

BEFORE THE TENNESSEE REGULATORY AUTHORITY
Nashville, Tennessee
June 13, 2000

IN RE:

WATS International Corporation
For Revocation of Authority to
Conduct Business as a Public Utility in the
State of Tennessee

)
)
)
)
)

Docket No. 96-01471
Company ID: 124460

**ORDER REVOKING AUTHORITY TO CONDUCT
BUSINESS AS A PUBLIC UTILITY IN THE STATE OF TENNESSEE
FOR NON-PAYMENT OF REGULATORY FEES**

This matter came before the Tennessee Regulatory Authority (hereafter the "Authority" or "TRA") to consider, due to non-payment of regulatory fees, the revocation of authority of WATS International Corporation (hereafter the "Company") to conduct business in the state of Tennessee as a public utility. This matter was considered by the Authority at a regularly scheduled Authority Conference held on January 25, 2000.

Tenn. Code Ann. § 65-4-301(a) provides:

Every public utility doing business in this state and subject to the control and jurisdiction of the Authority to which the provisions of this chapter apply, shall pay to the state of Tennessee on or before April 1 of each year, a fee for the inspection, control and supervision of the business, service and rates of such public utility.

Pursuant to Tenn. Code Ann. § 65-4-303, the annual inspection fee is based on the intrastate revenues of the utility for the previous year. Should a company not have any Tennessee intrastate gross receipts, a minimum fee of \$100 is due. Tenn. Code Ann. § 65-4-308 provides for a penalty of 10% per month, or fraction thereof, for inspection fees not received by April 1st.

On April 1, 1999, the annual inspection fee (Form UD16) was due from the Company. The inspection fee for 1999 would be based on the Company's Tennessee intrastate revenues for the year ended December 31, 1998. The Authority sent notices on February 5, 1999, May 12, 1999, and October 22, 1999, via first class mail, advising the Company of its obligation to file the Form UD16 and pay the annual inspection fee. The Company did not respond in any manner to the Authority's notices.

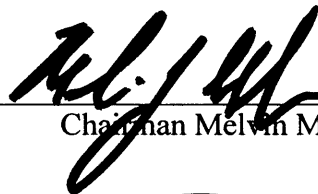
Further, the Company has not paid its contribution to the Small and Minority Telecommunications Business Assistance Program. Tenn. Code Ann. § 65-5-213 requires telecommunications service providers to contribute annually to the Small and Minority Telecommunications Business Assistance Program Fund. Should a provider not have any Tennessee intrastate revenues, TRA Rule 1220-4-9-.02 requires a minimum contribution of \$100. The Company's contribution was due June 15, 1999, and, pursuant to TRA rules and Tenn. Code Ann. § 65-4-120, a penalty of \$50 per day can be assessed for contributions not received by the due date. Notices advising the Company of this required contribution and the Company's subsequent delinquency were mailed on May 3, 1999, July 9, 1999, and October 15, 1999, via first class mail. Again, the Company did not respond to these notices.

On January 3, 2000, 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 January 21, 2000, regarding its failure to file its Form UD16 and pay the annual inspection fee and contribution to the Small and Minority Telecommunications Business Assistance Program Fund, its authority to transact business in the

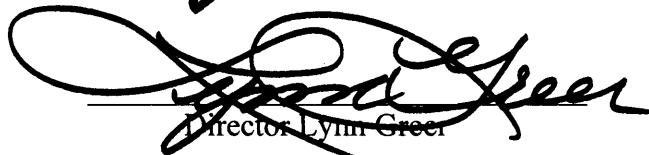
state of Tennessee as a public utility would be subject to cancellation at the regularly scheduled Authority Conference on January 25, 2000. The Company did not respond to this Notice.

IT IS THEREFORE ORDERED THAT:

- 1) The authority of WATS International Corporation, granted in Docket No. 96-01471, 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 Melvin Malone



Director Lynn Greer



Director Sara Kyle

ATTEST:



K. David Waddell, Executive Secretary