04(3)(b) and (c). Upon CLI's conclusion of the presentation of its proof, the Hearing Officer granted CLI's *Application* based upon the following findings of fact and conclusions of law:

**I. CLI's Qualifications**

1. CLI is a corporation organized under the laws of the State of Washington on August 4, 2006. CLI has no corporate affiliates and was licensed to transact business in Tennessee by the Secretary of State on December 27, 2006.

2. The complete street address of the registered agent for CLI, National Registered Agents, is 1900 Church Street, Suite 400, Nashville, Tennessee, 37203. The complete street address of the corporate office of CLI is 3632 Soundview Drive, University Place, Washington 98466. The telephone number is (253) 584-7766.

3. The *Application* and supporting documentary information existing in the record indicate that CLI has the requisite technical and managerial ability to provide competitive access services and transport telecommunications services within the State of Tennessee. Specifically, CLI's senior management team possesses extensive business, technical, operational and regulatory telecommunications experience.<sup>1</sup>

4. CLI has demonstrated that it has the capital and financial ability necessary to provide the services it proposes to offer.

---

<sup>1</sup> CLI's principal officers are also the officers of another Tennessee certificated competing local exchange carrier, VCI Company. See *In re: Petition of VCI Company for a Certificate of Convenience and Necessity to Provide Competing Facilities-Based and Resold Local Exchange and Exchange Access Telecommunications Services in Tennessee*, Docket No. 06-00019, *Initial Order Granting Certificate of Public Convenience and Necessity* (March 31, 2006).

5. CLI has represented that it will adhere to all applicable statutes, policies, rules and orders of the Authority.

## **II. Proposed Services**

CLI was formed for the purpose of exploring innovative service methodologies, such as Voice over Internet Protocol (“VoIP”) and wireless communications services and to obtain interconnection agreements with provisions for those types of services. CLI and VCI Company are owned by the same individuals, but vary in that VCI Company provides wireline service to low-income residential consumers. While CLI will also focus on wireline service to residential customers, it does not intend to become an Eligible Telecommunications Carrier (“ETC”). VCI Company was granted ETC designation for the purpose of receiving universal service support in BellSouth exchanges in Docket No. 06-00126.

CLI proposes to operate as a competitive local exchange carrier offering facilities and non-facilities based local exchange services within the areas currently served by BellSouth Telecommunications Inc. (“BellSouth”), and intends initially, to resell the services of BellSouth. CLI will utilize the facilities of its underlying carrier in the provisioning of local services and does not intend to offer services in areas served by an incumbent local exchange carrier with fewer than 100,000 total access lines.

Depending on certain business conditions, CLI may expand its customer base to include business customers in the future. CLI customers may contact the Company regarding network repair and maintenance at its toll-free customer service number, which will be printed on the customer’s monthly billing statements. Additionally, CLI provided the Authority with a Notice of Filing to all eighteen Incumbent Local Exchange Carriers (“ILECs”) in Tennessee.

### **III. Permitting Competition to Serve the Public Convenience and Necessity**

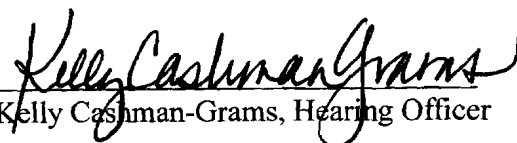
Upon a review of the *Application* and the record in this matter, the Hearing Officer finds that approval of CLI's *Application* would inure to the benefit of the present and future public convenience by permitting competition in the telecommunications services markets in the State and fostering the development of an efficient, technologically advanced statewide system of telecommunications services.

### **IV. Small and Minority-Owned Telecommunications Business Participation Plan and Business Assistance Program**

CLI has filed a satisfactory small and minority-owned telecommunications business participation plan, pursuant to Tenn. Code Ann. § 65-5-112 (2004) and the Authority's Rules.

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

1. The *Application for a Certificate to Provide Competing Local Telecommunications Services* filed by Communication Lines, Inc. is approved.
2. Any party aggrieved by the Hearing Officer's decision in this matter may file a petition for reconsideration within fifteen (15) days of the date of this Order.
3. Following the expiration of the fifteen (15) day appeal period, and if no petition for reconsideration or appeal of this Order is filed prior thereto, this Interim Order shall become a Final Order of the Tennessee Regulatory Authority.

  
Kelly Cashman-Grams, Hearing Officer