

BEFORE THE TENNESSEE REGULATORY AUTHORITY
Nashville, Tennessee
March 28, 2002

IN RE:

Discount Network Services, Inc.

**For Revocation of Authority to Conduct Business
as a Public Utility in the State of Tennessee**

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)Docket No. 95-03371

)Company ID:116578

**ORDER REVOKING AUTHORITY TO CONDUCT
BUSINESS AS A PUBLIC UTILITY IN THE STATE OF TENNESSEE
FOR FAILURE TO PROVIDE SURETY BOND OR IRREVOCABLE LETTER OF
CREDIT**

This matter came before the Tennessee Regulatory Authority (hereafter the "Authority" or "TRA") to consider the revocation of the authority of Discount Network Services, Inc. (hereafter the "Company") to conduct business in the state of Tennessee as a public utility for failure to comply with Tenn. Code Ann. § 65-4-125. This matter was considered by the Authority at a regularly scheduled Authority Conference held on March 26, 2002.

Tenn. Code Ann. § 65-4-125(j) provides:

(j) By September 1, 2000, all telecommunications service providers subject to the control and jurisdiction of the authority, except those owners or operators of public telephone service who pay annual inspection and supervision fees pursuant to § 65-4-301(b), or any telecommunications service provider that owns and operates equipment facilities in Tennessee with a value of more than five million dollars (\$5,000,000), shall file with the authority a corporate surety bond or irrevocable letter of credit in the amount of twenty thousand dollars (\$20,000) to secure the payment of any monetary sanction imposed in any enforcement proceeding, brought under this title or the Consumer Telemarketing Protection Act of 1990, compiled in title 47, chapter 18, part 15, by or on behalf of the authority.

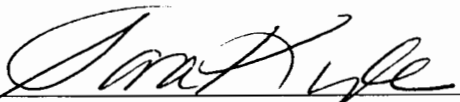
The Company has failed to comply with Tenn. Code Ann. § 65-4-125(j) that requires all telecommunications service providers that own and operate equipment facilities in Tennessee with a value of less than five million dollars (\$5,000,000) to file with the Authority a \$20,000 corporate surety bond or irrevocable letter of credit to secure the payment of any monetary sanction imposed in any enforcement proceeding. Notices advising each company of this requirement were mailed on August 15, 2000 via first class mail. On July 17, 2001, via certified

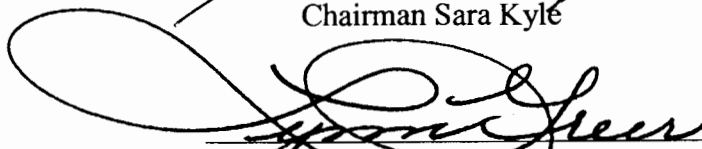
mail, Notice of Non-compliance was mailed to all companies that were out of compliance. The Company did not respond to these notices.

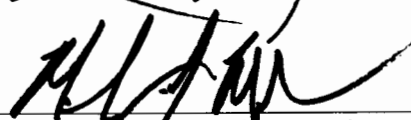
On February 11, 2002, a Notice of Cancellation (hereafter the "Notice") was sent, certified, return receipt requested, to the Company. The Notice advised the Company that if the Authority did not receive a response from the Company by March 13, 2002, regarding its failure to file with the Authority the required \$20,000 corporate surety bond or irrevocable letter of credit; its authority to transact business in the state of Tennessee as a public utility would be subject to cancellation at a regularly scheduled Authority Conference thereafter. The Company did not respond to this Notice.

IT IS THEREFORE ORDERED THAT:

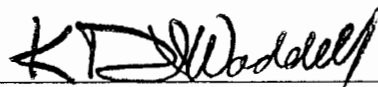
- 1) The authority of Discount Network Services, Inc., granted in Docket No. 95-03371, to conduct business in the state of Tennessee as a public utility is hereby revoked,
- 2) Any party aggrieved by the Authority's decision in this matter may file a Petition for Reconsideration with the Authority within fifteen (15) days from the date of this Order; and
- 3) Any party aggrieved with the Authority's decision in this matter has the right of judicial review by filing a Petition for Review in the Tennessee Court of Appeals, Middle Section, within sixty (60) days from and after the date of this Order.


Chairman Sara Kyle


Director Lynn Greer


Director Melvin J. Malone

ATTEST:


K. David Waddell, Executive Secretary