

LAW OFFICES
FARRAR & BATES, L.L.P.

J. Russell Farrar
William N. Bates
Kristin Ellis Berexa
Teresa Reall Ricks
Molly R. Cripps
Mary Byrd Ferrara*
Robyn Beale Williams
Jennifer Orr Locklin
Keith F. Blue
Heather C. Stewart
Pamela G. Vawter
Derrick A. Free

211 Seventh Avenue North
Suite 420
Nashville, Tennessee 37219

Telephone 615-254-3060
Facsimile 615-254-9835
E-Mail: fblaw@farrar-bates.com

Of Counsel

H. LaDon Baltimore

*Also licensed in KY

May 1, 2006

Honorable Ron Jones, Chairman
Tennessee Regulatory Authority
ATTN: Sharla Dillon, Dockets
460 James Robertson Parkway
Nashville, TN 37243-5015

**Filed electronically in docket office
on May 1, 2006**

Via Hand Delivery

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

Dear Chairman Jones:

Enclosed please find the original and 4 copies of the responses of LMDS Holdings, Inc.
to the Staff's First Data Requests,

LMDS is in the process of obtaining a corporate surety bond and will file such bond as
soon as it is obtained. (See also Response Number 2).

An original of the copy of the Affidavit attached to Response Number 4 will be late-filed.

Thank you for your assistance. If you have questions, please do not hesitate to contact
me.

Sincerely,



H. LaDon Baltimore
Counsel for LMDS Holdings, Inc.

LDB/dcg
Enclosures

- 1) **In a related docket with the Tennessee Regulatory Authority (see TRA Docket No. 05-00334, Informational Filing Regarding a Pro Forma Internal Restructuring of XO Communications Services, Inc.) a filing was made April 14, 2006 titled "Notice of Non-Consummation of Transaction", indicating the restructuring merger has occurred but the sale of XO Communications, LLC to Mr. Carl C. Icahn (owner of Elk Associates LLC) will not be consummated. How will this affect the corporate structure of LMDS Holdings, Inc.?**

Answer: LMDS Holdings, Inc. is a wholly-owned subsidiary of XO Holdings, LLC, the successor company to XO Communications, Inc. Both LMDS Holdings, Inc. and XO Holdings, LLC are wholly owned subsidiaries of parent XO Holdings, Inc., a public company subject to the Securities Exchange Act of 1934. Filings made by XO Holdings, Inc. with the U.S. Securities and Exchange Commission can be accessed from the web link below.

<http://www.sec.gov/cgi-bin/browse-edgar?action=getcompany&CIK=0001111634&owner=include>

Application of LMDS Holdings, Inc.
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5/1/2006

- 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.**

Answer: LMDS Holdings, Inc. will provide the TRA a corporate surety bond in the amount of \$20,000 in conjunction with its application.

- 3) **Please explain the “additional infusion of capital” that is referenced on Paragraph 16 of the application. Please explain who or what entity will provide this capital. Please provide the evidence of the intention of the individual or entity to provide this funding.**

Answer: XO Holdings, Inc. (“XOH”), parent company of Applicant, completed a *pro forma* restructuring merger on February 28, 2006. As a result of the restructuring, XO Communications, Inc., the former parent company of the Applicant, was merged into XO Communications, LLC (“XO LLC”) and removed from the ownership structure of XOH. The restructuring was intended to facilitate the sale of XO LLC to Elk Associates, LLC (“ELK”) pursuant to an Equity Purchase Agreement (“EPA”) entered into by XO Communications, Inc. and XOH on November 4, 2005, which provided for the sale of XO’s wireline telecommunications business to Elk for \$700 million. It was anticipated, as a result of this sale, that XOH and, by extension Holdings, would have realized an additional infusion of capital in the amount of \$300 million. However, the sale to Elk was terminated by mutual consent of XOH and Elk on March 30, 2006.

Had the EPA been consummated, XOH would have continued as a public company with Applicant as a sole wholly-owned operating subsidiary, while XO LLC’s telecommunications businesses, including XO Communications Services, Inc. (“XOCS”), would have become privately held by Elk. As a consequence of termination of the EPA, Applicant will be funded by its parent XOH and operate as subsidiary business unit of XOH.

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- 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.**

Answer: Please see *Attachment 1*.

Application of LMDS Holdings, Inc.
Docket No. 06-00066
Attachment to Responses
5/1/2006

ATTACHMENT

AFFIDAVIT

City of Washington :
:
:
District of Columbia :

ss.

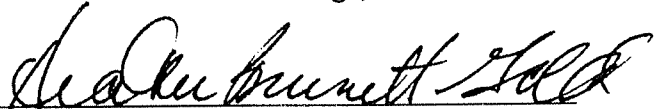
Heather Burnett Gold, Affiant, being duly [sworn/affirmed] according to law, deposes and says that:

She is the Senior Vice President, Government Relations;

That she is authorized to and does make this affidavit for LMDS Holdings, Inc.;

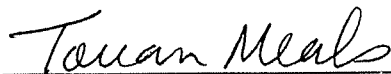
That LMDS Holdings, Inc. will abide by all the Tennessee Regulatory Authority rules and regulations. Additionally, LMDS Holdings, Inc. will comply with the Tennessee Regulatory Authority rules and regulations applicable to voice grade or dialtone services, when LMDS Holdings, Inc. offers voice grade or dialtone services.

That the facts above set forth are true and correct to the best of her knowledge, information, and belief.



Heather Burnett Gold
Senior Vice President, Government
Relations
LMDS Holdings, Inc.

Sworn and subscribed before me this 1st day of May, 2006.



Signature of official administering oath

My commission expires June 30, 2009