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TENNESSEE REGULATORY AUTHORITY

460 James Robertson Parkway
Nashville, Tennessee 37243-0505

January 19, 2006

Ms. Catherine Wang, Counsel
Ms. Danielle C. Burt, Counsel
Swidler Berlin LLP
3000 K Street, N.W., Suite 300
Washington, D.C. 20007

Mr. Marshall Howard, Esq.
Cleartel Communications, Inc.
2855 S. Congress
Delray Beach, FL 33445

RE: Docket 06-00013: Joint Petition of Cleartel Communications, Inc., NOW Communications, Inc. and IDS Telecom, Corp. for Approval of a Financing Transaction

Dear Meses. Wang and Burt, and Mr. Howard:

In order to fully analyze the above-referenced petition, the Tennessee Regulatory Authority (TRA) requires additional information. Please provide the information requested below by January 30, 2006, and refer to this correspondence as Data Request No. 1 in the response.

1. Have the Petitioners filed similar petitions in other states and what is the status of any such petition?
2. Have the Petitioners applied for approval for financing from any Federal agency? Have they notified any Federal Agency? If so, what is the status of any such petition, application or notification?
3. How many customers does each particular Petitioner currently have in Tennessee?
4. Confirm that Petitioners will continue to operate and/or provide service under its current name and CCN issued by the Authority, and its business licenses as filed with the Tennessee Secretary of State's Office.

Telephone (615) 741-2904, Toll-Free 1-800-342-8359, Facsimile (615) 741-5015
www.state.tn.us/tra

5. Verify and provide copies of all current business licenses of each particular Petitioner filed with the Tennessee Secretary of State's Office.
6. Per the Request for Approval of Financing Transaction in Section IV of the Joint Petition filed with the Authority on January 17, 2006, Petitioners seek both the approval to incur debt obligations of up to \$10 million, and approval of a grant of a security interest in Petitioners' assets as collateral for such debt. Provide documentation of specific Tennessee assets that would be used and/or pledged as security for the proposed financing transaction(s).
7. Per the Request for Approval of Financing Transaction in Section IV of the Joint Petition filed with the Authority on January 17, 2006, the Petitioners have entered into a Revolving Credit and Security Agreement ("Agreement") with PNC Bank for a revolving loan in an amount of up to \$10 million, with a maturity date of December 30, 2008. Provide documentation showing the applicable interest rate(s) that will be used for the proposed financing.
8. Provide the most recently independently audited balance sheet and operating statement of revenues for Cleartel Communications, Inc.

If you have any questions, or need further assistance, please call Carlos Black at 615-741-2904, ext. 196 or email him at carlos.black@state.tn.us. Please respond by sending the original and 13 copies to:

Ms. Sharla Dillon, Docket Room Manager
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

Sincerely,



Colleen Edwards, Interim Chief
Competitive Markets & Policy Division

c: Mr. Ron Jones, Chairman
Ms. Sharla Dillon, Docket Room Manager