

TENNESSEE REGULATORY AUTHORITY

Sara Kyle, Chairman
Eddie Roberson, Director
Pat Miller, Director
Ron Jones, Director



460 James Robertson Parkway
Nashville, Tennessee 37243-0505

December 11, 2006

Ms. Melissa Conway, Counsel
Kelley, Drye, and Warren, LLP
3050 K Street, N.W., Suite 400
Washington, DC 20007

RE: Docket 06-00300: Application of Acceris Management and Acquisition LLC and First Communications, LLC for Approval of an Asset Transfer

Dear Ms. Conway:

In order to fully analyze the above-referenced Application, the Tennessee Regulatory Authority ("TRA or Authority") requires additional information. Please provide the information requested below by December 22, 2006, and refer to this correspondence as Data Request No. 1 in the response.

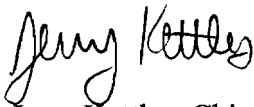
1. Have the applicants filed similar applications or notices in other states? If so, provide a listing of states and action taken.
2. As required by FCC Rules in CC Docket No. 00-257, provide a copy of the self-certification letter filed with the FCC regarding transfer transactions.
3. Provide the number of long distance resale customers that Acceris Management and Acquisition LLC ("Acceris") currently has in Tennessee.
4. Will all Acceris long distance resale customers in Tennessee be transferred to First Communications, LLC d/b/a First Communications of Ohio, LLC ("First")?
5. Page 6 of the *Joint Application* filed with the Authority on November 29, 2006 states that First will provide advance written notice to all affected customers at least thirty (30) days prior to the transfer, explaining the change in service provider in accordance with applicable Federal Communications Commission ("FCC") and TRA requirements for changing a customer's presubscribed carrier. Consistent with TRA Rule 1220-4-2-.56(2)(d), provide a current customer notification letter that meet the requirements and/or complies with the above-referenced rule (see attachment).
6. Page 6 of the *Joint Application* states that the Applicants have reached an agreement providing for the acquisition by First of certain of the remaining assets of Acceris (accept for certain cash equivalent assets retained by Acceris), including the remaining long distance resale customers and any remaining personal property, but

not including any federal or state telecommunications authorizations. Please provide a copy of the agreement.

If you have any questions, or need further assistance, please call Carlos Black at 615-741-2904, ext. 196 or e-mail him at Carlos.Black@state.tn.us. Please respond by sending the original and 13 copies either by U.S. Mail or express mail. Alternatively, you may send the original and four (4) copies along with an electronic file of the original to:

Ms. Sharla Dillon, Docket Room Manager
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505
Email: sharla.dillon@state.tn.us

Sincerely,

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

Jerry Kettles, Chief
Economic Analysis & Policy Division

c: Ms. Mary Cegelski
Mr. Drew Backstrand

Requirements for a Valid Tennessee Customer Notification Letter

When a customer base is transferred between 2 or more telecommunications providers, the providers must give sufficient notice to the customers and obtain their approval. The TRA will deem that the notice and approval requirements have been met if the letter complies with TRA Rule 1220-4-2-.56(2)(d)

The letter must:

Be pre-approved by the TRA

Be mailed by the current telecommunications provider (not the acquiring provider) with the logo or name of the current provider displayed on the exterior envelope, and the logo or name of both the current and acquiring provider on the letterhead.

Describe the customer transfer and explain that the customer's local or long distance service will be transferred to the acquiring service provider by a certain date specified in the notification letter, unless the customer selects a different provider

Be mailed no less than thirty (30) days prior to the actual customer transfer (although the TRA may waive this requirement for good cause shown)

Inform customers that the acquiring provider agrees to pay any fees charged to the customer for changing the service to the acquiring provider

Inform customers that, for up to ninety (90) days from the date of the transfer of customers, the acquiring provider agrees to provide the customers a thirty (30) day written notice of any rate increase that may affect their service.