

December 19, 1997

971644-TP

**VIA OVERNIGHT DELIVERY**

Blanca S. Bayó  
Director, Division of Records & Reporting  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0870

Re: Request for Approval of Proposed Transfer of Control of  
ACC Corp. to Teleport Communications Group Inc.

Dear Ms. Bayó:

On behalf of Teleport Communications Group Inc. ("TCG") and ACC Corp. ("ACC") (collectively "the Parties"), this letter is to request Commission approval of a transaction whereby TCG will acquire control of ACC, which is the parent of ACC National Long Distance Corp. ("ACC National") and the indirect parent of Vista International Communications, Inc. ("Vista"). ACC National and Vista are nondominant carriers authorized by the Commission to provide resold intrastate interexchange telecommunications services within the State of Florida. Attached hereto as Exhibit A is a chart which illustrates the corporate structure of the Parties prior to and immediately following the proposed transaction. A description of the Parties and the transaction are provided below.

The Parties respectfully request expedited treatment of this request in order to permit them to consummate the proposed transaction no later than March 1, 1998. An original and twelve (12) copies of this letter are enclosed. Please date-stamp the enclosed extra copy of this filing and return it in the attached self-addressed, stamped envelope.

**THE PARTIES**

TCG is a publicly traded Delaware corporation headquartered in Staten Island, New York. The first and largest competitive local exchange carrier in the United States, TCG is the parent, directly or indirectly, of a number of nondominant carriers that are authorized to provide a comprehensive array of local and long distance telecommunications services to customers in 33

states, including Florida.<sup>17</sup> TCG's operating subsidiaries are also authorized to provide domestic interstate and international services as nondominant carriers in all 50 states and the District of Columbia. With 1996 annual revenues in excess of \$267.6 Million, and by virtue of its experience as a leading provider of high quality, integrated voice, data, and video transmission services, TCG is well qualified to acquire control of ACC.

ACC is a publicly traded Delaware corporation with principal offices located in Rochester, New York. ACC's operating subsidiaries are authorized to provide resold intrastate interexchange and other competitive services nationwide. In Florida, ACC provides resold intrastate interexchange telecommunications services through its operating subsidiaries, ACC National and Vista.<sup>27</sup> ACC National (a direct subsidiary of ACC) was granted certification by this Commission in Docket No. 941206-TI, effective March 14, 1995. Vista (a subsidiary of ACC National and an indirect subsidiary of ACC) was granted certification by this Commission on May 20, 1994, in Docket No. 940178-TI.<sup>37</sup> ACC subsidiaries are also authorized to provide domestic interstate and international services as nondominant carriers in all 50 states and the District of Columbia.

#### THE TRANSACTION

Pursuant to the Parties' agreement, a wholly-owned subsidiary of TCG created specifically for the purpose of consummating the transaction, TCG Merger Co., Inc., will merge with and into ACC, with ACC being the surviving entity. At the time of the merger, shareholders of ACC will receive, in exchange for each of the issued and outstanding shares of ACC, shares of TCG common stock according to a formula agreed to by the Parties. Following the merger, ACC will be a wholly owned subsidiary of TCG, while ACC National and Vista will be an indirect subsidiaries of TCG.

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<sup>17</sup> TCG's affiliate, TCG South Florida, is authorized as an interexchange and local exchange carrier in Florida. See Order No. PSC-95-0812-FOF-TI, July 5, 1995, Docket No. 941197-TI (interexchange authority); Order No. PSC-95-1296-FOF-TX, October 19, 1995, Docket No. 950755-TX (local exchange authority). Neither TCG nor TCG South Florida are currently affiliated with ACC or any of its subsidiaries. TCG does not propose, by this application, any changes in the current authority or operations of TCG South Florida.

<sup>27</sup> ACC has pending before this Commission a request for approval to acquire US WATS, Inc. ("US WATS"), a nondominant carrier authorized to provide resold intrastate interexchange telecommunications services in Florida. Docket No. 751506 (filed Nov. 17, 1997). ACC requested Commission approval of the ACC-US WATS transaction no later than January 31, 1998. ACC here respectfully requests that the Commission continue to process the ACC-US WATS request as expeditiously as possible so that the parties may close as planned.

<sup>37</sup> ACC acquired indirect control of Vista pursuant to a transfer of control transaction approved by this Commission in Docket 970736-TI, Order No. PSC-97-0947-FOF-TI (Aug. 29, 1997).

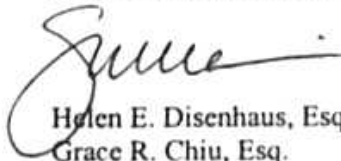
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Although the merger will result in a change in the corporate parent of ACC, the transaction will not involve a change in the manner in which ACC National and Vista provide service to their respective Florida customers. ACC National and Vista will continue to provide high quality, affordable resold service to their Florida customers pursuant to their respective authorizations. ACC National and Vista, moreover, will continue to be led by a team of well-qualified telecommunications managers, comprised, in part, of existing ACC personnel. The proposed transaction will therefore be virtually transparent to the customers of ACC National and Vista in terms of the services that they receive.

Consummation of the proposed transaction will serve the public interest in promoting competition among providers of local and interexchange telecommunications services by combining the financial resources and complementary managerial skills and experience of TCG and ACC in providing telecommunications services to the public. The proposed transaction will therefore ensure the continued provision of high quality and innovative telecommunications services to the existing customers of ACC National and Vista and should promote competition in the Florida local and interexchange telecommunications marketplace.

Please do not hesitate to contact us if you have any questions regarding this transaction.

Respectfully submitted,



Helen E. Disenhaus, Esq.  
Grace R. Chiu, Esq.

Counsel for ACC Corp.

cc: Tom Williams (FL PSC)  
J. Manning Lee, Esq. (TCG)  
Sarah Ayer-Gudell, Esq. (ACC)

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