

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

January 13, 2010

IN RE:

APPLICATION OF PEACE COMMUNICATIONS, LLC FOR
A CERTIFICATE TO PROVIDE COMPETING LOCAL
TELECOMMUNICATIONS SERVICES IN TENNESSEE

DOCKET NO.
09-00149

ORDER GRANTING CERTIFICATE OF
PUBLIC CONVENIENCE AND NECESSITY

This matter came before Chairman Sara Kyle, Director Eddie Roberson, and Director Kenneth C. Hill of the Tennessee Regulatory Authority (the "Authority"), the voting panel assigned to this docket, at a Hearing held on December 14, 2009, to consider the *Application of Peace Communications, LLC for a Certificate to Provide Competing Local Telecommunications Services* (the "*Application*") filed by Peace Communications, LLC ("Peace Communications" or "Applicant") on September 28, 2009. In its *Application*, Peace Communications seeks a Certificate of Public Convenience and Necessity ("CCN") for authority to provide competing local telecommunications services in Tennessee.

Legal Standard for Granting Certificate of Public Convenience and Necessity

Peace Communications' *Application* was made pursuant to and considered in light of the criteria for granting a CCN as set forth in Tenn. Code Ann. § 65-4-201 (Supp. 2008), 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 December 14, 2009 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 December 2, 2009. No persons sought intervention prior to or during the Hearing.

During the Hearing held on December 14, 2009, Mr. Jim Peace, Chief Executive Officer and President, participated in the Hearing, affirmed his pre-filed testimony, and was subject to examination by the panel. Mr. Bill Chapman, Executive Vice President, also appeared for the Company.

I. Peace Communications' Qualifications

1. Peace Communications is a corporation organized under the laws of the State of Delaware and was licensed to transact business in Tennessee by the Secretary of State as of August 7, 2009.

2. The complete street address of the corporate office of Peace Communications is 1100 Central Avenue, Chattanooga, Tennessee 37403. The telephone number is (423) 664-8600.

3. The *Application* and supporting information existing in the record indicate that Peace Communications has the requisite technical and managerial ability to provide the applied for telecommunications services within the State of Tennessee. Specifically, Peace Communications' senior management team possesses sufficient business, technical, and operational experience.

4. Peace Communications has the necessary capital and financial ability to provide the services it proposes to offer.

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

II. Proposed Services

Peace Communications expects to offer a broad variety of local exchange services primarily to wholesale and business customers in Tennessee. Initially, Peace Communications plans to offer voice and Internet services.

III. Permitting Competition to Serve the Public Convenience and Necessity

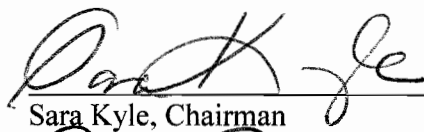
Upon a review of the *Application* and the record in this matter, the panel found that approval of Peace Communications' *Application* would inure to the benefit of the present and future public convenience by permitting competition in the telecommunications services markets in the State and fostering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

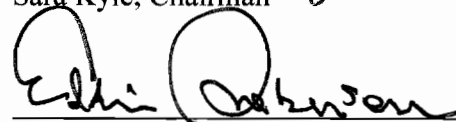
IV. Small and Minority-Owned Telecommunications Business Participation Plan and Business Assistance Program

Peace Communications 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:

The *Application of Peace Communications, LLC for a Certificate to Provide Competing Local Telecommunications Services* filed by Peace Communications, LLC is approved.


Sara Kyle, Chairman


Eddie Roberson, Director


Kenneth C. Hill, Director