

**BEFORE THE TENNESSEE REGULATORY AUTHORITY**

**NASHVILLE, TENNESSEE**

**April 18, 2011**

<b>IN RE:</b>	)	
	)	
<b>SHOW CAUSE PROCEEDING AGAINST</b>	)	<b>DOCKET NO.</b>
<b>EXPRESS CONNECTION, LLC FOR</b>	)	<b>10-00194</b>
<b>ALLEGED VIOLATIONS OF T.C.A. 65-4-125(j)</b>	)	

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**ORDER CLOSING DOCKET**

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This matter came before Chairman Mary W. Freeman, Director Eddie Roberson and Director Kenneth C. Hill of the Tennessee Regulatory Authority (the “Authority” or “TRA”), the voting panel assigned to this docket, at a regularly scheduled Authority Conference held on March 28, 2011 for consideration of the *Recommendation to Close Docket* (“*Recommendation*”) filed by TRA Staff as a Party on March 4, 2011.

**BACKGROUND**

This matter originated upon a Notice to Appear being issued on September 17, 2010 requiring Express Connection, LLC (“Express Connection”) to appear before the Tennessee Regulatory Authority (“Authority” or “TRA”) on September 27, 2010 and show cause why the Authority should not convene a proceeding to impose civil penalties and sanctions against Express Connection for operating without a bond or letter of credit in violation of Tenn. Code Ann. § 65-4-125(j).

As a certificated provider of telecommunications services in Tennessee, Express Connection is required by Tenn. Code Ann. § 65-4-125(j) to provide to the Authority and to maintain in force a surety bond or letter of credit 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. The Notice of Cancellation had an effective cancellation date of thirty days from the date the Authority received the Notice of Cancellation. Notwithstanding several attempts by TRA Staff to contact the president of Express Connection, Roberta Swager, regarding the cancellation notice, no one on behalf of Express Connection contacted the TRA Staff prior to the expiration of the bond on June 19, 2010. Subsequently, Ms. Swager did return a call from the TRA and explained that she would be replacing the bond with a letter of credit. Nevertheless, as late as August, 2010, Express Connection still had not secured a bond or letter of credit to replace the expired bond.

Ms. Roberta Swager appeared before the Authority on September 27, 2010 and explained the difficulties she was encountering in securing a bond or letter of credit. Ms. Swager requested additional time to try to secure a bond or letter of credit. The panel voted unanimously to open this show cause docket "for the purpose of further investigation and the initiation of show cause proceedings against Express Connection, LLC . . ."<sup>1</sup> Express Connection was given an opportunity to work with TRA Staff, and TRA Staff was instructed to report back to the panel of either a resolution of the matter or the need to continue with a legal proceeding.<sup>2</sup>

#### **RECOMMENDATION AND FINDINGS AND CONCLUSIONS**

According to the *Recommendation*, a letter of credit on behalf of Express Connection was received by the Authority on November 8, 2010. The letter of credit was issued by First Tennessee Bank (5103148), with an effective date of November 1, 2010. Because the Old Republic bond had expired on June 22, 2010, Express Connection was notified that the letter of credit needed to be amended to be retroactive back to the date of the expiration of the Old

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<sup>1</sup> *Order Opening Docket to Initiate Show Cause Proceeding Against Express Connection, LLC*, p. 3 (November 19, 2010).

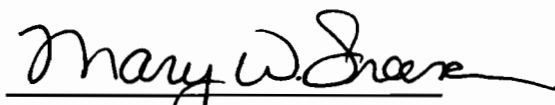
<sup>2</sup> Transcript of Authority Conference, pp. 57-59 (September 27, 2010).

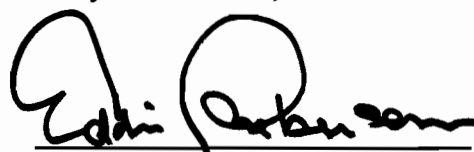
Republic bond. First Tennessee Bank provided an amendment to the letter of credit which changed the effective date to June 22, 2010. The amendment was accepted on November 14, 2010.

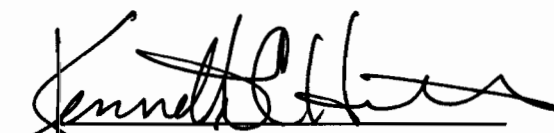
The *Recommendation* noted that in addition to having a valid letter of credit in place, Express Connection had no outstanding consumer complaints.<sup>3</sup> Staff recommended that because Express Connection had resolved the issue that was the impetus for initiating this docket it was appropriate that this docket now be closed. Based on the record, the panel voted unanimously to close the docket.

**IT IS THEREFORE ORDERED THAT:**

This docket is closed due to Express Connection, LLC now being in compliance with Tenn. Code Ann. § 65-4-125(j).

  
Mary W. Freeman, Chairman

  
Eddie Roberson, Director

  
Kenneth C. Hill, Director

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<sup>3</sup> The Consumer Services Division ("CSD") initiated an investigation of Express Connection in 2009 for violation of TRA Rules and reached a settlement with Express Connection which was approved by the Authority in TRA Docket No. 10-00134. One complaint against Express Connection, unrelated to this docket, was received by the CSD after TRA Staff filed its *Recommendation to Close Docket*. That complaint has been satisfactorily resolved.