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May 25, 2000

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VIA HAND DELIVERY

David Waddell
Executive Director
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-0505

Re: Empire Telecom Services, Inc's ("Empire") Application for a Certificate of Public Convenience and Necessity to Provide Local Exchange and Intrastate Interexchange Services, and Alternate Operator Services in the State of Tennessee ("Application"); Docket No. 00-00353

Dear Mr. Waddell:

The following addresses the Tennessee Regulatory Authority's ("TRA") request for additional information regarding Empire's Application.

I. Managerial Requirements

Provide the following managerial information of the Company:

1. Degrees: (BS, BA, MBA, etc.) accounting, engineering, etc.

William S. Woulfin, Chairman and Chief Executive Officer - B.S. Electrical Engineering, Case Western Reserve

W. Dale Smith, President - B.S. Business Administration and Economics, Charleston Southern University

Alan B. Thomas, Jr., Executive Vice President - B.S. Marketing and Communications, University of Arizona

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**Donald G. Santavicca, Controller - B.S. Accounting, Miami University; MBA,
University of Akron**

William E. Anderson - J.D., University of Georgia

2. Professional licenses: CPA, etc.

William S. Woulfin, Chairman and Chief Executive Officer - Not Applicable

W. Dale Smith, President - Not Applicable

Alan B. Thomas, Jr. Executive Vice President - Not Applicable

Donald G. Santavicca, Controller - Not Applicable

William E. Anderson - Not Applicable

II. Technical Qualifications

Provide the following information regarding the proposed network data:

1. Location of switches - i.e., cities.

Empire intends to deploy switches in Memphis, Nashville and Chattanooga.

2. Method of deployment.

Empire intends to purchase switching equipment from Lucent Technologies, Inc. ("Lucent"), Cisco Corp. ("Cisco") and Harris Corp. ("Harris"). In addition, Empire intends to lease backbone and transport facilities from BellSouth Telecommunications, Inc. ("BellSouth") or from other certificated carriers operating in the State of Tennessee. These facilities will consist of either copper or fiber optic transmission facilities. Finally, Empire intends to obtain customer loops from BellSouth.

3. Type of equipment: DMS-100 or 5ESS, etc. Fiber Rings, etc.

Empire's network will consist of the following equipment: (i) a Network Operations Center; (ii) voice and data switching facilities (e.g., asynchronous transfer mode ("ATM") switches and other ancillary devices manufactured by Lucent; data communication routers manufactured by Cisco, tandem switch manufactured by Harris; and (iii) leased transmission facilities obtained from other certificated carriers operating in the State of Tennessee.

4. Specify engineering expertise: Retained firm, staff electrical engineer, etc. Data regarding key technical staff.

Empire's engineering expertise exists internally as illustrated by Empire's management biographies (e.g., Reginald P. McFarland), and externally through Empire's vendors (e.g., Lucent Technologies, Inc.).

5. State if there are any special CPE (Customer premise Equipment) requirements that would not be compatible with an incumbent carrier.

Empire will not require customers to purchase telephone Customer Premise Equipment that is incompatible with the systems of other local exchange carriers in the event that a customer decides, in the future, to transfer its service to another local exchange carrier.

6. Repair and Maintenance
 - a) Ensure customer service will meet needs of customer.

Empire's customers in Tennessee may contact Empire's customer service representatives regarding a broad range of service matters, including: (i) the types of services offered by Empire and the rates associated with such services; and (ii) problems or concerns pertaining to the consumer's current service. Empire's customer service representatives will be available to assist consumers twenty-four (24) hours per day, seven (7) days per week.

- b) Phone number for repair and maintenance (customer service).

Empire's phone number for repair and maintenance is (888) 455-1511.

c) Address for written communication of repair and maintenance.

Empire's address for repair and maintenance inquiries is: Empire Telecom Services, Inc., 4501 Circle 75 Parkway, Building D, Suite 4210, Atlanta, Georgia, 30339.

d) Name and address of Tennessee contact person responsible for and knowledgeable about provider's operations.

Empire is headquartered in Atlanta, Georgia and does not yet have any personnel physically located in the State of Tennessee. Empire's contact person who is responsible for, and knowledgeable about, Empire's operations is: Alan B. Thomas, Jr., Empire Telecom Services, Inc., 4501 Circle 75 Parkway, Building D, Suite 4210, Atlanta, Georgia, 30339. In addition, Empire's registered agent for service of process in Tennessee is: CT Corporation System, 530 Gay Street, Knoxville, Tennessee 37902.

III. Financial Qualifications

Provide the following financial information of the Empire:

1. Estimated cost of network, switches, and unbundled network elements (UNEs).

The estimated cost of Empire's switches is approximately five-hundred thousand dollars (\$500,000) each, and will increase in cost as the switches are scaled to accommodate additional subscribers. The costs of the Empire's unbundled network elements ("UNEs") are articulated in detail in the Empire's local interconnection agreements, which will be filed with the TRA prior to the commencement of business in Tennessee.

2. Empire's and Empire Technology Corporation's financial statements for the year ended 1999 (Balance Sheet, Income Statement, and Statement of Cash Flows).

Empire's, and its parent, Empire Technology Corporation's, financial statements for the year ended 1999, are attached hereto at Exhibit "A," which contains confidential and proprietary information, and is filed separately under seal.

3. Projected financial statements (three years) for Empire Telecom Services, Inc. and Empire Technology Corporation.

The three-year projected financial statements for Empire, and its parent, Empire Technology Corporation, are attached hereto at Exhibit "A," which contains confidential and proprietary information, and is filed separately under seal.

4. Capital Costs budget for the three years including the following:
 - a) Equipment to be deployed

The estimated total cost of the equipment Empire intends to deploy in Tennessee is given in Exhibit "A," which contains confidential and proprietary information, and is filed separately under seal.

- b) Cost of Equipment, network, switches, and unbundled network elements

The estimated cost of Empire's switches is approximately five-hundred thousand dollars (\$500,000) each, and will increase in cost as the switches are scaled to accommodate additional subscribers. The costs of the Empire's unbundled network elements ("UNEs") are articulated in detail in Empire's local interconnection agreements, which will be filed with the TRA prior to the commencement of business in Tennessee.

- c) Sources for funding the Tennessee network, equipment, UNEs: cash, loan commitments, vendor credits, letters of credit, etc. (complete detail)

This information is provided in Exhibit "A," which contains confidential and proprietary information, and is filed separately under seal. In addition, a letter from Southridge Capital Management, LLC detailing

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its extension of a credit facility to Empire Technology Corporation, is attached hereto at Exhibit "A".

5. Please quantify amounts included in financial statements and projections relating to reciprocal compensation for terminating ISP traffic.

There are no amounts included in the financial statements and projections relating to reciprocal compensation for terminating ISP traffic.

6. TCA § 65-4-125 amendment states that by September 1, 2000, all telecommunications service providers subject to the control and jurisdiction of the authority, except those owners or operators of public telephone service who pay annual inspection and supervision fees pursuant to Tennessee Code Annotated § 65-4-301(b), or any telecommunications service provider that owns and operates equipment facilities in Tennessee with a value of more than five million (\$5,000,000), shall file with the authority a corporate surety bond or irrevocable letter of credit in the amount of twenty thousand dollars (\$20,000) to secure the payment of any monetary sanction imposed in any enforcement proceeding, brought under this title or the Consumer Telemarketing Protection Act of 1990, by or on behalf of the authority. Provide a statement outlining the Applicant's intent to abide by TCA § 65-4-125 and provide a corporate surety bond by September 1, 2000 if applicable.

Pursuant to TCA § 65-4-125, Empire intends to file a corporate surety bond or irrevocable letter of credit in the amount of twenty thousand dollars (\$20,000) by September 1, 2000, to secure the payment of any monetary sanction imposed in any enforcement proceeding brought under this title or the Consumer Telemarketing Protection Act of 1990.

IV. Numbering Issues

Please provide answers to the following questions concerning numbering within your proposed service area.

1. What is your company's expected demand for NXXs per NPA within a year of approval of your application?

Empire's estimated demand for NXXs per NPA within a year of approval of its application is approximately two (2) NXXs per NPA.

2. How many NXXs do you estimate that you will request from NANPA when you establish your service footprint?

Empire estimates that it will request two (2) NXXs from NANPA when it establishes its service footprint.

3. When and in what NPA do you expect to establish your service footprint?

Empire plans to establish its service footprint in the Memphis and/or Nashville NPA in approximately January 2001.

4. Will the company sequentially assign telephone numbers within NXXs?

Empire has not yet determined whether it will sequentially assign telephone numbers within NXXs.

5. What measures does the company intend to take to conserve Tennessee numbering resources?

Empire intends to conserve numbering resources in Tennessee by assigning a significant percentage of an existing NXX prior to requesting a new NXX.

6. When ordering new NXXs for growth, what percentage fill of an existing NXX does the company use to determine when a request for a new NXX will be initiated?

Empire intends to request new NXXs approximately ninety (90) days prior to the anticipated exhaustion of its existing NXXs.

V. Tennessee Specific Operational Issues

Please provide answers to the following questions concerning Tennessee Specific Operational Issues.

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1. How does the company intend to comply with TCA § 65-21-114? In its description please explain technically how the company will not bill for countrywide calls within Tennessee.

Empire intends to comply with TCA § 65-21-114 by implementing state-wide toll-free calling. Specifically, Empire will build its database in such a way that county identification information can be determined, and that countywide calls are not billed.

2. Is the company aware of the Tennessee County Wide Calling database maintained by BellSouth and the procedures to enter your telephone numbers on the database?

Empire is generally aware of the Tennessee County Wide Calling database maintained by BellSouth and the procedures to enter its telephone numbers on the database.

3. How does your company intend to provide metro area toll-free calling ("MAC") around Memphis, Nashville, Knoxville and Chattanooga?

Empire intends to implement state-wide toll-free calling in the State of Tennessee.

4. Is the company aware of the MAC database maintained by BellSouth and the procedures to enter your telephone numbers on the database?

As stated above, Empire is generally aware of the MAC database maintained by BellSouth and intends to comply with the procedures to enter its telephone numbers on the database.

5. Please provide the name and telephone number of an employee of your company that will be responsible to work with the TRA on resolving customer complaints.

Alan B. Thomas, Jr., Empire Telecom Services, Inc., 4501 Circle 75 Parkway, Building D, Suite 4210, Atlanta, Georgia, 30339; (404) 659-9500.

6. Does the company intend to telemarket its services in Tennessee? If yes, is the company aware of the telemarketing statutes and regulations found in TCA

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§65-4-401 *et seq.* and Chapter 1220-4-11?

Empire does not intend to telemarket its services in Tennessee at this time.

VI. Miscellaneous

1. Is the Empire bonded for the amount of the deposits?

Generally, Empire does not intend to collect deposits from its customers. However, Empire may accept deposits for its prepaid local service not to exceed one (1) month's advance payment.

2. Identify all complaints filed with state and federal regulatory agencies involving your company or affiliated entities. Identify the nature of the complaint, which governmental agency or office received the complaint, how was the complaint resolved?

No complaints have been filed with any state or federal regulatory agency against Empire.

We hope that this information is responsive to the TRA's requests. If you have any questions or comments, please call.

Very truly yours,

BOULT, CUMMINGS, CONNERS & BERRY, PLC



By:
April A. Ingram

AAI/

EXHIBIT "A"

NOTE: This exhibit contains confidential and proprietary information and is filed separately under seal.