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FILE COPY

August 19, 1996

Ms. Sonja Jones  
Division of Auditing & Financial Analysis  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

Re: Docket No. 960729-TX - Cypress Telecommunications Corp.'s Application for  
Authority to Provide Alternative Local Exchange Service

Dear Ms. Jones:

This is in response to our recent conversations regarding the above application.

Cypress was formed in 1984 and since that date has provided telecommunications services originating in Texas, Louisiana, Oklahoma, Tennessee and Mississippi. Additionally, Cypress is an IXC in Florida but has not originated service in this state as of this date.

Cypress has existing contracts with the various local exchange carriers within these jurisdictions, including BellSouth and GTE. In no states have there been any investigations of Cypress nor has Cypress failed to provide services in any jurisdiction for financial—or other reason. That Cypress has been providing service for 14 years is itself an indication that it has the financial support necessary for continued operations.

In addition to the pending ALEC application, in Florida, Cypress has also filed for similar authority in Texas and Illinois. Approval of both applications is expected on or about September 11. These recommended approvals have been made based on the same data filed in Florida. While those actions certainly are not binding on Florida, it does indicate favorable reaction to the same data.

The financial information which has been provided with the application includes the balance sheet, income statement and statement of retained earnings. All financial data reflects an established operation and resources necessary to insure that service is rendered. Additionally, investors in Cypress are committed to insure sufficient resources to insure successful operations.

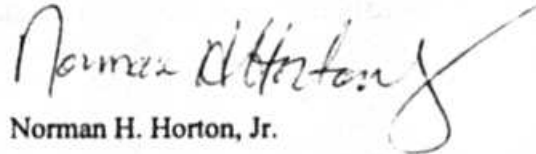
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As an existing provider, Cypress has demonstrated that it can meet lease and contract obligations. Further, Cypress has and continues to meet its financial obligations and there is nothing in the application, financial data or history of the company that would suggest otherwise.

Accordingly, Cypress would urge a favorable disposition of the pending application for an ALEC certificate.

Sincerely,

A handwritten signature in cursive script, appearing to read "Norman H. Horton, Jr.", written in dark ink.

Norman H. Horton, Jr.

NHH:dle

cc: Ms. Blanca Bayo, Division of Records and Reporting  
Mr. Tommy Williams, Division of Communications

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