

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSISSIPPI**

**RE: APPLICATION OF CONTACT NETWORK, INC.
FOR A CERTIFICATE OF PUBLIC CONVENIENCE
AND NECESSITY TO PROVIDE TELECOMMUNICATION
SERVICES THROUGHOUT THE STATE OF MISSISSIPPI
INCLUDING RESOLD AND FACILITIES BASED LOCAL
EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS
AND FOR APPROVAL OF INITIAL TARIFFS**

DOCKET NO. 02-UA-0405

ORDER

THIS DAY this cause came on to be heard before the Mississippi Public Service Commission (“Commission”) on the Application of Contact Network, Inc. d/b/a/ InLine (“Applicant” or “InLine”) for a Certificate of Public Convenience and Necessity authorizing it to furnish telecommunication services throughout the State of Mississippi including resold and facilities based local exchange service, interexchange service, both intraLATA and interLATA.

Due and proper notice of the filing of the Application and Notice of the time and place of the hearing have been given in the manner required by law, including publication of such Notice to the public in *The Clarion-Ledger*, a newspaper published at the seat of government at Jackson, Hinds County, Mississippi, with Proof of Publication lawfully filed with the Commission, and copies of said Notice having been lawfully mailed to the proper officers, persons, and newspapers in the State of Mississippi, and there being no objections or protests filed, the Application was duly heard on this date. The Commission, having fully considered the Application and the exhibits filed thereto, the Prefiled Testimony of Martin Costa and upon the recommendation of the Public Utilities Staff after its review, finds as follows:

1. InLine is a telecommunication company that presently holds the necessary authority to furnish telecommunication services in Alabama. InLine is, pursuant to that authority, presently furnishing telecommunication services to customers in that state.

2. Applicant is an Alabama corporation and is authorized to do business in Mississippi.

Applicant's mailing address, telephone number and fax number are:

Contact Network, Inc.
219 Oxmoor Circle
Birmingham, Alabama 35209
Telephone: (205) 278-8100
Facsimile: (205) 941-1934

3. The names and addresses of the officers and directors of InLine are attached to the Application as Exhibit "A". Each of the three directors named in Exhibit "A" owns fifteen percent (15%) or more of the stock of InLine.

4. A copy of Applicant's Articles of Incorporation and a copy of its Authority to Do Business in Mississippi are attached to its Application as Exhibit "B".

5. Applicant possesses the requisite managerial, financial and technical abilities to furnish telecommunication services throughout the State of Mississippi. A description of the background and history of InLine as well as a description of the background and experience of InLine's key personnel, which demonstrates the extensive telecommunications, operational and technical expertise of Applicant, are attached to the Application as Exhibit "C". Attached thereto as Exhibit "D" is a copy of a brochure giving additional information concerning the services now offered by InLine in Alabama and which will be offered in Mississippi after InLine receives a certificate of public convenience and necessary from the Commission. Attached to the Application

as Exhibit "E" is a copy of InLine's audited financial statements for the twelve month period ending June 30, 2001. Exhibit "E" is Applicant's most recent audited annual financial statement.

6. Applicant seeks authority to provide all forms of telecommunication services to the people of the State of Mississippi including local and long distance telecommunication services of every kind and nature whether voice, video or data or a combination thereof and all other enhanced telecommunication services throughout the State of Mississippi, to the extent provided by law. Applicant does not, however, seek to furnish any telecommunication services in any certificated areas that are exempt from competition. Should any exempt area become competitive in the future, however, Applicant shall have the right to serve such area at that time without the need to file a new Application.

7. Initially, InLine will utilize the network facilities of underlying carriers in the provision of local telecommunication services obtained by incumbent local exchange carriers for the purpose of resale. In addition, where economically and technically feasible, InLine intends to acquire and utilize unbundled network loops to provide service to its customers. Applicant will either directly or through arrangements with others provide access to 911 and E911 services; white page directory listings; access to telephone relay services; access to directory assistance; access to operator services; equal access to long distance carriers; free blocking of 900 - and 700 - type services; interconnection on a non-discriminatory basis with other local exchange companies and other miscellaneous services currently provided by existing local exchange carriers and interexchange carriers in the State of Mississippi.

8. Applicant possesses the managerial and technical qualification to provide its proposed telecommunication services, and to operate and maintain its facilities over which such services

eventually will be deployed. The senior management of InLine has extensive experience in telecommunications all as shown by Exhibit "C" attached to the Application.

9. Applicant has demonstrated that it understands the importance of effective customer service for all of its customers. Accordingly, Applicant has made arrangements for its customers to call the company at its toll free customer service number: 888-3InLine or 205-278-8116. The toll free number will be printed on the customer's monthly billing statements. Customers may also contact the company in writing at:

Contact Network, Inc.
219 Oxmoor Circle
Birmingham, AL 35209
Telephone: 205-278-8134
Attention: Michele Boner

10. InLine also intends to open a local office in Ridgeland, Mississippi after obtaining a Certificate of Public Convenience and Necessity from this Commission. The address of the office is 830 Wilson Drive, Suite C, Ridgeland, MS 39157. The name of the contact person in the office is Bill Durr, Telephone 601-899-5002.

11. InLine presently provides local, long distance and enhanced telecommunication services to customers in Alabama. InLine has not been denied authority to operate as a telecommunications service provider in any state.

12. Attached to the Application as Exhibit "F" is a copy of Applicant's proposed tariffs.

13. The Applicant is familiar with and will adhere to the Commission's Rules and Regulations concerning telecommunication services. A copy of Applicant's internal procedures to prevent deceptive and unfair marketing practices is attached to the Application as Exhibit "G".

Applicant's procedures for handling service quality complaints and network problems are set out in detail in Exhibit "H" attached thereto.

14. Initially, Applicant's funds will come from InLine's operations in Alabama. Additional funds will, once service is established, be received from rates for furnishing service to Applicant's customers in Mississippi. Applicant anticipates that it could, within the first twelve months of service in the State of Mississippi, furnish service to approximately 300 to 500 customers.

15. Applicant's provision of telecommunication services to customers in Mississippi will provide a competitive alternative to the public and will further the public interest by expanding the availability of technologically advanced telecommunication facilities in the State of Mississippi. Customers will benefit by having alternatives from which to choose. Such competition is at the heart of the 1996 Telecommunications Act and furthers the pro-competitive goals of the Mississippi Public Service Commission. Approval of Applicant's request should also lead to substantial additional private investment in Mississippi's telecommunication infrastructure.

16. Applicant shall be exempt from record keeping regulations that require a provider of local exchange telecommunication services to maintain financial records in compliance with the Uniform System Of Accounts ("USOA"). As a competitive carrier, Applicant shall be authorized to maintain a single set of books in accordance with Generally Accepted Accounting Principles ("GAAP").

17. Applicant is authorized to maintain its books and records in designated locations outside the State of Mississippi. If the Commission has a need to examine any of Applicant's books and records at any time in the future, those books and records will be made available to the Commission at a location requested by the Commission.

18. Applicant is hereby exempt from those reporting requirements which have been waived for any other competitive providers .

19. Applicant is fit, financially able, and in good faith intends to provide its services to the Mississippi public as soon as it receives the requisite authority. Thus, the granting of Applicant's Application will promote the public interest in the State of Mississippi.

IT IS, THEREFORE, ORDERED by the Public Service Commission of the State of Mississippi, as follows:

1. Contact Network, Inc. d/b/a/ InLine, is hereby granted a Certificate of Public Convenience and Necessity to provide resold and facilities-based local, long distance and enhanced telecommunications services statewide as permitted by law and by the Commission's orders, including its Order in Docket 92-UA-0227 for resale.

2. Applicant's tariff, filed as Exhibit "F" to the Application, is hereby approved.

3. Applicant shall cooperate with the Commission and the local exchange companies to insure that Applicant or its underlying carriers accurately report its Percent Interstate Usage in accordance with the Commission's Percent Interstate Usage reporting requirements and in accordance with the applicable switched access tariff provisions of South Central Bell's Access Service Tariffs on file with the Commission.

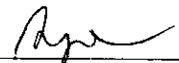
4. Pursuant to Miss. Code Ann. §77-3-13(3)(Supp. 1997) the Commission may attach to the exercise of the rights granted by this certificate, "Such reasonable terms and conditions as to time or otherwise as in its judgment the public convenience, necessity and protection may require" emphasis added. Section 77-3-13(3) provides further that the certificate holder, "may forfeit such certificate after issuance for noncompliance with its terms."

Therefore, pursuant to the above statutory authority, and for the reasons set forth in the final order adopting slamming rules, Docket No. 98-AD-90, the granting of this certificate is conditional. The condition is that the certificate holder shall not violate any of the Commission's Rules, and in particular Rule 47.1, Rules and Regulations Governing Public Utility Service, pertaining to slamming and telemarketing. If the Commission finds, after notice and a hearing, that the certificate holder has violated any Commission Rule, particularly Service Rule 47.1, the certificate may be forfeited, the company may be subject to a civil penalty pursuant to Miss. Code Ann. §77-1-53(1992), as amended, and may be subject to all other fines and penalties pursuant to applicable law and rules of this Commission.

Due to the fact that many slammed customers will not be able to leave work to attend a hearing in Jackson, the Commission finds that it is in the public interest to accept sworn affidavits from ratepayers who have been slammed. Resellers will have an opportunity, through the hearing process, to dispute the affidavits.

The Final Order in Docket 98-AD-90 is incorporated herein by reference.

5. This Order is effective as of the date hereof.

Chairman Michael Callahan votes ; Vice Chairman Bo Robinson votes ; and Commissioner Nielsen Cochran votes .

ORDERED AND ADJUDGED by the Commission, this the 21st day of August, 2002.

MISSISSIPPI PUBLIC SERVICE COMMISSION

Michael Callahan

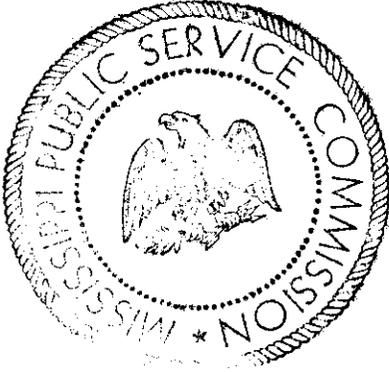
Michael Callahan, Chairman

Bo Robinson

Bo Robinson, Vice Chairman

Nielsen Cochran

Nielsen Cochran, Commissioner



ATTEST: A True Copy

Brian U. Ray

Brian U. Ray, Executive Secretary