



June 15, 2006

Ms. Darlene Standley
Utilities Division Chief
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243

Re: *Application for Certificate to Provide Facilities Based and Resold Competing Local Telecommunications in Tennessee. Docket No. 06-001-51*

Dear Ms. Standley:

Telescan received the June 6, 2006, request for further information required for our previously filed CLEC application. In an effort to fully cooperate with your request, Telescan submits the following information in response to your questions.

- **Request #1:** "An informational tariff setting forth the services to be offered by Telescan along with rates, terms and conditions of those services."
 - **Response #1:** After reviewing the Tennessee Regulatory Authority (TRA) Dockets for the past few years, Telescan notes that several prior applicants have deferred submission of the aforementioned tariff until the application has been approved. In light of this, Telescan requests a deferral of this requirement until authority is granted by the TRA to provide service. Telescan will be similar to other CLECs such as US LEC. This tariff will be submitted in a timely fashion prior to the initiation of CLEC services being offered by Telescan.
- **Request #2:** "Contact information for the registered agent for service of process for Telescan."
 - **Response #2:** The registered agent for service of process for Telescan is:

Stan Mosley
204 ½ W. Oakland Avenue
Johnson City, TN 37604
423.282.5043

- **Request #3:** “Sources of funding for Capital Expenditures. ... In which ILECs central offices will Telescan collocate its equipment? Does Telescan anticipate the purchase and installation of 340 routers over the next 3 years? In what geographical areas will these routers be used? For what types of services?”

- **Response #3:**

- **Sources of funding:** Our capital expenditures for 2006 of \$67,500 will be provided by Telescan’s primary shareholder, Stan Mosley who will personally fund \$100,000 into Telescan’s account.

Projected monthly profit at the end of 2006 as a result of 2006 operations is expected to be \$24,000/month or \$288,000 for fiscal year 2007, which will fund 2007’s capital expenditures of \$139,900.

2008’s capital expenditures of \$171,200 will be funded from excess 2007 profits and 2008’s expected annual profits of \$504,000.

- **Collocation:** Telescan currently plans to collocate in four Embarq central offices located in Tennessee in the cities of Johnson City (2 – Main and North), Kingsport (1) and Bristol (1).
- **Router information:** Telescan plans to purchase and install the above 340 routers in question in LATAs 956 and 474. LATA 956 encompasses the Upper East Tennessee and Southwest Virginia areas, and LATA 474 includes Knoxville, TN and surrounding areas.
- **Types of services:** Telescan is an Internet Service Provider whose services include Internet access and VOIP. The routers mentioned in the above questions, combined with ATA functionality, will be used to provide these services.

- **Request #4:** “Information on the number of staff that will support this operation. ... Will Telescan employ customer service representatives? If so, how many? Will Telescan contract with a financial auditor or employ an accountant?”

- **Response #4:** The information previously provided in our original CLEC application was intended to show the Key Financial/Operations officers. Telescan currently employs seven full-time employees and one part-time employee. Currently there are three full-time customer service representatives and 1 part-time contract employee who assists with customer service and clerical functions within our organization. The customer service staff has a combined telecommunications experience of 14 years. Telescan also has one full-time salesperson and three members of the managerial staff - the President, Vice-President, and Director of Technical Operations. Should future sales volume

require additional personnel, Telescan will employ additional sales, customer service, and technical staff as needed.

Telescan has been a member of the Better Business Bureau for ten years with an unblemished record. We are current members of the Chambers of Commerce in Johnson City, Bristol, Kingsport, and Greeneville, Tennessee.

Our financials have been prepared annually for the past five years by:

Kirk, Fortner, Smalley, Livesay and Associates, PLLC.
320 Cherokee Street Suite 100
Kingsport, TN 37662
423.246.7310

- **Request #5:** “Will Telescan comply with the county wide calling statute? Will Telescan participate in the Bell South county wide calling database? ...Please answer the same questions in regard to metro area calling issues. Will they be addressed prior to commencing service, or only when brought to the company’s attention by customers?”
 - **Response #5:** Telescan will fully comply with the county wide calling statute. As required, Telescan will submit the end user(s) 10-digit telephone number and TAR code for inclusion in a statewide file bi-monthly. Telescan will also obtain the TAR Master File bi-monthly from Bell South and will use it to determine if calls are billable. Metro area calls mandated as local calls will not be billed.
- **Request # 6:** “Is Telescan currently offering local and long distance service via VoIP or any other means? Please clarify the “revenue” indicated on Income Statement from those sources.”
 - **Response # 6:** Telescan, Inc. has two primary lines of business: Interexchange carrier and Internet Service Provider. As an IXC, Telescan offers circuit switched long distance and 800 service, and has done so for over 15 years. As an ISP, Telescan offers packet services including Internet Access and VOIP and has done so for about 9 months. Income statement revenue listed as “VOIP Local and Long Distance” and “Internet Sales” are ISP packet services.

Our VOIP services are listed as Local and Long Distance and are actually Global. The service is very similar to Vonage DigitalVoice. The FCC ruled on this type of service in November of 2004 and pre-empted state regulation (Please see <http://www.fcc.gov/voip>). We provide our VOIP customers with an ATA (Analog Telephone Adapter), which can be plugged into any broadband Internet service anywhere in the world.

- **Request # 7:** “Please identify Voigent, listed on Telescan’s Balance Sheet.”
 - **Response #7:** Voigent is a prior long distance customer of Telescan. Voigent went out of business and neglected to pay the balance owed to Telescan. Telescan is prepared to write this amount off to bad debt, and this amount will no longer appear on future financial statements.

The above responses should adequately cover the information requested by the Tennessee Regulatory Authority regarding Telescan’s Application for Certificate to Provide Facilities Based and Resold Competing Local Telecommunications in Tennessee. This information, in conjunction with the information provided in our CLEC application, demonstrates that Telescan possesses the managerial, financial, and technical abilities to provide the services for which we seek authority. Thank you for assisting us in completing this process. If you have any further questions or requests, you may contact me at the telephone number or address below.

Respectfully,

A handwritten signature in black ink that reads "Don Franklin". The signature is written in a cursive, flowing style.

Don Franklin
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don@lwav.net