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January 18, 2002

VIA OVERNIGHT MAIL

Ms. Blanco S. Bayo  
Director, Division of Public Records and Reporting  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

**Re: Emergency Joint Letter Application of Teligent Services, Inc., and TAC License Corporation – Chapter 11 for Grant of Authority Necessary to Consummate a Chapter 11 “Re-Emergence” Plan, Docket No. 011286-TP, Order No. PSC-01-2154-PAA-TP.**

Dear Ms. Bayo:

Teligent Services, Inc. (“Teligent “or “Old Teligent”) and TAC License Corp. (“TAC” or “New Teligent”) are filing this notice in order to update the Commission of the status of the above-referenced “Re-Emergence Plan” as of this date and, more importantly, to request that the Commission vacate, in part, its Order Approving Assignment of Florida Operations and Assets, Assignment of and Name Change on Alternative Local Exchange Telecommunications Certificate, Interexchange Telecommunications Certificate and Alternative Access Vendor Certificate, issued on November 5, 2001 and consummated on December 13, 2001, in the above-referenced proceeding. Specifically, Teligent requests that, for the reasons discussed below, the Commission vacate that portion of the order actually assigning Old Teligent’s operating certificates to New Teligent until the subject transaction is consummated.

On September 6, 2001, Teligent together with TAC filed a letter application describing their plans, at that time, to enter into a transaction that, if consummated, would enable Old Teligent to “emerge” from its current Chapter 11 status as a going concern through a newly-formed entity, TAC (“Re-Emergence Plan”).<sup>1</sup> This application was approved by the Commission on December 13, 2001.<sup>2</sup> The Re-Emergence Plan, as explained, was subject,

<sup>1</sup> See Emergency Joint Letter Application of Teligent Services, Inc. and TAC License Corporation – Chapter 11 for Grant of Authority Necessary to Consummate a Chapter 11 “Re-Emergence” Plan, Docket No. 011286-TP, filed September 6, 2001, and supplemented via letter dated October 3, 2001. The letter supplement dated October 3, 2001 clarified the approval sought and requested that the Commission assign the operating certificates held by Teligent.

<sup>2</sup> See Notice of Proposed Agency Action: Order Approving Assignment of Florida Operations and Assets, Assignment of and Name Change on Alternative Local Exchange Telecommunications Certificate, Interexchange Telecommunications Certificate and Alternative Access Vendor Certificate, Docket No. 011-286-TP, Order No. PSC-01-2154-PAA-TP, issued November 5, 2001 and Consummating Order, Docket No. 011-286-TP, Order No. PSC-01-2437-CO-TP, issued December 13, 2001.

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among other things, to the following three conditions: the completion of necessary financing (to both bring the assets and operations out of bankruptcy and to fund on-going operations thereafter); the conclusion of a Chapter 11 bankruptcy auction; and the issuance of a Sale Order to New Teligent. As of this time, some of these conditions have not yet been satisfied and the transaction has not closed.<sup>3</sup>

Unfortunately, due to the events that occurred in the United States on September 11, 2001, and thereafter, and their impact on the financial markets, which were already in a volatile state, New Teligent was unable to complete the financing necessary to consummate the Re-emergence Plan as initially contemplated. As a result, consummation of a transaction and approval by the bankruptcy court to bring Teligent’s assets out of bankruptcy through the issuance of a Sale Order continues to be delayed. This delay has resulted in the need for further restructuring of Teligent’s current service operations due to the declining availability of funds to keep all of Teligent’s businesses operational.

As Teligent explained to the Commission when it described its Chapter 11 Re-Emergence Plan in early September, it had limited funds available even at that time to maintain its current operations and was striving to consummate the transaction with New Teligent before it exhausted all of its remaining funds. (Its creditors have been making funds available to it in two to four week increments to continue its operations since entering Chapter 11 in May.) When progress was made in Teligent’s restructuring efforts through the proposed Re-Emergence Plan with New Teligent, the creditors’ funding level continued with the expectation that the Re-Emergence Plan because a re-emergence through TAC would be consummated on or about December 1, 2001.

Because the subject transaction was not consummated on December 1, 2001 as expected and because the transaction has not yet closed, Old Teligent (not TAC) continues to be the service provider in Teligent’s 74 FCC licensed-markets, which cover approximately 39 states, including the State of Florida. Teligent continues to diligently work with potential investors to secure financing commitments that will enable a Re-Emergence Plan, through TAC, to occur.<sup>4</sup> Thus, Teligent now finds itself in a situation where it must maintain its operating authority for some limited period of time until the transaction can be consummated and the service operations transferred to TAC (New Teligent). As Teligent remains hopeful that the transaction will close in the near future, it is not requesting that the Commission vacate its Order in total. Instead, Teligent asks only that the Commission vacate that portion of the Order approving the immediate assignment of its operating certificates (Alternative Local Exchange Telecommunications Certificate No. 4804, Interexchange Telecommunications Certificate No. 4850 and Alternative Access Certificate No. 4707) from Old Teligent to New Teligent. This action would enable Teligent to continue its current operations and provision of

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<sup>3</sup> An initial Chapter 11 bankruptcy auction was concluded on October 29, 2001, and no other bids for the Teligent assets or operations were received at that time. A further auction may, however, be conducted once the funding for Teligent’s on-going operations is firm.

<sup>4</sup> Although Teligent initially believed that final ownership and financial information concerning TAC would be available by early December, that information is not yet available nor can Teligent predict with any degree of certainty when such information will become available. As the parties continue to negotiate the subject transaction and Teligent obtains this information, it will update the commission accordingly.

service in the State of Florida until the transaction is consummated, at which time the certificates can be assigned.

Assuming fundraising efforts are eventually completed (Teligent expects information regarding this to be available within the next few weeks) and the Bankruptcy Court ultimately issues a Sale Order, Teligent will promptly notify the Commission, provide any new or updated information and proceed with consummation of the transaction once all required regulatory approvals have been obtained as well as any other conditions necessary for closing. If a Re-emergence Plan transaction is not eventually consummated, Teligent will also promptly notify the Commission and make whatever filings are necessary and appropriate with respect to its plans going forward. Until such time, Teligent will continue providing its current services pursuant to its applicable state and federal operating authorities and will continue to comply with all applicable regulatory requirements relative thereto.

If you have any questions regarding the above, please do not hesitate to contact the undersigned at (703) 326-4600, ext. 4650 or Victoria A. Schlesinger at ext. 4690.

Sincerely,



Terri B. Natoli

Vice President, Regulatory Affairs & Public Policy

Cc: Tom Williams, Division of Communications  
Jessica Elliot, Esq.