

COMTEL TELCOM ASSETS LP
2440 MARSH LANE, CARROLLTON, TEXAS 75006

July 12, 2006

VIA OVERNIGHT DELIVERY

Ms. Sharla Dillon

Docket Room Manager

Tennessee Regulatory Authority

460 James Robertson Parkway

Nashville, Tennessee 37243-0505

Re: Response to Data Request No. 1; Docket No. 06-00172

Dear Ms. Dillon:

Transmitted herewith on behalf of Comtel Telcom Assets LP ("Comtel") are 13 copies of this response to TRA Staff's Data Request No. 1 issued in the above-noted docket. Below please find Comtel's response to each of the inquiries posed by TRA Staff:

1. To date, Comtel has filed a related notice with the Indiana Utility Regulatory Commission ("IURC"). The IURC has processed the documentation on June 30, 2006, and no further action is expected. Potential debt financing was also discussed in various state applications made in recent months in conjunction with the asset sale transaction in which Comtel purchased substantially all of the assets of the VarTec Companies.
2. Comtel has not applied for approval from any federal agency.
3. Comtel provides local exchange and interexchange services throughout the United States. Accordingly, the Company is authorized to conduct business and provide telecommunications services in all states and Washington, D.C. Comtel has more than one million customers nationwide with approximately 25,300 (23,000 interexchange and 2,300 local exchange) of those customers residing in Tennessee.
4. Comtel intends to continue its operations under its existing authority granted by the TRA and Tennessee Secretary of State.
5. Closing of this financing transaction will not adversely affect Comtel's Tennessee customers and will not result in a change to customer rates, terms or conditions of service.
6. A copy of the agreement is attached hereto as Exhibit A, and Comtel respectfully requests that this agreement remain confidential. In support of this request, Comtel has filed as Exhibit B to this response a Motion for Protective Order for the TRA's consideration and approval.

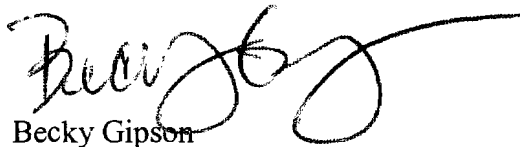
7. Comtel has no tangible assets (e.g., equipment, facilities, offices, etc.) within Tennessee. The only Tennessee-related assets pledged as part of this transaction would be the accounts receivables derived from Tennessee customers. Current monthly receivables total approximately \$659,000. Naturally, the receivables total will change over time due to variations in customer totals and usage. As a result, the value of the pledged assets can fluctuate.

8. Comtel is a new entity formed in July 2005 and does not have audited financials to provide at this time.

9. A signed verification is attached hereto as Exhibit C.

Comtel sincerely appreciates your time in reviewing this response. Acknowledgment and date of receipt of this filing is respectfully requested. Please date and file stamp the attached return copy of this correspondence and return it in the enclosed pre-addressed, postage-prepaid envelope. Please contact the undersigned directly at (972) 478-3309, the above-referenced address or becky.gipson@excel.com with any questions regarding this filing.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Becky Gipson", with a long, sweeping horizontal line extending to the right.

Becky Gipson
Sr. Director, Regulatory Affairs

Enclosures

EXHIBIT B

**MOTION FOR PROTECTIVE ORDER AND
PROTECTION OF PROPRIETARY INFORMATION**

BEFORE THE TENNESSEE REGULATORY AUTHORITY

In the matter of the Petition of)	
)	
COMTEL TELCOM ASSETS LP)	Docket No. <u>06-00172</u>
)	Date of Filing: June 29, 2006
for Approval of Debt Issuance)	

MOTION FOR PROTECTIVE ORDER AND
PROTECTION OF PROPRIETARY INFORMATION

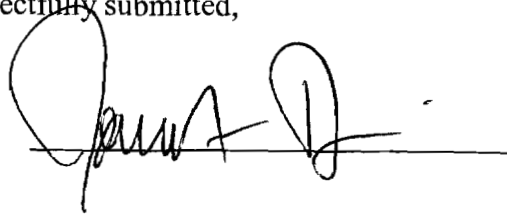
Concurrently with the filing of this Motion, Comtel Telcom Assets LP (“Comtel”) has submitted a response to Data Request No. 1 in the above-noted docket. By this Motion, Comtel respectfully requests that the TRA accept Exhibit A of Data Request No. 1, which contains the financing agreement, under seal and withhold said exhibit from public inspection.

Exhibit A has been submitted pursuant to TRA Staff request made in Data Request No. 1 in Docket No. 06-00172. As a privately-held company, Comtel respectfully requests that the TRA protect Exhibit A from public inspection because public disclosure of its contents would place Comtel at an unfair business disadvantage. The information contained in Exhibit A has only been disclosed to the lender and now, the TRA. Making this information available to the public would reveal information to potential lenders which would significantly hinder Comtel’s ability to fairly negotiate new financing arrangements in the future.

Wherefore, Comtel respectfully requests that its Motion for Protective Order and Protection of Proprietary Information be granted.

Respectfully submitted,

By:

A handwritten signature in black ink, appearing to read 'Jonathan Dennis', is written over a horizontal line.

Jonathan Dennis

Secretary – Comtel Assets Inc., General

Partner for Comtel Telecom Assets LP

2440 Marsh Lane

Carrollton, Texas 75006

Phone: (972) 478-3000

Fax: (972) 478-3310

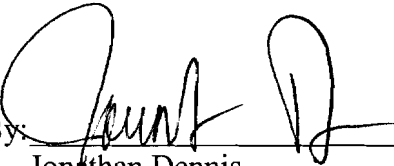
7/12/06
Date

VERIFICATION

On behalf of Comtel Telcom Assets LP, I verify that the information contained in the foregoing Motion is true and correct to the best of my knowledge and belief, except as to matters which are stated herein on information or belief, and as to those matters, I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct.

COMTEL TELCOM ASSETS LP

By:  _____

Jonathan Dennis
Secretary – Comtel Assets Inc.,
General Partner for Comtel Telcom Assets LP
2440 Marsh Lane
Carrollton, Texas 75006
Phone: (972) 478-3000
Fax: (972) 478-3310

Date: 7/12/06

EXHIBIT C

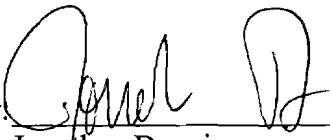
VERIFICATION OF COMTEL TELCOM ASSETS LP

VERIFICATION

On behalf of Comtel Telcom Assets LP, I verify that the information contained in the Petition filed in Docket No. 06-00172 is true and correct to the best of my knowledge and belief, except as to matters which are stated therein on information or belief, and as to those matters, I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct.

COMTEL TELCOM ASSETS LP

By: 
Jonathan Dennis
Secretary – Comtel Assets Inc.,
General Partner for Comtel Telcom Assets LP
2440 Marsh Lane
Carrollton, Texas 75006
Phone: (972) 478-3000
Fax: (972) 478-3310

Date: 7/12/06