

## ATTACHMENT 1

### Answer to Question 1

Telenational Communications, Inc. (“Telenational”) provides facilities-based local and long distance voice, data, internet communications and related services to residential, business and institutional customers. Telenational is certified to provide local exchange service in one state, Texas, and long distance service in 46 states. Telenational is a wholly-owned subsidiary of Rapid Link, Inc. John Jenkins (“Jenkins”) is currently the Chairman and Chief Executive Officer of Rapid Link, and is its largest shareholder, holding, on an undiluted basis, 26% of Rapid Link’s shares. On a fully-diluted basis, Jenkins’ current interests in Rapid Link would exceed 80%.

Jenkins, the other holders of ownership interests in Rapid Link, and various third parties, including, Blackbird Corporation (“Blackbird”) and Blackbird shareholders, are parties to a pending Share Exchange Agreement. Pursuant to a recent amendment of that agreement, 100% ownership of Telenational will be transferred to a new corporation (“New Rapid Link”), which is wholly owned by Jenkins. Thus, Jenkins will indirectly hold 100% ownership and control of Telenational. The transfer of full ownership in Telenational to Jenkins is a prerequisite to the consummation of a larger transaction contemplated by the Share Exchange Agreement (as now amended), which is the acquisition of Rapid Link by Blackbird investors. The over-all transaction is fairly complex and, because of the current circumstances of the financial marketplace, there is a vital need for the transaction to now close very quickly in order to ensure that the negotiated expectations of all concerned parties, including third-party lenders and creditors, are met. Accordingly, the closing of the prerequisite transfer of stock to Jenkins is scheduled to take place within days. In the event of delay, the parties may not be able to consummate the over-all transaction.

Telenational and Jenkins believe that the spin-off Telenational to Jenkins will substantially improve the availability of capital for Telenational’s ongoing operations by significantly reducing the level of risk that is now attendant to operating on a consolidated basis with RapidLink’s other businesses. Further, the spin-off will enable Telenational’s current management team, including Mr. Jenkins, to focus on its business and operations rather than being distracted by other issues and concerns.

Because of the pace at which the recent changes to the Share Exchange Agreement were negotiated and, due to a misunderstanding regarding Jenkin’s need to obtain prior approval before acquiring an undiluted ownership interest of over 50% in Telenational,<sup>1</sup> the parties did not allow sufficient time to obtain Commission authorization of the contemplated transfer of control

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<sup>1</sup> Telenational and Jenkins did consult with regulatory counsel with respect to authorizations required under the Share Exchange Agreement, but the undersigned counsel was under the mis-impression at the time that Jenkins’ fully-diluted ownership interests had already been the subject of Commission authorization or, if not, would be in the normal course of applications required to complete the Share Exchange Agreement as originally drafted. However, upon learning of the changes made by the amendment and reviewing prior filings with the Commission, counsel realized that Jenkins had not previously received implicit or explicit approval to exercise his options to acquire additional stock and that a transfer of control application would be required.

within the usual timeframe. Therefore, Telenational and Jenkins respectfully request that the Commission grant the requested Special Temporary Authority so that the expected benefits to Telenational stemming from the spin-off will be allowed to come to fruition.

Telenational and Jenkins acknowledge that grant of the requested STA will not prejudice any action the Commission may take on the Joint Application and that, once granted, the STA may be revoked on the Commission's own notice, without hearing.

#### Answer to Question 16

Rule 63.18(d): Telenational holds authority to provide global facilities-based and global resale services under File No. ITC-214-19970721-00421. Jenkins does not provide telecommunications services or hold any authority to do so.

Rule 63.18(e)(3): not applicable

Rule 63.18(g): not applicable