

**BEFORE THE TENNESSEE REGULATORY AUTHORITY AT
NASHVILLE, TENNESSEE**

September 4, 2013

IN RE:)	
)	
JOINT APPLICATION OF TNCI OPERATING)	DOCKET NO.
COMPANY LLC, ASSIGNEE, AND TRANS NATIONAL)	13-00065
COMMUNICATIONS INTERNATIONAL, INC.)	
(DEBTOR-IN-POSSESSION), ASSIGNOR, FOR)	
APPROVAL FOR ASSIGNEE TO ACQUIRE THE)	
CUSTOMERS AND CERTAIN ASSETS, INCLUDING)	
THE CERTIFICATES OF PUBLIC CONVENIENCE AND)	
NECESSITY, OF ASSIGNOR)	

ORDER APPROVING TRANSFER OF AUTHORITY

This matter came before Chairman James M. Allison, Vice Chairman Herbert H. Hilliard, 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 July 15, 2013, for consideration of the *Joint Application* filed on April 22, 2013, by TNCI Operating Company, LLC (“TNCI-OpCo”) and Trans National Communications International, Inc. (“TNCI-DIP”) (TNCI-OpCo and TNCI-DIP, together “Applicants”). TNCI-DIP is authorized to provide local exchange and interexchange telecommunications services pursuant to an Authority Order in Docket No. 05-00147, issued on October 5, 2005.

JOINT APPLICATION

In the *Joint Application*, the Applicants request approval to transfer the certificate of public convenience and necessity (“CCN”), assets and customers of TNCI-DIP to TNCI-OpCo. On October 9, 2011, TNCI-DIP filed a voluntary bankruptcy petition under Chapter 11 in the U.S.

Bankruptcy Court in Massachusetts.¹ Throughout the bankruptcy proceeding, TNCI-DIP has continued to operate its business and provide service to its customers. TNCI-OpCo and TNCI-DIP entered into an Asset Purchase Agreement (“Agreement”), dated January 31, 2013, where TNCI-OpCo will acquire TNCI-DIP’s customer accounts and contracts, telecommunications equipment, and operating certificates.² The Bankruptcy Court approved the Agreement and the transaction on March 13, 2013.³ The *Joint Application* states that customers will receive service from TNCI-OpCo under the same rates, terms and conditions as were previously provided by TNCI-DIP.⁴ The Applicants maintain that the transaction is in the public interest because it will result in the assignment of TNCI-DIP customers to a financially stable company that will continue to provide telecommunications services without interruption. Further, TNCI-OpCo’s operations will be overseen by a well-qualified management team with substantial telecommunications experience and technical expertise.⁵

In addition, the Applicants assert that customers were properly notified of the proposed transaction and the change in their telecommunications provider from TNCI-DIP to TNCI-OpCo. The Applicants filed a sample copy of a notice that was sent to customers on March 29, 2013.⁶

FINDINGS AND CONCLUSIONS

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

¹ *Joint Application*, p. 2 (April 22, 2013).

² *Id.* at 5.

³ *Id.* at 2, 5.

⁴ *Id.* at 2.

⁵ *Id.* at 6.

⁶ *Id.* at 7, Exhibit F.

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.

Based on the record, the panel voted unanimously to approve the transfer of control described in the *Joint Petition* pursuant to Tenn. Code Ann. § 65-4-113 (2004).

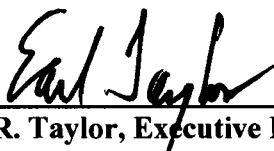
Additionally, the panel found that, due to the nature of the bankruptcy proceeding and the need to ensure that customers received thirty-days notice before the transfer, there was good cause shown to waive the pre-approval requirement for the notification letter that was sent to customers on March 29, 2013, and voted unanimously to waive the pre-approval requirement of TRA Rule 1220-4-2-.56(2)(d)(2). The panel further found that the sample customer notification letter filed in the docket file on April 22, 2013, complies with the requirements of the customer notification rule. A copy of the self-certification letter filed with the Federal Communications Commission ("FCC"), which confirms compliance with all FCC regulations governing such transactions, was filed on July 8, 2013. Therefore, the panel determined that the Applicants have complied with the requirements of TRA Rule 1220-4-2-.56(2)(d) and voted unanimously to approve the *Joint Application*.

IT IS THEREFORE ORDERED THAT:

The *Joint Application*, and the transfer of authority described therein, is approved.

Chairman James M. Allison, Vice Chairman Herbert H. Hilliard, and Director Kenneth C. Hill concur.

ATTEST:



Earl R. Taylor, Executive Director