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TENNESSEE REGULATORY AUTHORITY

460 James Robertson Parkway
Nashville, Tennessee 37243-0505

MEMORANDUM

To: *Application of Global NAPS Gulf, Inc. for Certificate to Provide Competing Telecommunications Services in Tennessee, Docket No. 99-00183 Company ID 128324*

From: Lisa Foust, Utilities Division *LF*
Rebecca Montgomery, Legal Division *RM*

Date: November 10, 2010

A Notice to Appear has been issued requiring Global NAPS Gulf, Inc. ("Global" or the "Company") to appear before the Tennessee Regulatory Authority ("TRA" or "Authority") during the Authority Conference scheduled for Monday, November 22, 2010 at 1:00 p.m. 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 Global's Certificate of Public Convenience and Necessity ("CCN") for operating without a bond or irrevocable letter of credit in violation of Tenn. Code. Ann. § 65-4-125(j) and violation of Tenn. Code Ann § 65-4-301.

On January 28, 2010 the Authority received a Notice of Cancellation from Fidelity and Deposit Company of Maryland ("Fidelity") regarding bond number LPM8335767, issued on behalf of Global with an effective cancellation date of thirty (30) days after receipt of the notice. On February 9, 2010, Staff phoned the company and spoke with Larry Cross indicating non-compliance with Tenn. Code Ann. § 65-4-125(j) if the bond was not renewed. Mr. Cross requested that Staff fax the cancellation notice to 781-551-9984. The notice was faxed to Mr. Cross on February 9, 2010. Mr. Cross was also informed if the bond expired, the certification would be cancelled by the Authority.

As of the date of this memo, no Surety Bond or Letter of Credit has been received by the TRA. As a result, Global has been in violation of Tenn. Code Ann. § 65-4-125(j) for eight months.

Additionally, Global is in violation of Tenn. Code Ann. § 65-4-301. The company has not paid the required inspection fee to the Authority, which was due April 1, 2010.

As evidenced herein, numerous attempts have been made by Staff to see that Global complies with Tenn. Code Ann. § 65-4-125(j) and § 65-4-301. Nevertheless, these attempts have not resulted in Global securing and providing the TRA a Bond or Letter of Credit in compliance with Tenn. Code Ann. § 65-4-125(j) or in paying the inspection fees required by Tenn. Code Ann. § 65-4-301. This matter is before the Authority to hear from a representative of Global during the Authority Conference on November 22, 2010 and to be provided an explanation as to why a docket should not be opened for the purpose of conducting a contested case proceeding to determine whether the TRA should impose sanctions against Global in the form of civil penalties and/or revocation of its CCN.

c: Frank Gangi, Global NAPS Gulf, Inc.