TENNESSEE REGULATORY AUTHORITY

Deborah Taylor Tate, Chairman
Pat Miller, Director
Sara Kyle, Director
Ron Jones, Director

460 James Robertson Parkway
Nashville, Tennessee 37243-0505

December 19, 2003

Mr. Henry Walker, Esq.
Boult, Cummings, Conners & Berry, PLC
414 Union Street, Suite 1600
P.O. Box 198062
Nashville, Tennessee 37219

RE: **TRA Docket No. 03-00542** – Application of BetterWorld Telecom, LLC for Authority to Provide Resold Telecommunications Services in Tennessee.

TRA Docket No. 03-00566 – Staff Investigation of BetterWorld Telecom, LLC for Alleged Violations of Tenn. Code Ann. §§ 65-4-125(j) and 201 and Tenn. Comp. R. & Regs. 1220-4-2-.57(2).

Dear Mr. Walker:

On December 18, 2003, the Tennessee Regulatory Authority ("TRA") received a surety bond from BetterWorld Telecom, LLC ("BetterWorld") along with a promise to pay a total penalty of $3,250, minus the $1,000 paid by BetterWorld on December 1, 2003, at $750 per month. Even though BetterWorld is presently offering its cooperation, our position remains the same as stated in my letter to you, dated December 12, 2003.

First and foremost, the negotiated settlement never reached fruition because BetterWorld failed to meet the conditions precedent, and the proposed settlement agreement was never executed or even submitted to the TRA for the approval of the Directors. Furthermore, it is my understanding that Eddie Roberson of the TRA's Consumer Services Division has informed BetterWorld on numerous occasions that, due to the Company's failure to obtain a surety bond in a timely manner, the terms of the settlement agreement were no longer available for resolution of BetterWorld's statutory and regulatory violations. This information was also communicated to you in my December 12th letter. Any future settlement between the TRA and BetterWorld will require the negotiation of new terms, including the amount of the penalty that is ultimately assessed. Since the termination of prior negotiations, additional penalties for operating in Tennessee without a CCN have accrued and continue to accrue.

Negotiation of these terms may begin once BetterWorld has complied with all outstanding requirements for approval of the Company's petition for a CCN. Certainly, receipt of the surety bond is a step in that direction, although I understand that there was a minor problem with the bond that is in the process of being corrected. Additionally, there are data requests to which the Company has yet to respond. No further progress on the CCN can be made without the requested information and, until the petition is approved, BetterWorld continues to provide services in the state of Tennessee without the authority to do so. If this situation continues for much longer, the TRA will have no choice but to