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THOMPSON BENNETT  
JOHN T. PETERS, JR.

VINCENT T. EARLY  
(1922 - 2001)  
JOSEPH J. BURGIE  
(1926 - 1992)

July 24, 2002

Executive Secretary  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37243

Re: Broadband Innovations, LLC

DOCKET NO.

02-00819

PAID T.R.A.

Chk # 8205

Amount 25.00

Rcvd By JK

Date 7-25-02

Dear Sir:

Enclosed for filing with the Regulatory Authority, please find an original and thirteen (13) copies of the above captioned corporation's *APPLICATION FOR A CERTIFICATE TO PROVIDE COMPETING LOCAL TELECOMMUNICATIONS SERVICES* within the State of Tennessee, along with a check in the amount of \$25.00 for filing fees relating to same. <sup>128797</sup>

In addition, enclosed is a duplicate copy of this filing. Please date-stamp the duplicate and return it to me in the enclosed stamped, self-addressed envelope.

Should you have any questions concerning this filing, please contact me.

Very truly yours,

EARLY, LENNON, CROCKER & BARTOSIEWICZ, P.L.C.

Patrick D. Crocker  
PDC/pas

Enclosures

**BEFORE THE TENNESSEE REGULATORY AUTHORITY**

**IN THE MATTER OF THE APPLICATION  
OF BROADBAND INNOVATIONS, LLC  
FOR A CERTIFICATE  
TO PROVIDE COMPETING LOCAL  
TELECOMMUNICATION SERVICES**

**APPLICATION FOR CERTIFICATE TO PROVIDE  
COMPETING LOCAL TELECOMMUNICATIONS SERVICES**

Pursuant to applicable Tennessee Statutes and the Rules and Regulations of the Tennessee Regulatory Authority and Section 253 of the Federal Telecommunications Act of 1996 ("Act"), Broadband Innovations, LLC ("Innovations") respectfully requests that the Tennessee Regulatory Authority ("TRA") grant to Innovations authority to provide competing local telecommunications services, including exchange access telecommunications services, within the State of Tennessee. Innovations is willing and able to comply with all applicable rules and regulations in Tennessee pertaining to the provision of competing local telecommunications services. TCA 65-4-201

In support of its Application, Innovations submits the following:

1. The full name and address of the Applicant is:

Broadband Innovations, LLC  
176 West University Parkway, Suite F  
Jackson, TN 38305

or

P.O. Box 10217  
Jackson, TN 38308  
Telephone: (731) 664-1441

Questions regarding this application should be directed to:

Patrick D. Crocker  
Early, Lennon, Crocker & Bartosiewicz, P.L.C.  
900 Comerica Building  
Kalamazoo, MI 49007  
Telephone: (269) 381-8844  
Facsimile: (269) 349-8525

Contact name and address at the Company is:

Curtis Graves  
Broadband Innovations, LLC  
176 University Drive, Suite F  
Jackson, TN 38305  
Telephone: (731) 664-1441

2. Organizational Chart of Corporate Structure: Include any pertinent acquisition or merger information.

See **Exhibit A**

3. Corporate information:

Broadband Innovations, LLC is a limited liability company formed in the State of Tennessee. A copy of Innovations' Articles of Organization is provided in **Exhibit B**. A copy of Innovations' Authority to transact business in the State of Tennessee is provided in **Exhibit C**. The names and addresses of the members are provided in **Exhibit D**. The biographies of the members and any other key technical staff are in **Exhibit E**.

4. Innovations possesses the managerial, technical, and financial ability to provide local telecommunications service in the State of Tennessee as demonstrated below:

A. Financial Qualifications:

Innovations is financially qualified to provide competitive local exchange services in Tennessee. In support of its financial qualifications, Broadband Innovations, LLC attaches financial statements as **Exhibit F**.

**Exhibit G** is a capital expenditures budget for 2001, 2002, and 2003 indicating type of equipment to be purchased, cost, and sources for funding of projected capital expenditures.

Innovations' financials nor their projected financials reflect any revenues or expenses associated with reciprocal compensation.

Corporate Surety Bond or irrevocable letter of credit is provided as **Exhibit H**

B. Managerial Ability:

As shown in **Exhibit E** to this Application, Innovations has the managerial expertise to successfully operate a telecommunications enterprise in Tennessee. As described in the attached biographical information, Innovations' management team has extensive management and business experience in telecommunications.

C. Technical Qualifications:

Innovations services will satisfy the minimum standards established by the TRA. The Company will file and maintain tariffs in the manner prescribed by the TRA and will meet minimum basic local standards, including quality of service and billing standards required of all LEC'S regulated by the TRA. Applicant will not require customers to purchase CPE, which cannot be used with the Incumbent Local Exchange Carrier's systems. As noted in the biographies Exhibit E of the principal officers, the officers have several years of telecommunications expertise. Thus, Innovations is certainly technically qualified to provide local exchange service in Tennessee.

5. Proposed Service Area:

Innovations is authorized to provide telecommunications services in no other jurisdiction.

The applicant proposes to offer its services in the LATA's of West Tennessee with switches located in Jackson. These areas are currently being served by Bell South and Sprint/United. Innovations intends to offer this broad range of telecommunications services through the use of its own facilities, resold facilities, and through a combination of these provisioning methods. Innovation contemplates using equipment produced by Siemens, Nortel, or Sonus.

6. Types of Local Exchange Service to be provided:

Innovations expects to offer a broad variety of local exchange services, primarily to residential customers in Tennessee. Innovations' initial line of local services will be comparable to that currently offered by the incumbent LECS. Initially Innovations plans to offer basic access line service, Optional Calling Features, Directory Assistance, Directory Services, and Operator Services, as well as all services required under Chapter 1220-4-8-.04 (3) (6) and (2).

7. Repair and Maintenance:

Innovations understands the importance of effective customer service for local service customers. Innovations has made arrangements for a standardized customer service number using the customer's area code and exchange followed by 1441. (e.g. NPA-NXX-1441). In addition, customers may contact the company in writing at the headquarters address. The customer service number will be printed on the customer's monthly billing statements. The Tennessee contact person knowledgeable about providers operations is Curtis C. Graves reference (1.) above.

Grant of the Application will further the goals of the Tennessee Legislature and further the public interest by expanding the availability of competitive telecommunications services in the State of Tennessee. In addition, intrastate offering of these services is in the public interest because the services will provide Tennessee customers increased efficiencies and cost savings. Authorizing Innovations to provide local exchange telecommunications services will enhance materially the telecommunications infrastructure in the State of Tennessee and will facilitate economic development.

In particular, the public will benefit both directly, through the use of the competitive services to be offered by Innovations and indirectly, because Innovations' presence in Tennessee will increase the incentives for other telecommunications providers to operate more efficiently, offer more innovative services, reduce their prices, and improve their quality of service. Grant of this Application will further enhance the service options available to Tennessee citizens for the reasons set forth above.

8. Small and Minority-Owned Telecommunications Business Participation Plan: (65-5-212): Exhibit I
9. Toll Dialing Parity Plan: Exhibit J
10. Applicant has served notice of this application to the eighteen (18) incumbent local exchange telephone companies in Tennessee with a statement regarding the companies intention of operating geographically. See Exhibit K for the list.
11. Numbering Issues: Statement provided in Exhibit L
12. Tennessee Specific Operational Issues: Statements provided in Exhibit M
13. Miscellaneous:
  - A. Sworn Pre-filed testimony: Exhibit N
  - B. Applicant does not require customer deposits
  - C. As of now Innovations has not been subject to complaints in any of the states, in which we are doing business.
  - D. Applicant will file a tariff for Commission approval prior to commencing operations in Tennessee.

**CONCLUSION:**

Innovations respectfully requests that the TRA enter an order granting it a certificate of convenience and necessity to operate as a competing telecommunications service provider and authority to provide a full range of local exchange service on a resale basis throughout the State of Tennessee in the service areas of Bell South, GTE and Sprint and any other ILEC that does not enjoy a rural exemption under Section 251(f) of the Telecommunications Act of 1996. For the reasons stated above, Innovations' provision of these services would promote the public interest by providing high-quality service at competitive prices and by creating greater economic incentives for the development and improvement for all competing providers.

Respectfully submitted this 7<sup>th</sup> day of July, 2002

---

Patrick D. Crocker  
Counsel for Broadband Innovations, LLC  
Early, Lennon, Crocker & Bartosiewicz, P.L.C.  
900 Comerica Building  
Kalamazoo, MI 49007  
269-381-8844 Telephone  
269-349-8525 Facsimile

**EXHIBIT A**

**Company Structure**

Company is a limited liability company formed in the State of Tennessee.



**EXHIBIT B**

**Articles of Organization**

## Secretary of State

### Division of Business Services

312 Eighth Avenue North  
 8th Floor, William R. Snodgrass Tower  
 Nashville, Tennessee 37243

DATE: 05/02/02  
 REQUEST NUMBER: 4493-2142  
 TELEPHONE CONTACT: (615) 741-2286  
 FILE DATE/TIME: 04/30/02 1303  
 EFFECTIVE DATE/TIME: 04/30/02 1303  
 CONTROL NUMBER: 0426140

TO:  
 SPRAGINS BARNETT COBB & BUTLER PLC  
 %LARRY BUTLER  
 PO BOX 2004  
 JACKSON, TN 38302-2004

RE:  
 BROADBAND INNOVATIONS, LLC  
 ARTICLES OF ORGANIZATION -  
 LIMITED LIABILITY COMPANY

CONGRATULATIONS UPON THE FORMATION OF THE LIMITED LIABILITY COMPANY IN THE STATE OF TENNESSEE WHICH IS EFFECTIVE AS INDICATED ABOVE.

A LIMITED LIABILITY COMPANY ANNUAL REPORT MUST BE FILED WITH THE SECRETARY OF STATE ON OR BEFORE THE FIRST DAY OF THE FOURTH MONTH FOLLOWING THE CLOSE OF THE LIMITED LIABILITY COMPANY'S FISCAL YEAR. ONCE THE FISCAL YEAR HAS BEEN ESTABLISHED, PLEASE PROVIDE THIS OFFICE WITH WRITTEN NOTIFICATION. THIS OFFICE WILL MAIL THE REPORT DURING THE LAST MONTH OF SAID FISCAL YEAR TO THE LIMITED LIABILITY COMPANY AT THE ADDRESS OF ITS PRINCIPAL OFFICE OR TO A MAILING ADDRESS PROVIDED TO THIS OFFICE IN WRITING. FAILURE TO FILE THIS REPORT OR TO MAINTAIN A REGISTERED AGENT AND OFFICE WILL SUBJECT THE LIMITED LIABILITY COMPANY TO ADMINISTRATIVE DISSOLUTION.

WHEN CORRESPONDING WITH THIS OFFICE OR SUBMITTING DOCUMENTS FOR FILING, PLEASE REFER TO THE LIMITED LIABILITY COMPANY CONTROL NUMBER GIVEN ABOVE. PLEASE BE ADVISED THAT THIS DOCUMENT MUST ALSO BE FILED IN THE OFFICE OF THE REGISTERED CLERK IN THE COUNTY WHEREIN A LIMITED LIABILITY COMPANY HAS ITS PRINCIPAL OFFICE IF SUCH PRINCIPAL OFFICE IS IN TENNESSEE.

FOR: ARTICLES OF ORGANIZATION -  
 LIMITED LIABILITY COMPANY

ON DATE: 04/17/02

FROM:  
 SPRAGINS BARNETT ETC (PO BX 2004/JACKSON)  
 312 EAST LAFAYETTE  
 PO BOX 2004  
 JACKSON, TN 38302-0000

RECEIVED:	FEEs	\$300.00	\$0.00
TOTAL PAYMENT RECEIVED:		\$300.00	
RECEIPT NUMBER:	000030609		
ACCOUNT NUMBER:	00001723		



*Riley C. Darnell*

RILEY C. DARNELL  
 SECRETARY OF STATE

**ARTICLES OF ORGANIZATION  
OF  
BROADBAND INNOVATIONS, LLC**

The undersigned, acting as the Organizer under the provisions of the Tennessee Limited Liability Company Act, adopts the following Articles of Organization:

1. The name of the limited liability company is **BROADBAND INNOVATIONS, LLC**.
2. The street address, zip code and county of the initial registered office of the limited liability company and the name of its initial registered agent at that office is as follows:  

176 West University Parkway (Mailing Address): P.O. Box 10217  
Suite F Jackson, Tennessee 38305 Jackson, TN 38308  
Madison County, Tennessee / Registered Agent: Curtis Graves
3. The name and address of each organizer is as follows:  

Larry A. Butler  
312 East Lafayette Street  
Jackson, Tennessee 38301
4. At the date and time of filing these Articles of Organization of the, there are Three (3) members.
5. The LLC will be member-managed.
6. The street address and zip code of the principal executive office of the company is 176 West University Parkway, Suite F, Jackson, TN. 38305 and such office is located in Madison County, Tennessee.
7. The company has the power to expel a member.
8. The members of the company may have preemptive rights except as may be limited by the company's written Operating Agreement.
9. The term or duration of the company shall expire on June 1, 2055.


Dated this the 12th day of April, 2001.

**ORGANIZER:**

LARRY A. BUTLER

**EXHIBIT C**

**Certificate of Authority to Transact Business**



# Secretary of State

## Business Information Search

Secretary of State Office
TennesseeAnytime Registration Form
Instructions
Feedback Form

Name	I.D. Number
BROADBAND INNOVATIONS, LLC	0426140

<b>Business Type*:</b>	LIMITED LIABILITY COMPANY
<b>Profit/Nonprofit:</b>	FOR PROFIT
<b>Status*:</b>	ACTIVE
<b>Date of Formation/Qualification:</b>	04/30/2002
<b>Domestic/Foreign:</b>	DOMESTIC
<b>Place of Incorporation/Organization:</b>	MADISON
<b>Duration:</b>	06/01/2055
<b>FYC(Fiscal Year Closing) Month:</b>	DECEMBER

**Principal Office:**

<b>Address Line 1:</b>	176 W UNIVERSITY
<b>Address Line 2:</b>	PARKWAY SUITE-F
<b>City:</b>	JACKSON
<b>State:</b>	TN
<b>Zip:</b>	38305

**Other than USA:**

**Registered Agent:**


<b>Name:</b>	CURTIS GRAVES
<b>Address Line 1:</b>	176 W UNIVERSITY
<b>Address Line 2:</b>	PARKWAY SUITE-F
<b>City:</b>	JACKSON
<b>State:</b>	TN
<b>Zip:</b>	38305

**Business Filing History**

\* Important Note: Business filing History includes information about (1) the basis for an inactive status and (2) the current true name and filing status of a business with an assumed name or a changed status.

Note: This information is current as of three working days prior to today's date.

Do Another Search



# Secretary of State

## Business Information Search

Secretary of State OfficeTennesseeAnytime Registration FormInstructionsFeedback Form

Business Name	I.D. Number	Status
BROADBAND INNOVATIONS, LLC	0426140	ACTIVE

Document Reference	Date	Filing Type	Filing Action
4493-2142	04/30/2002	ARTICLES OF ORGANIZATION	

This information is current as of three working days prior to today's date (except for some annual reports filed during the first four months of the calendar year).

**EXHIBIT D**

**Members**

**Broadband Innovations, LLC**  
**Members**

Curtis C. Graves  
8 Okeena Drive  
Jackson, TN 38305

Ted E. Nelson  
115 Redfield Dr.  
Jackson, TN 38305

Chuck Clark  
TAB-C, LP  
550 Arron Long Road  
Jackson, TN 38305



**EXHIBIT E**

**Biographies**

Curtis C. Graves is a skilled entrepreneur and executive with over 40 years experience in telco operations as well as telecommunications technology, installation, and service. He was a founder and served as Chairman or President and a Director of DTI from its inception in 1993 until he sold to investors in 1999. He was President of Digital Transmission, Inc., the predecessor, from its establishment in 1983 until 1993. These two firms were engaged in the development, manufacture, and support of various telecommunications switching systems including ACD, E911, Tandem, and End Office Switches. A lifelong telecommunications entrepreneur, Mr. Graves has been the founder, strategist and senior executive for several services and equipment companies over 35 years. From 1981 to 1983, Mr. Graves was Executive Vice President and a Director of Profitel, Inc., a company engaged in the development and production of hotel call accounting systems. In 1981, Profitel, Inc. acquired technology of Lodging Data Systems, Inc., a company founded by Mr. Graves in 1979 and of which he was a principal shareholder, President, and Director. Between 1969 and 1972, Mr. Graves served as President and a Director of Teleci, Inc., a nationwide telephone interconnect company which he founded and which was acquired by Holiday Inns in 1972. Mr. Graves reacquired Teleci in 1975 and served as President and Director until its sale in 1979. Between 1972 and 1975, Mr. Graves was one of the founders and served as President and Director of Control Networks Corporation, a PBX manufacturing firm, which was acquired by Continental Telephone in 1975. Mr. Graves was President and owner of People's Telephone Company, which operated three local exchanges in west Tennessee, from 1961 to 1966 and was employed in various capacities by Southern Bell Telephone Company from 1951 to 1961.

## **Richard C. Graves**

Mr. Graves is a co-founder of DTI Networks and, as its CEO and CTO, he architected the company's transition from a niche vendor of telecom systems to a capable challenger in the Next Generation Network carrier infrastructure market. He defined DTI's vision, secured new funding, and succeeded in building a strategically well-positioned company with a world-class management team and an aggressive startup mentality. DTI was acquired by CopperCom in March of 2000. With over 20 years of telecommunications experience, Mr. Graves has a background that includes both technology development and carrier operational experience. From 1980 to 1983, he served as Product Manager for two startup vendors of telephone call accounting systems, Lodging Data Systems and Profitel. From 1983 to 1990, as one of DTI's founders, Mr. Graves served in a series of management roles in the product development, support, and marketing of DTI's ACD and E911 systems. In 1990, Mr. Graves co-founded ATN, a long distance carrier that began as a switchless reseller but deployed its own 14-switch national long distance network. He sold ATN to Midcom in 1994 and served as the Vice President General Manager of Midcom's Network Division. Mr. Graves has consulted several IXCs, CLECs, and VoIP carriers with their business plans, network designs, and strategies. He holds degrees in Economics and Business Administration from Vanderbilt University.

**EXHIBIT F**

**Financial Qualifications**

***BROADBAND INNOVATIONS, LLC***  
**PROJECTED FINANCIAL STATEMENTS**  
**YEARS ENDING DECEMBER 31, 20X1, 20X2 AND 20X3**

**BROADBAND INNOVATIONS, LLC**  
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## ACCOUNTANTS' COMPILATION REPORT—PROJECTION

To the Members  
Broadband Innovations, LLC  
Jackson, Tennessee

We have compiled the accompanying projected balance sheet, statements of income, changes in members' equity, and cash flows of Broadband Innovations, LLC as of December 31, 20X1, 20X2, 20X3, and for the years then ending, in accordance with attestation standards established by the American Institute of Certified Public Accountants. The accompanying projection was prepared for obtaining licensure through the Tennessee Regulatory Authority.

A compilation is limited to presenting in the form of a projection information that is the representation of management and does not include evaluation of the support for the assumptions underlying the projection. We have not examined the projection and, accordingly, do not express an opinion or any other form of assurance on the accompanying statements or assumptions. Furthermore, even if the telephone company is licensed, and begins operations, there will usually be differences between the projected and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

The accompanying projection and this report are intended solely for the information and use of the Tennessee Regulatory Authority and are not intended to be and should not be used by anyone other than these specified parties.

CRAIN & COMPANY  
Certified Public Accountants

Jackson, Tennessee  
July 3, 2002

**BROADBAND INNOVATIONS, LLC****PROJECTED BALANCE SHEET****DECEMBER 31, 20X1, 20X2 AND 20X3**

	<b>ASSETS</b>		
	<b><u>20X1</u></b>	<b><u>20X2</u></b>	<b><u>20X3</u></b>
Current assets			
Cash	\$ 263,517	\$ 171,672	\$ 907,779
Accounts receivable, net of allowance	<u>176,705</u>	<u>525,845</u>	<u>1,191,527</u>
Total current assets	<u>440,223</u>	<u>697,517</u>	<u>2,099,306</u>
Property, plant and equipment			
Equipment	2,110,300	2,168,500	2,232,700
Accumulated depreciation	<u>(419,716)</u>	<u>(1,113,729)</u>	<u>(1,542,282)</u>
Total property, plant and equipment	<u>1,690,584</u>	<u>1,054,771</u>	<u>690,418</u>
Total assets	<u>\$ 2,130,807</u>	<u>\$ 1,752,288</u>	<u>\$ 2,789,724</u>
<b>MEMBERS' EQUITY</b>			
Current liabilities			
N/P-equipment loan	\$ 526,959	\$ 571,988	\$ 623,445
Long-term liabilities			
N/P-equipment loan	<u>2,583,041</u>	<u>2,034,553</u>	<u>1,434,608</u>
Total liabilities	<u>3,110,000</u>	<u>2,606,541</u>	<u>2,058,053</u>
Members' equity (deficit)	<u>(979,193)</u>	<u>(854,254)</u>	<u>731,671</u>
Total members' equity (deficit)	<u>(979,193)</u>	<u>(854,254)</u>	<u>731,671</u>
Total liabilities and members' equity	<u>\$ 2,130,807</u>	<u>\$ 1,752,288</u>	<u>\$ 2,789,724</u>

See accompanying notes and accountants' compilation report.



**BROADBAND INNOVATIONS, LLC**  
**PROJECTED STATEMENT OF INCOME**  
**FOR YEARS ENDED DECEMBER 31, 20X1, 20X2 AND 20X3**

	<u>20X1</u>	<u>20X2</u>	<u>20X3</u>
Revenue			
Residential telephone	\$ 876,630	\$ 2,975,771	\$ 6,883,051
Business telephone	369,011	1,434,925	3,772,049
Reciprocal trunking	<u>37,350</u>	<u>141,300</u>	<u>336,450</u>
Total revenue	<u>1,282,991</u>	<u>4,551,996</u>	<u>10,991,550</u>
Operating expenses			
Equipment depreciation	419,716	694,013	428,551
Equipment maintenance	-	100,000	100,000
Residential telephone	491,007	1,575,932	3,582,590
Business telephone	232,970	751,169	1,837,571
Reciprocal trunking	6,000	22,350	53,100
SS7 Network charges	9,120	8,883	8,883
Collocation charges	23,305	15,324	15,324
Legal and accounting fees	8,000	8,000	8,000
Training	12,000	12,000	12,000
Marketing	51,320	182,080	439,662
Bad debt	25,660	91,040	219,831
Sales expense	6,000	6,000	6,000
Insurance (liability umbrella)	3,000	3,000	3,000
BellSouth billing expense	4,000	4,000	4,000
Salaries	489,625	754,380	1,157,652
Benefits	122,406	188,595	289,413
General and administrative	128,299	455,200	1,099,155
Interest expense	<u>229,756</u>	<u>186,633</u>	<u>140,894</u>
Total operating expenses	<u>2,262,184</u>	<u>5,058,598</u>	<u>9,405,626</u>
Net income (loss)	<u>\$ (979,193)</u>	<u>\$ (506,601)</u>	<u>\$ 1,585,924</u>

See accompanying notes and accountants' compilation report.

***BROADBAND INNOVATIONS, LLC***  
**PROJECTED STATEMENT OF CHANGES IN MEMBERS' EQUITY**  
**FOR YEARS ENDED DECEMBER 31, 20X1, 20X2 AND 20X3**

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	<u>20X1</u>	<u>20X2</u>	<u>20X3</u>
Members' equity (deficit) -- beginning of year	\$ -	\$ (979,193)	\$ (854,254)
Net income (loss)	(979,193)	(506,601)	1,585,924
Capital contributions	<u>-</u>	<u>631,541</u>	<u>-</u>
Members' equity (deficit) -- end of year	<u>\$ (979,193)</u>	<u>\$ (854,254)</u>	<u>\$ 731,671</u>

See accompanying notes and accountants' compilation report.

**BROADBAND INNOVATIONS, LLC**  
**PROJECTED STATEMENT OF CASH FLOW**  
**DECEMBER 31, 20X1, 20X2 AND 20X3**

	<b>20X1</b>	<b>20X2</b>	<b>20X3</b>
Cash flows from operating activities			
Net income (loss)	\$ (979,193)	\$ (506,601)	\$ 1,585,924
Adjustments to reconcile net income (loss) to net cash provided by operating activities			
Depreciation expense	419,716	694,013	428,553
Increase in accounts receivable	<u>(176,705)</u>	<u>(349,139)</u>	<u>(665,682)</u>
Net cash provided by (used for) operating activities	<u>(736,183)</u>	<u>(161,728)</u>	<u>1,348,795</u>
Cash flows from investing activities			
Purchase of equipment	<u>(2,110,300)</u>	<u>(58,200)</u>	<u>(64,200)</u>
Net cash used for investing activities	<u>(2,110,300)</u>	<u>(58,200)</u>	<u>(64,200)</u>
Cash flows from financing activities			
Proceeds from issuance of debt	3,110,000	23,500	23,500
Repayment of long-term indebtedness	-	(526,959)	(571,988)
Capital provided by members	<u>-</u>	<u>631,541</u>	<u>-</u>
Net cash provided by (used for) financing activities	<u>3,110,000</u>	<u>128,083</u>	<u>(548,488)</u>
Net increase (decrease) in cash	263,517	(91,845)	736,107
Cash, beginning of year	<u>-</u>	<u>263,517</u>	<u>171,672</u>
Cash, end of year	<u>\$ 263,517</u>	<u>\$ 171,672</u>	<u>\$ 907,779</u>
Supplemental disclosures:			
Interest expense paid in cash	\$ 229,756	\$ 186,633	\$ 140,894
Income taxes paid in cash	\$ -	\$ -	\$ -
	<u>263,517</u>	<u>171,672</u>	<u>907,779</u>
	0.00	(0.00)	(0.06)

See accompanying notes and accountants' compilation report.

**BROADBAND INNOVATIONS, LLC**  
**NOTES TO PROJECTED FINANCIAL STATEMENTS**  
**DECEMBER 31, 20X1, 20X2 AND 20X3**

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**NOTE A—SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES**

These financial projections present, to the best of managements' knowledge and belief, the Company's expected financial position, results of operations, and cash flows for the projection periods if such telephone and trunking levels are attained. Accordingly, these projections reflect its judgment as of July 3, 2002, the date of these projections, of the expected conditions and its expected course of action if such telephone and trunking are attained. These presentations are for the purpose of obtaining licensure through the Tennessee Regulatory Authority. Accordingly, these projections may not be useful for other purposes. The assumptions disclosed herein are those that management believes are significant to the projections. Furthermore, even if the telephone and trunking levels are attained, there will usually be differences between projected and actual results because events and circumstances frequently do not occur as expected, and those differences may be material.

**Nature of business**

Broadband Innovations, LLC provides customers with phone lines, calling features, long distance, and data connectivity to the Internet. The Company is headquartered in Jackson Tennessee with operations in counties throughout the West Tennessee area.

**Revenue**

Management has based revenue on a target of 2% of the population in counties within the West Tennessee area to provide telephone and broadband internet services.

**Depreciation**

This noncash expense represents the allocation of cost associated with the purchase of equipment using the straight-line method over its estimated useful life.

**Equipment Maintenance**

Equipment maintenance is based on an annual basis of 5% of the original purchase price of the equipment.

**Residential Telephone**

Residential telephone charges are based on a 2% concentration rate of residential households over a 3 year period (2000 census). The Company expectation is one telephone line per household.

**Business Telephone**

Business telephone charges are based on a 2% concentration rate of businesses in each county (2000 census). The Company expects four telephone lines per business.

**Reciprocal Trunking**

Reciprocal trunking fees are based on the current rate charged to terminate trunks to BellSouth. Revenues are based on the current rate the BellSouth will pay to terminate trunks to a CLEC (competitive local exchange carrier).

***BROADBAND INNOVATIONS, LLC***  
**NOTES TO PROJECTED FINANCIAL STATEMENTS**  
**DECEMBER 31, 20X1, 20X2 AND 20X3**

---

**NOTE A—SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES (Continued)**

**SS7 Network charges**

SS7 Network charges are for connecting to the PSTN (Public Service Telephone Network) including, A-Links, ISUPs, and Operator Services.

**Collocation charges**

Collocation charges are based on the current market rate to collocate equipment within the BellSouth network.

**Training**

Training is based on the current rates for telephony training / classes to keep employees up-to-date with changing technologies and practices.

**Marketing**

Marketing is projected to be 4% of revenue for the year.

**Bad Debt**

Bad debt is projected to be 2% of revenue for the year.

**Sales Expense**

Sales expense is based on a percentage of the salaries allocated to the sales force after the first year.

**Insurance (liability umbrella)**

Insurance is based on the current market rate for a \$ 2,000,000 umbrella.

**BellSouth billing expense**

BellSouth billing expense is based on the current BellSouth rates for producing bills based on CLEC Q-Accounts.

**Salaries**

The amount is estimated to provide reasonable compensation for services of various positions with an annual increase of 8%. Additional employees planned for specific positions are provided in the projection.

**Benefits**

Benefits are based on 25% of employees' salaries.

**BROADBAND INNOVATIONS, LLC**  
**NOTES TO PROJECTED FINANCIAL STATEMENTS**  
**DECEMBER 31, 20X1, 20X2 AND 20X3**

---

**NOTE A—SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES (Continued)**

**General and administrative**

General and administrative expenses are based on 10% of the gross total revenue.

**Interest expense**

Interest represents the cost of financing the equipment over an estimated period of 5 years with an annual interest rate of 8%.

**Income Taxes**

The financial statements do not include a provision for federal income taxes because, for the periods ended December 31, 20X1, 20X2 and 20X3, the Company will be treated as a partnership for federal income tax purposes, and thus will not incur any federal income tax liabilities. Instead, its net income will be passed through to its members, reflected on the members' income tax returns, and taxed to, and, those taxes paid by, each member at their respective tax rates.

All net operating losses incurred with the State of Tennessee under excise taxation will be carried forward for a period of approximately fifteen years.

**NOTE B—DEFINITION OF CASH EQUIVALENT**

The Company considers all short term investments with a maturity of three months or less, when acquired, to be cash equivalents.

**NOTE C—PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment consist of the following:

	<u>20X1</u>	<u>20X2</u>	<u>20X3</u>
Equipment	\$ 2,110,300	\$ 2,168,500	\$ 2,232,700
Less: accumulated depreciation	<u>(419,716)</u>	<u>(1,113,729)</u>	<u>(1,542,282)</u>
	<u>\$ 1,690,584</u>	<u>\$ 1,054,771</u>	<u>\$ 690,418</u>

**NOTE D—LONG-TERM DEBT**

Long-term debt as of December 31, 20X1, 20X2 and 20X3, consists of notes payable in monthly payments with interest at 8% as follows:

<u>Amount of Loan</u>	<u>20X1</u>	<u>20X2</u>	<u>20X3</u>	<u>20X4</u>	<u>20X5</u>	<u>Maturity date</u>
\$2,000,000	\$ 526,959	\$ 570,696	\$ 618,064	\$ 669,362	\$ 724,919	01-01-20X6
\$23,500	-	1,292	4,089	4,428	4,796	09-01-20X7
\$23,500	<u>-</u>	<u>-</u>	<u>1,292</u>	<u>4,089</u>	<u>4,428</u>	09-01-20X8
Total for year	<u>\$ 526,959</u>	<u>\$ 571,988</u>	<u>\$ 623,445</u>	<u>\$ 677,879</u>	<u>\$ 734,143</u>	

**BROADBAND INNOVATIONS, LLC**  
**NOTES TO PROJECTED FINANCIAL STATEMENTS**  
**DECEMBER 31, 20X1, 20X2 AND 20X3**

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**NOTE E—ALLOWANCE FOR DOUBTFUL ACCOUNTS**

The allowance for doubtful accounts for the years ended December 31, are as follows:

20X1	\$ 3,643
20X2	10,836
20X3	24,568

**EXHIBIT G**

**Capital Expenditures Budget**



**See Exhibit F preceding**

**EXHIBIT H**

**Corporate Surety Bond**

**or**

**Irrevocable Letter of Credit**

# TENNESSEE REGULATORY AUTHORITY

## TENNESSEE TELECOMMUNICATIONS SERVICE PROVIDER'S SURETY BOND

Bond #: RSB222664

**WHEREAS,** BROADBAND INNOVATIONS, LLC (the "Principal"), has applied to the Tennessee Regulatory Authority for authority to provide telecommunications services in the State of Tennessee; and

**WHEREAS,** under the provisions of Title 65, Chapter 4, Section 125(j) of the Tennessee Code Annotated, as amended, the Principal is required to file this bond in order to obtain such authority and to secure the payment of any monetary sanction imposed in any enforcement proceeding brought under Title 65 of the Tennessee Code Annotated or the Consumer Telemarketing Act of 1990 by or on behalf of the Tennessee Regulatory Authority (the "TRA"); and

**WHEREAS,** RLI INSURANCE COMPANY (the "Surety"), a corporation licensed to do business in the State of Tennessee and duly authorized by the Tennessee Commissioner of Insurance to engage in the surety business in this state pursuant to Title 56, Chapter 2 of the Tennessee Code Annotated, has agreed to issue this bond in order to permit the Principal to comply with the provisions of Title 65, Chapter 4, Section 125(j) of the Tennessee Code Annotated;

NOW THEREFORE, BE IT KNOWN, that we the Principal and the Surety are held and firmly bound to the STATE OF TENNESSEE, in accordance with the provisions of Tennessee Code Annotated, Title 65, Chapter 4, Section 125(j), in the full amount of twenty thousand dollars (\$20,000.00) lawful money of the United States of America to be used for the full and prompt payment of any monetary sanction imposed against the Principal, its representatives, successors or assigns, in any enforcement proceeding brought under Title 65 of Tennessee Code Annotated or the Consumer Telemarketing Act of 1990, by or on behalf of the TRA, for which obligation we bind ourselves, our representatives, successors and assigns, each jointly and severally, firmly and unequivocally by these presents.

This bond shall become effective on the 30TH day of MAY, 2002, and shall be continuous; provided, however, that each annual renewal period or portion thereof shall constitute a new bond term. Regardless of the number of years this bond may remain in force, the liability of the Surety shall not be cumulative, and the aggregate liability of the Surety for any and all claims, suits or actions under this bond shall not exceed Twenty Thousand Dollars (\$20,000.00). The Surety may cancel this bond by giving thirty (30) days written notice of such cancellation to the TRA and Principal by certified mail, it being understood that the Surety shall not be relieved of liability that may have accrued under this bond prior to the date of cancellation.

**PRINCIPAL**

BROADBAND INNOVATIONS, LLC

Name of Company authorized by the TRA

Company ID # as assigned by TRA

SIGNATURE OF PRINCIPAL

Name:  
Title:

**SURETY**

RLI INSURANCE COMPANY

Name of Surety

PEORIA, IL

Address of Surety

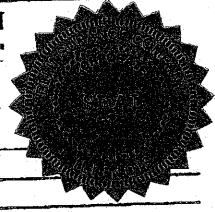
SIGNATURE OF SURETY AGENT

Judy Faye Gillon

Name: JUDY FAYE GILLON  
Title: ATTORNEY-IN-FACT

Address of Surety Agent:  
CCI, INC.

PO BOX 810  
HUMBOLDT, TN 38343



**THIS BOND IS ISSUED IN ACCORDANCE WITH THE PROVISIONS OF SECTION 125, CHAPTER 4, TITLE 65 OF THE TENNESSEE CODE ANNOTATED AS AMENDED BY CHAPTER NO. 586, 2000 PUBLIC ACTS. SHOULD THERE BE ANY CONFLICT WITH THE TERMS HEREOF AND THE STATUTE OR REGULATIONS PROMULGATED THEREUNDER, THE STATUTE OR REGULATIONS SHALL PREVAIL. (POWER OF ATTORNEY FROM AN APPROVED INSURANCE COMPANY MUST BE ATTACHED.)**

**ACKNOWLEDGMENT OF PRINCIPAL**

STATE OF TENNESSEE  
COUNTY OF Gibson

Before me, a Notary Public of the State and County aforesaid, personally appeared Charles T Clark Jr. with whom I am personally acquainted and who, upon oath, acknowledged himself to be the individual who executed the foregoing bond on behalf of Grand Bond Investors II and he acknowledged to me that he executed the same.

WITNESS my hand and seal this 30<sup>th</sup> day of Jan, 2002

My Commission Expires:

Jan 18, 2005

[Signature]  
Notary Public

**ACKNOWLEDGMENT OF SURETY**

STATE OF TENNESSEE  
COUNTY OF Gibson

Before me, a Notary Public of the State and County aforesaid, personally appeared Judy Gillon with whom I am personally acquainted and who, upon oath, acknowledged himself to be the individual who executed the foregoing bond on behalf of RTI Insurance Co. the within named Surety, a corporation licensed to do business in the State of Tennessee and duly authorized by the Tennessee Commissioner of Insurance to engage in the surety business in this state pursuant to Title 56, Chapter 2 of the Tennessee Code Annotated, and that he as such an individual being authorized to do so, executed the foregoing bond, by signing the name of the corporation by himself and as such individual.

WITNESS my hand and seal this 30<sup>th</sup> day of May, 2002

My Commission Expires:

5-13-03, ~~2000~~

[Signature]  
Notary Public

**APPROVAL AND INDORSEMENT**

This is to certify that I have examined the foregoing bond and found the same to be sufficient and in conformity to law, that the sureties on the same are good and worth the penalty thereof, and that the same has been filed with the Tennessee Regulatory Authority, State of Tennessee, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Name:  
Title:



P.O. Box 3967  
Peoria, IL 61612-3967  
Phone (309) 692-1000 (800) 645-2402  
Fax (309) 692-8637

731-784-4833

**VIA FACSIMILE TRANSMISSION**

CCI, Inc.

1201 Main St.

Humboldt, TN 38343

**RE: Special Authorization**

Dear Judy Faye Gillon:

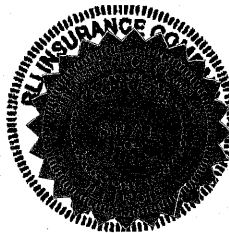
We hereby authorize you as Attorney-in-Fact of RLI Insurance Company to execute the following described bond under the irrevocable Power of Attorney:

A \$20,000.00 Telecommunications Service Provider's Surety Bond  
For: Broadband Innovations, LLC  
Obligee: State of Tennessee, Regulatory Authority

Provided, both this authorization and your Power of Attorney are attached to the bond so authorized to be executed. It is understood that this authorization shall be void unless used prior to the 30 day of June, 2002.

Nothing herein contained shall be held to alter, vary, waive or extend any of the terms, conditions, agreements or limitations of the said Power of Attorney to which this authorization refers, other than as herein stated.

Attached to and forming part of Power of Attorney Number RSB222664 signed this 30 day of May, 2002.



**RLI Insurance Company**

By: Jonathan E. Michael  
Jonathan E. Michael, President

Attest by:

Camille J. Hensey  
Camille J. Hensey, Corporate Secretary

Note: For confirmation of the authority granted by this special authorization, please contact RLI Insurance Company, Surety Division at (800) 645-2402.

RW

L0015797

**EXHIBIT I**

**Small and Minority-Owned  
Telecommunications Business  
Participation Plan**

**Broadband Innovations, LLC**

**SMALL AND MINORITY-OWNED TELECOMMUNICATIONS  
BUSINESS PARTICIPATION PLAN**

Pursuant to T.C.A. §65-5-212, as amended, Broadband Innovations, LLC (“Innovations”) submits this small and minority-owned Telecommunications business participation plan (the “Plan”) along with its Application for a Certificate of Public Convenience and Necessity to provide competing intrastate and local exchange services in Tennessee.

**I. PURPOSE**

The purpose of §65-5-212 is to provide opportunities for small and minority-owned businesses to provide goods and services to Telecommunications service providers. Innovations is committed to the goals of §65-5-212 and to taking steps to support the participation of small and minority-owned Telecommunications businesses in the Telecommunications industry. Innovations will endeavor to provide opportunities for small and minority-owned Telecommunications businesses to compete for contracts and subcontracts for goods and services. As part of its procurement process, Innovations will make efforts to identify and inform minority-owned and small businesses that are qualified and capable of providing goods and services to Innovations of such opportunities. Innovations’s representatives will contact the Department of Economic and Community Development, the administrator of the small and minority-owned Telecommunications assistance program, to obtain a list of qualified vendors. Moreover, Innovations will seek to increase awareness of such opportunities so that companies not otherwise identified will have sufficient information to participate in the procurement process.



## **II. DEFINITIONS**

As defined in §65-5-212.

*Minority-Owned Business.* Minority-owned business shall mean a business which is solely owned, or at least fifty-one percent (51%) of the assets or outstanding stock of which is owned, by an individual who personally manages and controls daily operations of such business, and who is impeded from normal entry into the economic mainstream because of race, religion, sex or national origin and such business has annual gross receipts of less than four million dollars (\$4,000,000).

*Small Business.* Small Business shall mean a business with annual gross receipts of less than four million dollars (\$4,000,000).

## **III. ADMINISTRATION**

Innovations's Plan will be overseen and administered by the individual named below, hereinafter referred to as the Administrator, who will be responsible for carrying out and promoting Innovations's full efforts to provide equal opportunities for small and minority-owned businesses.

The Administrator of the Plan will be:

Curtis C. Graves, Member  
Broadband Innovations, LLC  
176 University Drive, Suite F  
Jackson, TN 38305  
Telephone: (731) 664-1441

The Administrator's responsibilities will include:

- (1) Maintaining an updated Plan in full compliance with §65-5-212 and the rules and orders of the Tennessee Regulatory Authority.
- (2) Establishing and developing policies and procedures necessary for the successful implementation of the Plan.
- (3) Preparing and submitting such forms as may be required by the Tennessee Regulatory Authority, including the filing of required annual updates.
- (4) Serving as the primary liaison to and cooperate with the Tennessee Regulatory Authority, other agencies of the State of Tennessee, and small and minority-owned businesses to locate and use qualified small and minority-owned businesses as defined in §65-5-212.
- (5) Searching for and developing opportunities to use small and minority-owned businesses and encouraging such businesses to participate in and bid on contracts and subcontracts.
- (6) Providing records and reports and cooperate in any authorized surveys as required by the Tennessee Regulatory Authority.
- (7) Establishing a record-keeping system to track qualified small and minority-owned businesses and efforts to use such businesses.
- (8) Providing information and educational activities to persons within Innovations and training such persons to seek out, encourage, and promote the use of small and minority-owned businesses.

In performance of these duties, the Administrator will utilize a number of resources, including:

Chambers of Commerce  
The Tennessee Department of Economic and Community Development  
The United States Department of Commerce  
Small Business Administration  
Office of Minority Business  
The National Minority Supplier Development Counsel  
The National Association of Women Business Owners  
The National Association of Minority Contractors  
Historically Black Colleges, Universities, and Minority Institutions

The efforts to promote and ensure equal opportunities for small and minority-owned businesses are primarily spelled out in the Administrator's duties above. Additional efforts to provide opportunities to small and minority-owned businesses will include offering, where appropriate and feasible, small and minority-owned businesses assistance with technical, insurance, bonding, licensing, production, and deadline requirements.

#### IV. RECORDS AND COMPLIANCE REPORTS

Innovations will maintain records of qualified small and minority-owned business and efforts to use the goods and services of such businesses. In addition, Innovations will maintain records of educational and training activities conducted or attended and of the internal procurement procedures adopted to support this plan.

Innovations will submit records and reports required by the Tennessee Regulatory Authority concerning the Plan. Moreover, Innovations will cooperate fully with any surveys and studies required by the Tennessee Regulatory Authority.

Broadband Innovations, LLC

By: 

Patrick D. Crocker  
Attorney

Dated: July 24, 2002.

**EXHIBIT J**

**Toll Dialing Parity Plan**

## BROADBAND INNOVATIONS, LLC

### PROPOSED PLAN FOR PROVIDING TOLL DIALING PARITY

#### Introduction

Section 251(b)(3) of the Telecommunications Act of 1996 (the "Act"), 47 USC §251(b)(3), requires each local exchange carrier ("LEC") to provide dialing parity to competing providers of telephone exchange service and telephone toll services. In order to ensure that each LEC is providing toll dialing parity, the Federal Communications Commission's ("FCC") regulations implementing the ACT, 48 CFR §52.213, require each LEC to file a plan for providing toll dialing parity with the state commission or the FCC. Broadband Innovations, LLC ("Innovations") hereby files, for review by the Tennessee Regulatory Authority ("TRA"), its Proposed Plan for Providing Toll Dialing Parity.

#### TOLL DIALING PARITY PLAN

##### Technical Implementation

Innovations will be offering dialing parity for all toll calls. Each customer requesting Innovations local exchange service will be given the opportunity to affirmatively select a presubscribed carrier for intraLATA toll and interexchange toll calls. Innovations intends to utilize the underlying carrier's 2-PIC capabilities. This allows a customer to presubscribe to a preferred carrier for intraLATA toll calls and the same or different carrier for interLATA toll calls. Innovations will be implementing this plan upon receiving authority from the TRA to provide service. Innovations will initially be establishing service in the 468 LATA. Innovations will provide toll dialing parity in all the Tennessee LATA's served, including 468, 470, 472, and 474.

##### Business Office Practices

Innovations will ensure that all customers are aware they have a choice of intraLATA, as well as interLATA toll carriers. In response to each request for Innovations service, a Innovations sales representative will inform the customer that Innovations will presubscribe the customer's toll service to both the intraLATA and the interLATA toll carrier(s) of the customer's choice. In this way, the customer knows that a choice can be made among intraLATA and interLATA toll carriers. All carriers will be treated on

a non-discriminatory basis and each customer will be given the opportunity to affirmatively select an intraLATA and interLATA toll carrier. Innovations will maintain a list of available toll carriers and keep it updated. Innovations will process a customer's PIC change to a toll carrier other than Innovations in the same fashion and in the same time frames as a request to presubscribe to itself. Once a Innovations customer has chosen an intraLATA and interLATA toll carrier, the customer will be able to verify that selection at any time by dialing a toll free number. Customers will have access on a nondiscriminatory basis to telephone numbers, operator services, directory assistance, and directory listings. Innovations does not have a PIC change charge waiver period at this time.

In responding to a communication from another intraLATA and interLATA telecommunications carrier, Innovations's customer care representative will use an industry-standard Customer Account Record ("CARE") format to accept the required change. Such changes will be implemented only through a CARE request to ensure that changes are not made without appropriate authorization. Other carriers may submit a CARE request of Innovations either manually or electronically.

#### Anti-Slamming

Innovations will comply with the FCC's anti-slamming provisions, 47 CFR § 64-110-150. Innovations will make available a PIC-freeze option to requesting customers to protect the customer from unauthorized changes to its selected intraLATA and interLATA toll carrier.

## Dialing Plan

The following matrix outlines the proposed routing of calls.

0	Innovations local Operator Service
00	Dial to presubscribed Toll Provider Operator Service
1+10 digits	Dial to presubscribed intraLATA Toll Provider or interLATA Toll Provider Operator Service (depending on 10 digit number dialed).
10xxx or 101xxx+0	Dial around presubscribed intraLATA or interLATA Toll Provider to alternate Toll Provider Operator Service identified by code used by xxx or xxix portion of dialing request).
10xxx or 101xxxx+0+10 digits	Dial around presubscribed intraLATA or interLATA Toll Provider to alternate Toll Provider Operator Service (identified by code used in xxx or xxix portion of dialing request).
10xxx or 101xxxx+1+10 digits	Dial around presubscribed intraLATA or interLATA Toll Provider to direct dial through alternate Toll Provider (identified by code used in xxx or xxix portion of dialing request).

## Applicability

This plan for providing dialing parity is intended to apply to all dial-tone lines provisioned by Innovations. Innovations will comply with all rules of the FCC and the TRA.

## Conclusion

Innovations respectfully request that the TRA approve its proposed plan for providing toll dialing parity.

**EXHIBIT K**

**Notice of Application**



BEFORE THE TENNESSEE REGULATORY AUTHORITY

IN THE MATTER OF THE APPLICATION OF )  
BROADBAND INNOVATIONS, LLC )  
FOR A CERTIFICATE )  
TO PROVIDE COMPETING LOCAL )  
TELECOMMUNICATIONS SERVICES )

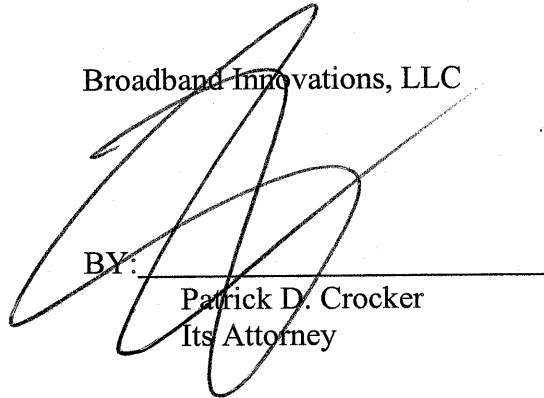
NOTICE OF FILING

TO: ALL INTERESTED PARTIES SET FORTH IN EXHIBIT K OF THIS APPLICATION.

PLEASE TAKE NOTICE, that in accordance with the Tennessee Regulatory Authority Rules for the Provision of Competitive Intrastate Telecommunications Services, you are hereby given notice that on July 25, 2002, Broadband Innovations, LLC filed an Application for a Certificate of Public Convenience and Necessity to Provide Local Exchange Telecommunications Services.

This 24<sup>th</sup> day of July, 2002.

Broadband Innovations, LLC

BY: 

Patrick D. Crocker  
Its Attorney

**LISTING**  
**INCUMBENT LOCAL EXCHANGE SERVICE PROVIDERS**  
**CERTIFICATED IN TENNESSEE**  
**(FACILITIES-BASED)**

---

- 1) **ARDMORE TELEPHONE COMPANY, INC.**  
P.O. Box 549  
517 Ardmore Avenue  
Ardmore, TN 38449  
(205) 423-2131  
(205) 423-2208 (Fax)
  
- 2) **BELLSOUTH**  
333 Commerce Street  
Nashville, TN 37201-3300  
(615) 214-3800  
(615) 214-8820 (Fax)
  
- 3) **CENTURY TELEPHONE OF ADAMSVILLE**  
P.O. Box 405  
116 N. Oak Street  
Adamsville, TN 38310  
(901) 632-3311  
(901) 632-0232 (Fax)
  
- 4) **CENTURY TELEPHONE OF CLAIBORNE**  
P.O. Box 100  
507 Main Street  
New Tazewell, TN 37825  
(423) 626-4242  
(423) 626-5224 (Fax)
  
- 5) **CENTURY TELEPHONE OF OOLTEWAH-COLLEGEDALE, INC.**  
P.O. Box 782  
5616 Main Street  
Ooltewah, TN 37363  
(423) 238-4102  
(423) 238-5699 (Fax)
  
- 6) **CITIZENS COMMUNICATIONS COMPANY OF TENNESSEE**  
P.O. Box 770  
300 Bland Street  
Bluefield, WV 24701

**LISTING**  
**INCUMBENT LOCAL EXCHANGE SERVICE PROVIDERS**  
**CERTIFICATED IN TENNESSEE**  
**(FACILITIES-BASED)**

---

- 7) **CITIZENS COMMUNICATIONS COMPANY OF THE VOLUNTEER STATE**  
P.O. Box 770  
300 Bland Street  
Bluefield, WV 24701
- 8) **LORETTO TELEPHONE COMPANY, INC.**  
P.O. Box 130  
Loretto, TN 38469  
(931) 853-4351  
(931) 853-4329 (Fax)
- 9) **MILLINGTON TELEPHONE COMPANY, INC.**  
**P.O. Box 429**  
4880 Navy Road  
Millington, TN 38083-0429  
(901) 872-3311  
(901) 873-0022 (Fax)
- 10) **SPRINT-UNITED**  
112 Sixth Street  
Bristol, TN 37620  
(423) 968-8161  
(423) 968-3148 (Fax)
- 11) **TDS TELECOM-CONCORD TELEPHONE EXCHANGE, INC.**  
P.O. Box 22610  
701 Concord Road  
Knoxville, TN 37933-0610  
(423) 966-5828  
(423) 966-9000 (Fax)
- 12) **TDS TELECOM-HUMPHREYS COUNTY TELEPHONE COMPANY**  
P.O. Box 552  
203 Long Street  
New Johnsonville, TN 37134-0552  
(931) 535-2200  
(931) 535-3309 (Fax)
- 13) **TDS TELECOM-TELLICO TELEPHONE COMPANY, INC.**  
P.O. Box 9

**LISTING**  
**INCUMBENT LOCAL EXCHANGE SERVICE PROVIDERS**  
**CERTIFICATED IN TENNESSEE**  
**(FACILITIES-BASED)**

---

102 Spence Street  
Tellico Plains, TN 37385-0009  
(423) 671-4600  
(423) 253-7080 (Fax)

- 14) **TDS TELECOM-TENNESSEE TELEPHONE COMPANY**  
P.O. Box 18139  
Knoxville, TN 37928-2139  
(423) 922-3535  
(423) 922-9515 (Fax)
- 15) **TEC-CROCKETT TELEPHONE COMPANY, INC.**  
P.O. Box 7  
Friendship, TN 38034  
(901) 677-8181
- 16) **TEC-PEOPLE'S TELEPHONE COMPANY, INC.**  
P.O. Box 310  
Erin, TN 37061  
(931) 289-4221  
(931) 289-4220 (Fax)
- 17) **TEC-WEST TENNESSEE TELEPHONE COMPANY, INC.**  
P.O. Box 10  
244 E. Main Street  
Bradford, TN 38316  
(901) 742-2211  
(901) 742-2212 (Fax)
- 18) **UNITED TELEPHONE COMPANY**  
P.O. Box 38  
120 Taylor Street  
Chapel Hill, TN 37034  
(931) 364-2289  
(931) 364-7202 (Fax)

**EXHIBIT L**

**Numbering Issues**

## 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?  
**1**
2. How many NXXs do you estimate that you will request from NANPA when you establish your service footprint?  
**1**
3. When and in what NPA do you expect to establish your service footprint?  
**731**
4. Will the company sequentially assign telephone numbers within NXXs?  
**Yes**
5. What measures does the company intend to take to conserve Tennessee numbering resources?  
**The Company will assign numbers consistent with demand.**
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?  
**75 - 80%**

**EXHIBIT M**

**Tennessee Specific Operational Issues**

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

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 countywide calls within Tennessee.

**Billing features will prevent the billing of countywide calls.**

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?

**Yes.**

3. Is your company aware of the local calling areas provided by the Incumbent Local Exchange Carriers in your proposed services areas?

**Yes.**

4. Explain the procedures that will be implemented to assure that your customers will not be billed long distance charges for calls within the metro calling areas.

**Billing features will preclude such billing.**

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.

**Curtis Graves            (731) 664-1441**

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

**Yes, the Company intends to telemarket its services.**

**Yes, the Company is aware of the telemarketing statutes and regulations.**



**EXHIBIT N**

**Pre-filed Testimony**

**BEFORE THE  
TENNESSEE REGULATORY AUTHORITY  
NASHVILLE, TENNESSEE**

**APPLICATION OF  
BROADBAND INNOVATIONS, LLC  
FOR A CERTIFICATE TO PROVIDE  
COMPETING LOCAL TELEPHONE  
SERVICES**

**PRE-FILED TESTIMONY OF CURTIS C. GRAVES**

I, Curtis C. Graves, do hereby testify as follows in support of the application of Broadband Innovations, LLC ("Innovations") for a Certificate of convenience and necessity as a competing telecommunications services provider to provide telecommunication services throughout the State of Tennessee.

Q: Please state your full name, business address, and position.

A: My name is Curtis C. Graves. My business address is Broadband Innovations, LLC, P.O. Box 3608, Jackson, TN 38308. I am a Member in Broadband Innovations, LLC.

Q: Please briefly describe your duties.

A: I am the President and Member of the company and oversee all operational issues.

Q: Please describe your business experience and educational background.

G. I have over 40 years of experience in telephone company operations as well as telecommunications technology, installation, and service. I was a founder and served as Chairman or President and a Director of DTI from its inception in 1993 until the company was sold to investors in 1999. I was President of Digital Transmission, Inc., the predecessor, from its establishment in 1983 until 1993. These two firms were engaged in the development, manufacture, and support of various telecommunications switching systems including ACD, E911, Tandem, and End Office Switches. I have been a lifelong telecommunications entrepreneur, and have been the founder, strategist and senior executive

for several services and equipment companies over 35 years. From 1981 to 1983, I was Executive Vice President and a Director of Profitel, Inc., a company engaged in the development and production of hotel call accounting systems. In 1981, Profitel, Inc. acquired technology of Lodging Data Systems, Inc., a company I founded in 1979 and of which I was a principal shareholder, President, and Director. Between 1969 and 1972, I served as President and a Director of Teleci, Inc., a nationwide telephone interconnect company which he founded and which was acquired by Holiday Inns in 1972. I reacquired Teleci in 1975 and served as President and Director until its sale in 1979. Between 1972 and 1975, I was one of the founders and served as President and Director of Control Networks Corporation, a PBX manufacturing firm, which was acquired by Continental Telephone in 1975. I was President and owner of People's Telephone Company, which operated three local exchanges in west Tennessee, from 1961 to 1966 and was employed in various capacities by Southern Bell Telephone Company from 1951 to 1961.

Q: Are all statements in Broadband Innovations, LLC's Application true and correct to the best of your knowledge, information and belief?

A. Yes, to the best of my knowledge, information and belief all statements in Broadband Innovations, LLC's Application are true and correct.

Q: Please describe the current corporate structure of Broadband Innovations, LLC.

D. Innovations, is a limited liability company formed under the laws of the State of Tennessee.

Q: Does Broadband Innovations, LLC possess the requisite managerial, financial, and technical abilities to provide the services for which it has applied for authority?

A: Yes, Innovations possesses the requisite managerial, financial, and technical abilities to provide the services for which it has applied for authority.

Q: Please describe Broadband Innovations, LLC's financial qualifications.

5. As evidence of Innovations' financial qualifications and resources to offer telecommunications services in Tennessee we submit financial information in Exhibit F.

Q: Please describe Broadband Innovations, LLC' managerial and technical qualifications.

1. The senior management of Innovations have great depth in the telecommunications industry and offer extensive technical and managerial expertise to Innovations pertaining to the telecommunications business. In evidence of managerial and technical qualifications we submit Exhibit E which includes the biographies of Innovations' key officers and personnel.

Q: What services will Broadband Innovations, LLC offer?

A: Innovations' initial line of local services will be comparable to that currently offered by the incumbent LECs. Initially, Innovations plans to offer basic access line service, Optional Calling Features, Directory Assistance, Directory Services, and Operator Services, as well as all services required under Chapter 1220-4-8-.04(3)(6) and (2).

Q: Will Broadband Innovations, LLC offer service to all consumers within its service area?

A: Yes, Innovations will offer service to all consumers within its service area. Innovations intends to market to both residential and business customers.

Q: Will the granting of a certificate of convenience and necessity to Broadband Innovations, LLC serve the public interest?

A: Yes, the public will benefit both directly, through the use of the competitive services to be offered by Innovations and indirectly, because Innovations' presence in Tennessee will increase the incentive for other telecommunications providers to operate more efficiently, offer more innovative services, reduce their prices, and improve their quality of service. Granting of a certificate of convenience and necessity to Innovations will further enhance the service options available to Tennessee citizens.

Q: Does Broadband Innovations, LLC intend to comply with all TRA rules, statutes, and orders pertaining to the provision of telecommunications services in Tennessee, including those for disconnection and reconnection of service?

A: Yes, Innovations intends to comply with all TRA rules, statutes, and orders pertaining to the provision of telecommunications services in Tennessee, including those for disconnection and reconnection of service.

Q: Has any state ever denied Broadband Innovations, LLC or one of its affiliates authorization to provide intrastate service?

A: No, Innovations has not ever been denied authority to provide intrastate service by any State or jurisdiction.

Q: Has any state ever revoked the certification of Broadband Innovations, LLC or one of its affiliates?

A: No, Innovations' certification has not ever been revoked in any state or jurisdiction.

Q: Has Broadband Innovations, LLC or one of its affiliates ever been investigated or sanctioned by any regulatory authority for service or billing irregularities?

A: Innovations has not ever been investigated or sanctioned by any regulatory authority for service or billing irregularities.

Q: Who is knowledgeable about Broadband Innovations, LLC's operations and will serve as Broadband Innovations, LLC's regulatory and customer service contact?

A: Curtis Graves (731) 664-1441

Q: Please explain in detail Broadband Innovations, LLC's proposed procedures for responding to information requests from the TRA and its staff.

A: Innovations' attorney or company staff will respond to information requests from the TRA and its staff.

Q: Does this conclude your testimony?

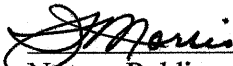
A. Yes it does.

I swear that the foregoing testimony is true and correct to the best of my knowledge.



\_\_\_\_\_  
Curtis C. Graves  
Partner/President  
Broadband Innovations, LLC

Subscribed and sworn to me this 17<sup>th</sup> day of July, 2002.



\_\_\_\_\_  
Notary Public  
State of Tennessee  
County of Madison  
My commission expires 3/18/03