

TENNESSEE REGULATORY AUTHORITY



460 James Robertson Parkway
Nashville, Tennessee 37243-0505

RECOMMENDATION TO CLOSE DOCKET

IN RE: *Show Cause Proceeding Against Express Connection, LLC for
Alleged Violations of T.C.A. 65-4-125(j)*

DOCKET NO: 10-00194

DATE: March 4, 2011

Express Connection, LLC ("Express Connection" or "Company") is certificated by the Tennessee Regulatory Authority ("Authority" or "TRA") as a provider of resold local (Docket No. 98-00389) and long distance services (Docket No. 04-00406) in Tennessee. Pursuant to Tenn. Code Ann. § 65-4-125(j), as a certificated provider of telecommunications services in Tennessee, Express Connection is required to provide a surety bond or letter of credit to the Authority in the amount of \$20,000.

On May 19, 2010, the Authority received a Notice of Cancellation from Old Republic Surety Company regarding bond number LLI2092321, issued on behalf of Express Connection with an effective cancellation date of thirty days from the date of the Authority receiving the letter. Staff phoned the president of Express Connection, Roberta Swager and left messages regarding the need to renew the bond. The bond subsequently expired on June 19, 2010, pursuant to the notice from Old Republic.

On September 17, 2010, a Notice to Appear was issued and Docket No. 10-00194 was opened for the purpose of initiating a Show Cause proceeding against Express Connection for violations of Tenn. Code Ann. § 65-4-125(j). Express Connection was required to appear before the Authority on Monday, September 27, 2010 and show cause why the Authority should not proceed to convene a proceeding to impose civil penalties and sanctions, including but not limited to revocation of Express Connection's Certificate of Public Convenience and Necessity for operating without a bond or letter of credit in violation of Tenn. Code Ann. § -65-4-125(j).

On September 27, 2010, Ms. Roberta Swager appeared at the Authority Conference and addressed the panel assigned to this matter. She recounted the efforts she had made and the difficulties she was encountering in securing a bond or letter of credit as required. Ms. Swager stated her desire to have additional time to work the issue out. In his motion to open this docket, Director Roberson stated that the company could "try to work through this situation with the staff, and then they will report back to us whether a resolution [was reached] or whether we need to proceed with a legal proceeding."¹

¹ Transcript of Authority Conference, pp. 57-59 (September 27, 2010).

On November 8, 2010, the Authority received a letter of credit on behalf of Express Connection issued by First Tennessee bank (5103148), with an effective date of November 1, 2010. The Old Republic bond expired on June 22, 2010. The new letter of credit was approved by the legal division. Express Connection was notified of the need to have the letter of credit amended to be retroactive to the date of the Old Republic bond expiration. An amendment to the letter of credit was received from First Tennessee Bank making the effective date June 22, 2010. The amendment was approved on November 14, 2010.

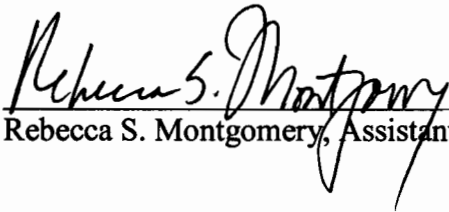
It should also be noted that six other dockets were opened near the time the proceeding against Express Connection was instituted, each for non-compliance with Tenn. Code Ann. § 65-4-125(j). Of those six companies, only one has been successful in having its financial security re-instated. At this time Express Connection has a valid letter of credit in place, and according to the Consumer Services Division, has no outstanding consumer complaints.

Staff² is of the opinion that Express Connection has satisfactorily resolved the issue that was the impetus for initiating this docket and no further proceedings are required. Therefore, it is Staff's recommendation that this docket be closed pursuant to the Company being in compliance with Tenn. Code Ann. § 65-4-125(j).

TRA STAFF:



Lisa Foust, Utilities Division



Rebecca S. Montgomery, Assistant General Counsel

Cc: Roberta Swager, Express Connection

² Lisa Foust is the designated TRA Staff Party in this matter, and Rebecca Montgomery is her counsel.