

**BEFORE THE TENNESSEE REGULATORY AUTHORITY AT**

**NASHVILLE, TENNESSEE**

**January 11, 2008**

**IN RE:**

**APPLICATION OF ACCESSLINE HOLDINGS, INC.,  
ACCESSLINE COMMUNICATIONS CORPORATION,  
AND TELANETIX, INC. FOR THE DIRECT  
TRANSFER OF CONTROL OF ACCESSLINE  
HOLDINGS, INC. TO TELANETIX, INC.**

**DOCKET NO.  
07-00206**

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**ORDER APPROVING TRANSFER OF AUTHORITY**

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This matter came before Chairman 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 8, 2007 for consideration of the *Application* filed on September 5, 2007 by AccessLine Holdings, Inc. ("AccessLine"), AccessLine Communications Corporation ("ACC"), and Telanetix, Inc. ("Telanetix") (collectively, the "Applicants").

AccessLine is the parent company of ACC. ACC is authorized to provide resell interexchange long distance telecommunications services in Tennessee.<sup>1</sup> Telanetix develops IP-based video and conferencing solutions which provide video conference services through its Digital Presence System. Telanetix does not currently provide, nor is it authorized to provide, telecommunications services in Tennessee.

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<sup>1</sup> *In re: Application of AccessLine Communications Corporation for Authority to Resell Interexchange Long Distance Services in Tennessee*, Docket No. 05-00232, *Order Granting Authority to Resell Interexchange Long Distance Telecommunication Services in Tennessee* (January 4, 2006).

## **THE APPLICATION**

The Applicants seek Authority approval to consummate a transaction whereby Telanetix will acquire control of ACC. According to the *Application*, the Applicants entered into an Agreement and Plan of Merger (the “Agreement”) dated September 1, 2007, whereby a newly created subsidiary of Telanetix will merge with AccessLine, with AccessLine surviving. As a result, Telanetix will acquire direct control of AccessLine and indirect control of ACC. The Applicants currently have a Domestic Section 214 Application pending before the Federal Communications Commission (“FCC”) requesting approval to transfer control of both AccessLine and ACC to Telanetix in WC Docket No. 07-192.<sup>2</sup>

The Applicants assert that the proposed transaction will serve the public interest by enhancing the ability of the entities to expand their respective operations both in terms of service area coverage and through the ability of each entity to offer customers an expanded line of products and services. The *Application* further states that although the proposed transfer of control will result in a change in the ultimate ownership of ACC, no transfer of certificates, assets, or customers will occur as a result the proposed transaction. ACC will continue to provide service to its customers under the same name, rates, terms and conditions. The transfer of control will be transparent to ACC customers.

The *Application* states that the transaction was to close on September 14, 2007 to avoid the financial insolvency of AccessLine. In order for the Applicants to close the transaction by September 14, 2007, the FCC granted special temporary authority for a period of sixty days on September 6, 2007.<sup>3</sup>

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<sup>2</sup> The FCC issued a notice establishing a streamlined pleading cycle on September 6, 2007. Unless otherwise notified by the FCC, the applicants will be permitted to transfer control on the 31<sup>st</sup> day after issuance of the September 6, 2007 notice.

<sup>3</sup> *Data Response*, p. 1 (September 17, 2007).

## FINDINGS AND CONCLUSIONS

The Applicants request approval to consummate the proposed transfer of authority pursuant to Tenn. Code Ann. § 65-4-114 (2004) and the Rules of the Authority. However, the Authority finds that Tenn. Code Ann. § 65-4-113 (2004) applies to this transaction because it results in the transfer of authority of a certificated carrier to a company that is not Tennessee certificated. Regarding the transfer of authority, Tenn. Code Ann. § 65-4-113 (b) (2004) states:

Upon petition for approval of the transfer of authority to provide utility services, the authority shall take into consideration all relevant factors, including but not limited to, the suitability, the financial responsibility, and capability of the proposed transferee to perform efficiently the utility services to be transferred and the benefit to the consuming public to be gained from the transfer. The authority shall approve the transfer after consideration of all relevant factors and upon finding that such transfer furthers the public interest.

At the regularly scheduled Authority Conference held on October 8, 2007, the voting panel assigned to this docket considered the transfer of authority requested in the *Application* and voted unanimously to approve the *Application nunc pro tunc* pursuant to Tenn. Code Ann. § 65-4-113 (2004) and contingent upon FCC approval based on the following findings:

1. The transaction is in the public interest because it will allow the companies to expand their operations and will yield both operational and financial benefits to the companies.
2. The transfer will be transparent to customers.<sup>4</sup>

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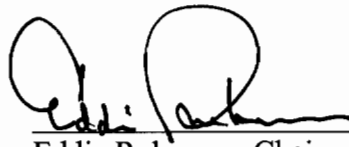
<sup>4</sup> Director Jones made the following additional findings:

(1) The record demonstrates that Telanetix is suited to exercise control over a regulated entity.

(2) The transfer furthers the public interest such that, but not limited to the fact that, the transfer will not reduce the number of providers in the state.

**IT IS THEREFORE ORDERED THAT:**

The transfer of authority between AccessLine Holdings, Inc., AccessLine Communications Corporation and Telanetix, Inc. as described in the *Application* and discussed herein is approved *nunc pro tunc* contingent upon the Federal Communications Commission's approval of the Domestic Section 214 Application.<sup>5</sup> The Applicants shall file with the Authority any documents from the FCC regarding subsequent action on the transfer.



Eddie Roberson, Chairman

\* \* \*

Pat Miller, Director<sup>6</sup>



Ron Jones, Director

<sup>5</sup> The FCC issued a Public Notice on October 9, 2007 granting the Domestic Section 214 Application effective on October 7, 2007 in WC Docket No. 07-192, DA 07-4185. The Public Notice was filed in this docket on October 11, 2007.

<sup>6</sup> Director Miller voted in agreement with the other directors but resigned his position as Director before the issuance of this order.