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VIA FIRST-CLASS MAIL

January 20, 2009

Ms. Debra A. Howland Executive Director and Secretary New Hampshire Public Utilities Commission 21 South Fruit Street Concord, NH 03301



Re: Docket No. DT 08-028 (Joint Petition of Hollis Telephone Company, Inc., et al.)

Dear Ms. Howland:

I write on behalf of Hollis Telephone Company, Inc., Kearsarge Telephone Company, Merrimack County Telephone Company, and Wilton Telephone Company, Inc. (the "Joint Petitioners" or, collectively, "TDS"), to update the Commission on the status of commercial relations between the Joint Petitioners and Global NAPs, Inc. ("GNAPs"), the Respondent in this proceeding.

The Joint Petitioners also respectfully ask, for the reasons stated below, that the Commission order GNAPs immediately to post a performance bond equal to 10% of the amount now due and owing to the Joint Petitioners for services presently under review by the Commission in this proceeding.

The Commission is familiar with the course of docket proceedings in this matter, which the Joint Petitioners need not review in detail. Briefly, following the successful completion of a Joint Stipulation of Facts by and among all parties, the parties completed legal briefing on October 6, 2008, and are presently awaiting a Commission order in this matter.

During the pendency of these proceedings, Respondent has continued to deliver traffic for termination in the exchanges served by the Joint Petitioners in New Hampshire. The amount due and owing by GNAPs to the Joint Petitioners, which was calculated to be \$192,644.25 at the commencement of this case, has now grown to \$\frac{\\$410,613.12}{\}\$ as of January 1, 2009. Respondent continues to incur new charges for terminating its traffic in the New Hampshire exchange of the Joint Petitioners, and in fact has increased the volume of such traffic, such that GNAPs is now incucring new charges at the rate of nearly \$\frac{\\$25,000 per month}{\}\$ (up from a rate of approximately \$12,000 per month at the commencement of this proceeding). GNAPs still refuses to pay the Joint Petitioners anything for the termination services provided by the Joint Petitioners.

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On January 15, 2009, the TDS Carrier Service Center received a request from GNAPs to port a New London telephone number to GNAPs. TDS rejected the request because GNAPs is not presently authorized to provide local exchange service in the New London exchange. TDS also notes, in this regard, that GNAPs certified, in its data responses to Staff in this proceeding, that GNAPs does not provide end-user services to customers other than enhanced services providers ("ESPs"). See GNAPs Response to Staff Data Request #3 (submitted June 9, 2008, and admitted into evidence by Stipulation of Facts dated July 15, 2008).

TDS is concerned that GNAPs' accrual of unpaid charges and its other unauthorized activities in New Hampshire will continue and will increase so long as the issues in DT 08-028 remain unresolved. While confident that the Commission will act promptly to resolve the longstanding dispute in this matter, TDS now believes that a performance bond is necessary to protect the interests of the Joint Petitioners and their ratepayers.

As detailed in TDS's Motion to Compel (dated August 5, 2008) and its Initial Brief (dated September 29, 2008), GNAPs is presently subject to adjudicative orders requiring it to pay tens of millions of dollars in past-due payments to carriers in other states. In New Hampshire, the arrearage that GNAPs owes to TDS has grown sufficiently large that a failure to pay will have a significant impact on TDS's ratepayers. To mitigate this risk, TDS asks the Commission to order GNAPs to post a 10% bond (in the amount of \$41,061.31), to be paid to TDS in the event the Commission enters judgment in favor of TDS but GNAPs defaults in such judgment.

Thank you for your attention to this matter. Please let me know if you have any questions.

Paul J. Phillips

ery truly yours.

Enclosure

cc: Attached Service List, Docket No. DT 08-028 (copies e-mailed where shown)

State of New Hampshire Before the New Hampshire Public Utilities Commission

DT 08-028

Joint Petition of Hollis Telephone Company, Inc., Kearsarge Telephone Company, Merrimack County Telephone Company, and Wilton Telephone Company, Inc., for Authority to Block the Termination of Traffic from Global NAPs, Inc., to Exchanges of the Joint Petitioners in the Public Switched Telephone Network

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