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August 20, 1996

Mr. Pete Lester
Division of Auditing & Financial Analysis
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

VIA TELECOPIER

Re: Docket No. ~~960698~~-TX - American Communication Services, Inc. and American Communication Services of Jacksonville, Inc.'s Application to Provide Alternative Local Exchange Company Service

Dear Mr. Lester:

This is to follow-up on our conversation regarding the application of American Communication Services, Inc. and American Communication Services of Jacksonville, Inc. ("ACSI" and "ACSI-Jax") for an ALEC certificate. In that conversation you requested some responses to questions regarding the financial capability of ACSI.

In response to your inquiry I would refer you to the annual reports, financial statements and disclosures which accompanied the application. There you will find a discussion of the plans and growth objectives of the company as well as an overview of the financial objectives. These comments and reports are reflected not only in the annual report but in statements filed with the Securities and Exchange Commission ("SEC").

As described in the application, ACSI-Jax is a wholly owned subsidiary of ACSI a publicly held corporation. ACSI-Jax has access to the managerial, technical and financial expertise and assets of ACSI. As explained and described in the annual report, ACSI had five operational networks and seven under construction in early 1996. More importantly, in 1995, ACSI raised nearly \$45 million in equity through private placements, up to \$31 million on a city by city debt financing arrangement and a debt offering of nearly \$100 million. Further, as a publicly traded corporation (NASDAQ Small Cap) ACSI files reports with various regulatory agencies, including the Securities and Exchange Commission and these reports, together with the financial statements reflect the successful efforts of ACSI management to finance and manage extensive operations.

DOCUMENT NUMBER-DATE

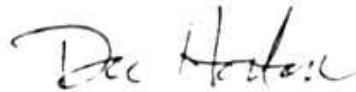
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Mr. Pete Lester
August 20, 1996
Page 2

Admittedly the financial information which accompanies the application does not address specifically the three questions on the data request which has been circulated. However, this information does support a determination that ACSI has the purpose, intent, objective and capability to plan and operate telecommunications networks and the ability to raise the capital necessary for such a venture. This would include meeting lease arrangements and the matters addressed in the questions. ACSI/ACSI-Jax would request that the Commission take favorable action on the ALEC application. The voluminous information which accompanies the application reflects the technical, managerial and financial qualifications necessary to satisfy the requirements for issuance of a certificate.

Sincerely,



Norman H. Horton, Jr.

NHH:amb

cc: Ms. Blanca Bayo, Division of Records and Reporting

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