

State of Florida



Public Service Commission

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TALLAHASSEE, FLORIDA 32399-0850

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COMMISSION CLERK

DATE: AUGUST 8, 2002

TO: DIRECTOR, DIVISION OF THE COMMISSION CLERK & ADMINISTRATIVE SERVICES (BAYÓ)

FROM: DIVISION OF COMPETITIVE MARKETS & ENFORCEMENT (T. WILLIAMS) *TW* OFFICE OF THE GENERAL COUNSEL (J. ELLIOTT) *JEL BK*

RE: DOCKET NO. 011286-TP - REQUEST FOR APPROVAL OF CONSUMMATION OF TRANSACTION ARISING OUT OF CHAPTER 11 STATUS WHEREBY ALL FLORIDA OPERATIONS AND ASSETS OF TELIGENT SERVICES, INC., HOLDER OF ALEC CERTIFICATE NO. 4804, IXC CERTIFICATE NO. 4850, AND AAV CERTIFICATE NO. 4707, WILL BE ASSIGNED FROM TELIGENT, INC. TO TAC LICENSE CORP., A WHOLLY OWNED SUBSIDIARY OF TELIGENT ACQUISITION CORP.; AND REQUEST FOR ASSIGNMENT AND NAME CHANGE ON ALEC CERTIFICATE NO. 4804, IXC CERTIFICATE NO. 4850, AND AAV CERTIFICATE NO. 4707 FROM TELIGENT TO TAC.

AGENDA: 08/20/2002 - REGULAR AGENDA - INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\CMP\WP\011286.RCM

CASE BACKGROUND

On September 6, 2001, Teligent Services, Inc. (Teligent) filed a request for approval of an assignment of Florida operations and assets from Teligent Services, Inc. to TAC License Corp. (TAC), a newly created entity formed as part of a plan for Teligent, Inc. and its subsidiary Teligent Services, Inc. to emerge from bankruptcy. As part of the proposed transaction, Teligent requested that the company's operating certificates be assigned to TAC. On November 5, 2001, the Commission issued Order No. PSC-01-

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2154-PAA-TP, approving the transaction and the name change and assignment of Alternative Local Exchange(ALEC) Certificate No. 4804, Interexchange Telecommunications(IXC) Certificate No. 4850, and Alternative Access Vendor (AAV) Certificate No. 4707. On December 13, 2001, the Commission issued Consummating Order No. PSC-01-2437-CO-TP to acknowledge that Order No. PSC-01-2154-PAA-TP had become effective and final.

The proposed transaction was never completed because the financing for TAC to purchase Teligent out of bankruptcy was never obtained. The company informed Commission staff by letter dated January 18, 2002, that the transaction was never completed and that the company continued to operate as Teligent. Teligent requested that the portion of Commission Order No. PSC-01-2154-PAA-TP approving the assignment of the certificates and the name change be vacated so that Teligent could continue to operate under its original name until the transaction was finalized. Teligent requested that the approval granted for the transaction by the Commission remain in effect since the company was still working to close the transaction and transfer Teligent's operation to TAC. On March 14, 2002, the Commission issued Order No. PSC-02-0344-FOF-TP vacating in part Order No. PSC-01-2154-PAA-TP and Consummating Order No. PSC-01-2437-CO-TP.

The Commission was informed by letter dated May 30, 2002, that the TAC transaction would not be consummated, and the company had developed a plan of reorganization that would enable it to emerge from bankruptcy as the same legal entity. By a second letter dated May 30, 2002, the company requested that any transfer of certificates to TAC and any consent for the transaction granted by the Commission be vacated. On May 31, 2002, the docket was reopened so the Commission could address the company's request.

The Commission is vested with jurisdiction over this matter pursuant to Sections 364.335, 364.337, and 364.345, Florida Statutes.

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DISCUSSION OF ISSUES

ISSUE 1: Should Order No. PSC-01-2154-PAA-TP, issued November 5, 2001, and Order No. PSC-01-2437-CO-TP, issued December 13, 2001, be vacated in their entirety?

RECOMMENDATION: Yes, the Commission should vacate Order No. PSC-01-2154-PAA-TP, issued November 5, 2001, and Order No. PSC-01-2437-CO-TP, issued December 13, 2001, in their entirety. (**Williams, Elliott**)

STAFF ANALYSIS: On March 14, 2002, the Commission issued Order No. PSC-02-0344-FOF-TP vacating in part Order No. PSC-01-2154-PAA-TP and Consummating Order No. PSC-01-2437-CO-TP since Teligent continued to operate under its original certificates because the proposed transaction approved by the Commission was not consummated, and the operations were not transferred to TAC. Subsequently, Teligent informed Commission staff by letter dated May 30, 2002, that the operations would not be transferred to TAC and requested that the Commission withdraw its approval of the transaction. Per the company's request, staff recommends that Order No. PSC-01-2154-PAA-TP and Consummating Order No. PSC-01-02437-CO-TP be vacated in their entirety.

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ISSUE 2: Should this docket be closed?

RECOMMENDATION: Yes, this docket should be closed upon issuance of the Commission's Order to vacate Order No. PSC-01-2154-PAA-TP, issued November 5, 2001, and Order No. PSC-01-2437-CO-TP, issued December 13, 2001. (Elliott)

STAFF ANALYSIS: This docket should be closed upon issuance of the Commission's Order to vacate Order No. PSC-01-2154-PAA-TP, issued November 5, 2001, and Order No. PSC-01-2437-CO-TP, issued December 13, 2001.