

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

November 26, 2007

IN RE:

**IN RE: JOINT PETITION OF VERIZON
COMMUNICATIONS INC., MCI COMMUNICATIONS
SERVICES, INC. D/B/A VERIZON BUSINESS SERVICES,
VERIZON SERVICES CORPORATION, AND
GOAMERICA RELAY SERVICES CORP. FOR
EXPEDITED APPROVAL OF THE ASSIGNMENT OF
THE CONTRACT TO PROVIDE RELAY SERVICES
FROM VERIZON SERVICES CORPORATION TO GRSC,
FOR GRSC TO UTILIZE STELLAR NORDIA SERVICES,
LLC AS A SUBCONTRACTOR IN THE PERFORMANCE
OF THE CONTRACT, AND FOR THE TRANSFER OF
RELATED ASSETS FROM VERIZON BUSINESS
SERVICES TO GRSC**

**DOCKET NO.
07-00204**

HEARING OFFICER REPORT AND RECOMMENDATION

At the November 6, 2007 Authority Conference, the voting panel of the Tennessee Regulatory Authority voted to:

1. appoint General Counsel or his designee as Hearing Officer to prepare this matter for hearing before the panel;
2. require Verizon Communications, Inc., its subsidiaries MCI Communications Services, Inc. d/b/a Verizon Business Services and Verizon Services Corporation (collectively, "Verizon"), and GoAmerica Relay Services Corp. ("GRSC") (together, "Joint Petitioners") to provide written assurance that the language in Section A.11 of the Tennessee Relay Service ("TRS") contract concerning the handling of intrastate relay calls by a center located within Tennessee is not

superseded in any fashion by the Managed Services Agreement (“subcontract”) between GRSC and Stellar Nordia Services, LLC (“Stellar Nordia”);

3. require Stellar Nordia to obtain a Certificate of Public Convenience and Necessity (“CCN”) prior to approving the *Joint Petition* in this docket;¹
4. direct GRSC to provide a \$200,000 performance bond as required by the TRS contract; and
5. inform GRSC that annual cost data for call center operations must be made available annually and that such cost information is subject to audit by the TRA.

Following the conclusion of the Authority Conference, the Hearing Officer held a status conference at the request of Verizon filed on October 31, 2007. As an initial matter, the Hearing Officer granted the *Application to Appear Pro Hac Vice* filed on September 17, 2007 by Mr. Dana Frix, attorney for GRSC, and supported by local counsel Mr. Melvin Malone, attorney for Verizon. During the status conference, counsel and TRA Staff discussed the concerns and requests made by the voting panel during the Authority Conference, and in an effort to allay those concerns and comply with the requests, the Joint Petitioners agreed that:

- a. a general written assurance and acknowledgement, and as regards the specific handling of intrastate relay calls by a center located within Tennessee, confirming that the TRS contract shall at all times control the obligations of GRSC and that nothing contained in the subcontract between GRSC and Stellar Nordia will preclude or subvert the performance of the obligations or responsibilities of GRSC as set forth in the TRS contract, will be provided to the Authority in the form of an Addendum to the subcontract (as relates to the panel’s request noted at number 2 above); and

¹ Director Jones dissented from the decision of the majority to require Stellar Nordia to apply for a CCN.

- b. a statement of GRSC's commitment to provide annual TRS reports inclusive of cost or rate data, as is currently provided by Verizon, and agreement that such data is subject to audit at the discretion of the TRA will be submitted to the Authority (as relates to the panel's request noted at number 5 above).

Concerning the panel's request noted at number 4 above, the Joint Petitioners verbally confirmed their commitment, as referenced within GRSC's Updated Response to TRA Staff Question No. 3 filed with the Authority on November 5, 2007, to provide a performance bond in the amount of \$200,000 prior to assuming operations of the TRS contract and no later than ten business days after the TRA approves the *Joint Petition*. Additionally, counsel for GRSC stated that subject to verification by his client, GRSC would propose to have the performance bond in place by the next Authority Conference scheduled on December 3, 2007.

Finally, the parties acknowledged that a complete application submitted by Stellar Nordia for a CCN to provide competing local telecommunications services is required prior to approval of the *Joint Petition* in this docket (as noted at number 3 above). Nevertheless, a firm commitment as to the timing of the application could not be secured at the status conference as Stellar Nordia had neither counsel nor a company representative present.

As of the date of the filing of this *Report and Recommendation*, the Joint Petitioners have responded quickly to the substantive requests of the panel, Hearing Officer and TRA Staff, and should be commended for their efforts. On November 14, 2007, the Joint Petitioners filed an Amendment to the subcontract executed by representatives of GRSC and Stellar Nordia that provides the assurances required by the panel; a statement affirming the commitment of GRSC to submit annual TRS reports containing cost and rate data to the Authority subject to audit at the discretion of the TRA; and, a statement pledging the intent of GRSC to continue to operate the

Tennessee Telereley Call Center at its present location in Memphis, Tennessee, and to maintain existing personnel through offers of employment, with equivalent compensation and comparable benefits as presently offered by Verizon, to all current employees. Further, GRSC confirmed that a performance bond in the amount of \$200,000 would be provided prior to the December 3, 2007 Authority Conference.

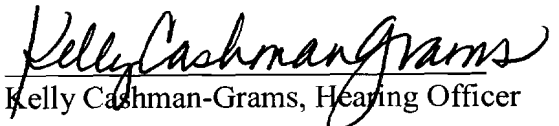
Also on November 14, 2007, the Authority received an *Application for a Certificate to Provide Competing Local Telecommunications Services* from Stellar Nordia, which was assigned Docket No. 07-00254. However, the application was not complete, and as a result, the TRA Staff sent Data Requests to Stellar Nordia for response. On November 19, 2007, Stellar Nordia provided documentation sufficiently responsive to those data requests. On November 21, 2007, the Authority received proof of financial security from Stellar Nordia in accordance with applicable law. Therefore, it appears that the *Application for a Certificate to Provide Competing Local Telecommunications Services* submitted by Stellar Nordia is now complete and ready for hearing. Further, as of November 26, 2007, GRSC has responded to all data requests submitted by TRA Staff pertaining to its *Application for a Certificate to Provide Competing Local Telecommunications Services* filed on September 5, 2007 in Docket No. 07-00205. As a result, GRSC's application for a CCN is now complete and ready for hearing.

In light of the interconnectedness of the CLEC applications in Docket Nos. 07-00205 and 07-00254 to the instant docket, Docket No. 07-00204, and in further attempt to accommodate the parties' requests for expedited consideration in these dockets, the Hearing Officer recommends that the Authority hear and consider Docket Nos. 07-00205 and 07-00254 prior to considering the *Joint Petition* in the instant docket, Docket No. 07-00204. In this way, the Authority may be satisfied that GRSC and Stellar Nordia are sufficiently qualified, pursuant to applicable law, to

provide the services each is requesting to undertake in the transfer of the TRS contract and that the public interest is served thereby, prior to the commencement of deliberations in this docket.

IT IS THEREFORE RECOMMENDED:

1. The Panel should hear and consider the completed *Application for a Certificate to Provide Competing Local Telecommunications Services* filed by GoAmerica Relay Services Corp., Docket No. 07-00205, prior to consideration of the requests of the parties filed in the instant docket.
2. The Panel should hear and consider the completed *Application for a Certificate to Provide Competing Local Telecommunications Services* filed by Stellar Nordia Services, LLC, Docket No. 07-00254, prior to consideration of the requests of the parties in the instant docket.
3. Upon approval of the applications filed in Docket Nos. 07-00205 and 07-00254, the Panel should consider the *Joint Petition of Verizon Communications Inc., MCI Communications Services, Inc. d/b/a Verizon business Services, Verizon Services Corporation, and GoAmerica Relay Services Corp. for Expedited Approval of the Assignment of the Contract to Provide Relay Services from Verizon Services Corporation to GRSC, for GRSC to Utilize Stellar Nordia Services, LLC as a Subcontractor in the Performance of the Contract, and for the Transfer of Related Assets from Verizon Business Services to GRSC* filed in the instant docket, contingent upon the acquisition of the requisite performance bond.


Kelly Cashman-Grams, Hearing Officer