

# TENNESSEE REGULATORY AUTHORITY

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460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

April 21, 2006

H. LaDon Baltimore  
Farrar & Bates, LLP  
211 Seventh Avenue North, Suite 420  
Nashville, Tennessee 37219

RE: Application of LMDS Holdings, Inc. for Authority to Provide Competitive Local Exchange and Interexchange Telecommunications Services in Tennessee. TRA Docket No. 06-00066.

Dear Mr. Baltimore:

The Tennessee Regulatory Authority is in receipt of the above application of LMDS Holdings, Inc. In order to complete a review of this application, please provide the following information:

1. In a related docket filed with the Tennessee Regulatory Authority, (See TRA Docket No. 05-00334, Informational Filing Regarding a Pro Forma Internal Restructuring Involving XO Communications Services, Inc.) a filing was made on April 14, 2006, titled "Notice of Non-Consummation of Transaction", indicating the restructuring merger has been consummated, but the sale of XO Communications, LLC to Mr. Carl C. Icahn (owner of Elk Associates, LLC) would not be consummated. How will this affect the corporate structure of LMDS Holdings, Inc.?
2. Pursuant to Tenn. Code Ann. § 65-4-125, please provide a corporate surety bond or letter of credit in the amount of \$20,000 on behalf of LMDS Holdings, Inc., to the Tennessee Regulatory Authority.
3. Please explain the "additional infusion of capital" that is referenced in paragraph 16 of the application. Please explain who or what entity will provide this capital. Please provide evidence of the intention of the individual or entity to provide this funding.
4. Provide a statement that LMDS Holdings, Inc. will abide by all Tennessee Regulatory Authority rules and regulations, including those applicable to voice grade or dialtone services.

Please provide the above information by May 1, 2006. In accordance with TRA Rules, please submit either (1) thirteen written copies of your response or (2) four written copies and an electronic version and reference docket number 06-00066 on the correspondence. If you have questions concerning this request or need additional information, please contact Lisa Foust at 615-741-2904 extension 220.

Sincerely,



Darlene Standley  
Utilities Division Chief

cc: Brad E. Mustchelknaus  
Katherine E. Barker Marshall  
Kelley, Drye and Warren, LLP  
1200 19<sup>th</sup> Street, N.W., Suite 500  
Washington, D.C. 20036

David LaFrance  
Regulatory and External Affairs  
LMDS Holding, Inc.  
11111 Sunset Hill Road  
Reston, Virginia 20190-2000