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September 6, 2001

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PUBLIC SERVICE
COMMISSION

BY OVERNIGHT DELIVERY

Thomas Dorman, Executive Director
Public Service Commission of Kentucky
211 Sower Boulevard
P. O. Box 615
Frankfort, KY 40602

Re: Notification of Teligent Services, Inc. ("Old TSI") and TAC
License Corp. ("New TSI") of their Chapter 11 "Re-Emergence" Plan

Dear Mr. Dorman:

Teligent Services, Inc. ("Old TSI") and TAC License Corp. ("New TSI") (together the "Parties") hereby notify the Commission of a proposed transaction which will in effect enable Old TSI to emerge from its Chapter 11 status and continue its current Kentucky operations through a new "Teligent" corporate entity.¹ As described more fully below, this transaction contemplates the assignment of all of Old TSI's existing Kentucky operations and assets, including its associated tariffs and operating authority to provide telecommunications service in Kentucky ("Authorization") to New TSI.² Although this transaction, as a technical matter, involves a release from bankruptcy and a simultaneous assignment of the core Old TSI assets to a new corporate entity formed specifically to facilitate this process, the transaction will be entirely transparent to Old Teligent's customers, who will continue to receive the same services, at the same the rates,

¹ Teligent, Inc., and its subsidiaries, including Old TSI, filed for bankruptcy on May 21, 2001 and currently operate under the protection of Chapter 11 of the U.S. Bankruptcy Code before the U.S. Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"). See Chapter 11 Case No. 01-12974 (SMB) (Bankr. S.D.N.Y.). Teligent promptly notified the Commission of its Chapter 11 filing via facsimile and US mail letter dated that same day.

² On October 15, 1998, the Commission acknowledged Old Teligent's filed local exchange tariff. On June 16, 1999, Old Teligent filed a letter informing the Commission of the *pro forma* assignment of Old Teligent's authority to provide telecommunications services to Old TSI.

terms and conditions, and under the same name, as they receive service from Old TSI at the time of the transaction. Customers will experience no change in their customer service contacts, toll free number for customer service or repair, manner of billing, or any other service-affecting factor. In short, New TSI will receive Old TSI's assets out of bankruptcy and operate its core telecommunications business, including any Old TSI operations in Kentucky, in the same manner and by the same key employees as operated by Old TSI.

Based on a review of Kentucky statutes and regulations, it is the Parties' understanding that no prior approval is required to complete the transaction described in this letter. The Parties therefore submit this letter for informational purposes to advise the Commission of the transaction and Old TSI's progress with respect to its "emergence" from Chapter 11 status as well as to update the Commission's files.

New TSI is a recently formed Delaware corporation with its principal business office located at 460 Herndon Parkway, Herndon, Virginia 20170. New TSI is a wholly-owned subsidiary of Teligent Acquisition Corp. ("New Teligent"), a holding company also recently formed under the laws of the State of Delaware. New Teligent proposes to acquire the core domestic U.S. operations, operating assets and associated authorizations of Teligent, Inc. ("Old Teligent"), the parent company of Old TSI, including those in Kentucky. Specifically, New Teligent has been formed in connection with a "reorganization" in bankruptcy of the Old Teligent, as part of a plan to permit Old Teligent's core facilities-based telecommunications business operations to emerge from bankruptcy and continue as a going concern.³ Among other things, New Teligent proposes to acquire most of the communications assets associated with Old TSI's domestic facilities-based fixed wireless and leased wireline operations, including the associated telecommunications equipment, existing customer base, and federal and state licenses and/or certificates authorizing those operations. In order to avoid customer confusion, upon closing of the Transaction New TSI plans to change its name to, and operate under, the name "Teligent Services, Inc.," and will continue to operate the same services pursuant to the same rates, terms and

³ New institutional investors will fund New Teligent, and indirectly its operating subsidiary New TSI, to enable it to acquire and operate the core domestic telecommunications operations of Old Teligent and its operating subsidiaries, including Old TSI (the "Transaction"). No single entity or individual will hold a controlling interest in New Teligent and New TSI, just as no individual or entity controls Old Teligent. The Transaction is subject to various conditions, including completion of New Teligent's financing, the conclusion of a Chapter 11 bankruptcy auction on October 2, 2001 and subsequent approval by the Bankruptcy Court, and approvals by a number of regulatory agencies. Upon closing, the Transaction will provide the necessary capital to permit continuation of the services provided by Old TSI, through New TSI, in a manner that is transparent to its customers. A chart illustrating the Transaction is provided in Exhibit A.

conditions of service as provided by Old TSI to its customers as of the time of closing.⁴ The Transaction will therefore be transparent to customers because they will experience no change as a result of the transaction.

New TSI will have both the managerial and technical resources necessary to operate Old TSI's operations since key members of Old Teligent's senior management team will assume comparable management positions with New Teligent and New TSI upon closing of the Transaction.⁵ New TSI will therefore have virtually the same managerial qualifications as Old TSI and thus will have the managerial and technical resources necessary to continue Old TSI's operations in Kentucky. As a result of the Transaction, New TSI, as the re-emerged "Teligent" entity operating the facilities of Old TSI and the other acquired Old Teligent assets, will have the resources necessary to continue the Old Teligent management's current effort to refocus the activities of the company on providing a comprehensive, yet financially viable, suite of facilities-based telecommunication services to small and medium-sized business customers, emphasizing greater market penetration in Old Teligent's core markets and, in some areas, a redesigned focus on broadband services offerings, including wholesale service offerings to other carriers and large customers.

The Parties respectfully submit that this Transaction serves the public interest. In particular, the Parties submit that (1) the Transaction will increase competition in the telecommunications market by reintroducing "Teligent" as a viable competitor in its selected markets using a more refined, focused, and viable business strategy and (2) the Transaction will minimize the disruption of service and be virtually transparent to remaining Teligent customers.

An original and ten (10) copies of this letter are enclosed. Please date stamp and return the enclosed extra copy of this letter. In order that "Teligent" can receive the funding that it desperately needs in order to remain in operation, it is critical that the Parties close the transaction as soon as possible so that the operations can emerge from bankruptcy. Therefore, the


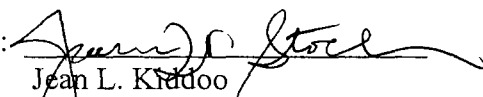
⁴ In accordance with 807 KAR 5:011, Section 11, once New Teligent obtains its required financing and bankruptcy court approvals, New TSI will file an adoption notice in order to adopt (without change) the tariffs Old TSI currently has on file with the Commission.

⁵ A description of the experience of key Teligent management who will remain with the Company following the transaction is attached hereto as Exhibit B.

Thomas Dorman, Executive Director
September 6, 2001
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Parties respectfully request that the Commission notify the Parties promptly if it has any questions regarding the proposed transaction or believes that any further action is required.

Respectfully submitted,

By:  By: 
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Vice President, Regulatory Jeanne W. Stockman
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COUNSEL FOR THE PARTIES

Exhibit A

Organization Chart

Proposed Transaction

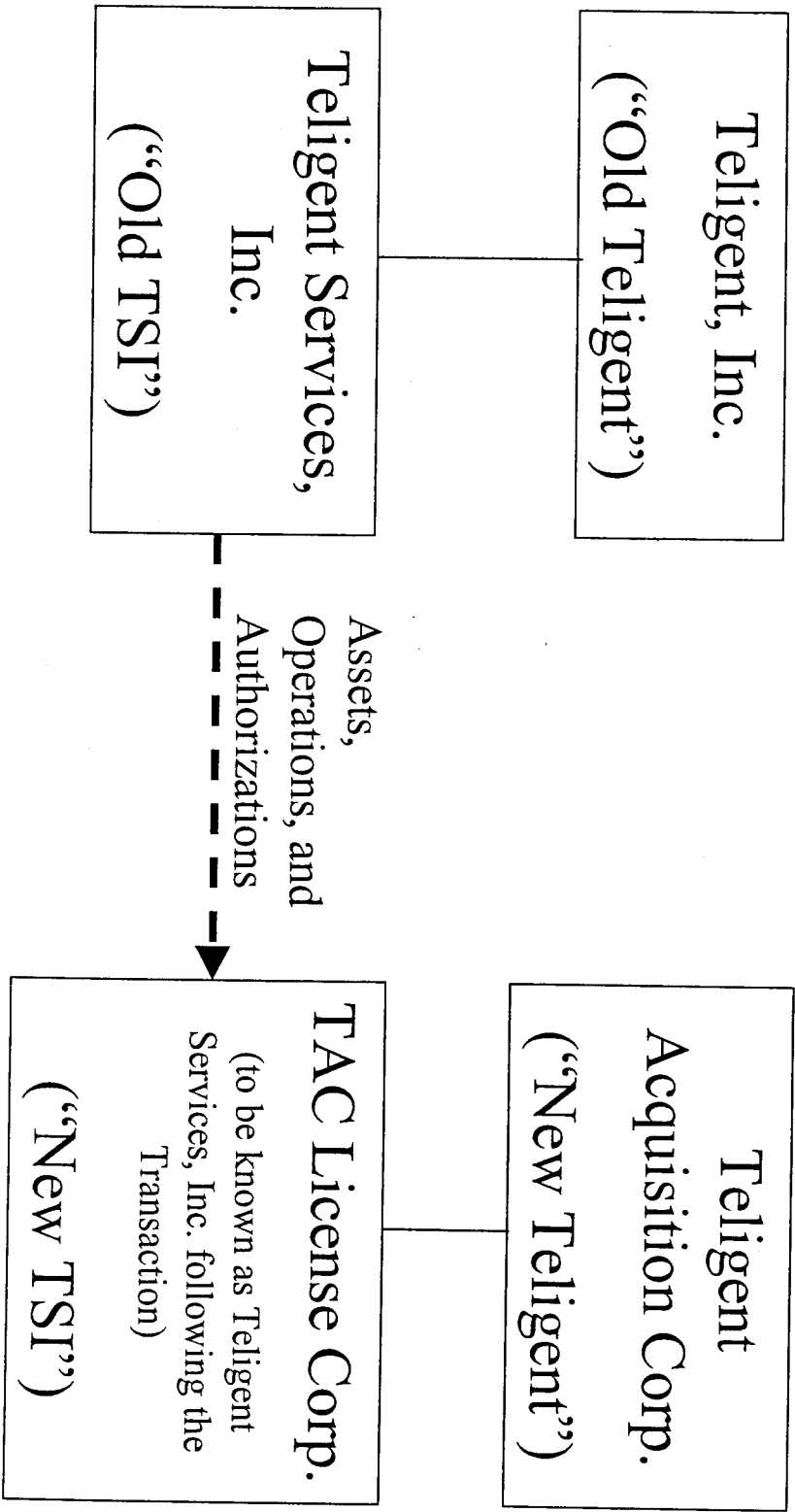


Exhibit B

Management Experience

MANAGEMENT

I. Directors and Executive Officers

Upon the closing of the Transaction, New Teligent's directors, executive officers and key employees will be as set forth in the following table:

<u>Name</u>	<u>Title</u>
Philip J. Facchina	Director
James V. Continenza	Chief Executive Officer, President and Director
Stuart H. Kupinsky	General Counsel, Secretary and Director
Richard Hozik	Chief Financial Officer
Roger A. Sullivan	Vice President, Network Operations
William R. Tyson	Vice President, Customer Service
Steven W. Firkus	Vice President, Sales
Christine A. Wolf	Vice President, Human Resources
Denisse Goldberg	Vice President, Marketing
Terri B. Natoli	Vice President, Regulatory Affairs and Public Policy

II. Management Experience

Philip J. Facchina. Mr. Facchina will be a director. He is the Senior Managing Director of Technology and Growth Investment Banking at Friedman, Billings, Ramsey & Co., Inc. and is also responsible for overseeing the firm's venture capital activities in the technology area. Mr. Facchina joined Friedman, Billings, Ramsey & Co., Inc. in August of 1998. From June 1998 to July 1998, Mr. Facchina was employed by America Online-TV, a unit of AOL Time Warner, where he worked on strategies related to AOL Time Warner's entry into the television industry. From May 1997 to June 1998, Mr. Facchina served as Executive Vice President of NetChannel, Inc. Mr. Facchina was instrumental in negotiating the sale of NetChannel, Inc. to AOL Time Warner. Prior to working at NetChannel, Inc., from November 1996 to May 1997, Mr. Facchina served as Executive Vice President and Chief Operating Officer of ViewCall America Inc., which was acquired by NetChannel, Inc. in May of 1997. From October 1992 to November 1996, Mr. Facchina served as President, Chief Operating Officer and a director of ITC Learning Corporation.

James V. Continenza. Mr. Continenza will be a director and will serve as our Chief Executive Officer and President. Mr. Continenza has served as Chief Operating Officer and a director of Old Teligent since May 2001. Mr. Continenza served as Senior Vice President of Sales and Operations of Old Teligent from October 2000 to May 2001. Mr. Continenza served Lucent Technologies Product Finance, a CIT Company, as its President and Chief Executive Officer from April 1999 to September 2000 and as its Senior Vice President-Worldwide Sales and Marketing from September 1997 to April 1999.

Stuart H. Kupinsky. Mr. Kupinsky will serve as our General Counsel and Secretary. Mr. Kupinsky has served as Senior Vice President, General Counsel and Secretary of Old Teligent since May 2001. He served as the Vice President of Legal and Business Affairs of Old Teligent from July 1999 to May 2001 and was responsible for providing legal advice regarding corporate, technology, human resources and other issues. He served as an Associate General Counsel of Old Teligent from October 1997 to July 1999 and as its Assistant Secretary from October 1997 to May 2001. Mr. Kupinsky served as a trial attorney with the U.S. Department of Justice from September 1996 to October 1997, where he was primarily responsible for telecommunications antitrust enforcement actions. From March 1995 to August 1996, Mr. Kupinsky served at the FCC as one of the primary attorneys responsible for drafting the implementing regulations of the Telecommunications Act.

Richard Hozik. Mr. Hozik will serve as our Senior Vice President and Chief Financial Officer. Mr. Hozik has been Executive Vice President, Chief Financial Officer and a director of Aestix, Inc., a wholly-owned subsidiary of Booz Allen & Hamilton Inc., since October 2000. During September 2000, he was a consultant to Booz Allen & Hamilton Inc. with respect to its spin-off of Aestix, Inc. He was Senior Vice President and Chief Financial Officer of Varsity Group, Inc. (formerly VarsityBooks.com, Inc.), a publicly-traded online retailer of new college textbooks that also provides marketing services to other businesses interested in reaching the college market, from May 1999 to August 2000. Mr. Hozik served as Senior Vice President and Chief Financial Officer of LCC International, Inc., a publicly-traded radio frequency engineering and wireless telecommunications consulting company, from November 1995 through May 1999.

Roger A. Sullivan. Mr. Sullivan will serve as our Vice President, Network Operations. Mr. Sullivan has been the Vice President of Network Operations of Old Teligent since February 2001. He has served in a variety of capacities with Old Teligent, including: National Vice President of Field Operations and Engineering from April 2000 to February 2001; Vice President of Network Services from August of 1999 to April 2000; and Director of Market Development from April 1998 to August 1999. He served as a manager of the Telecommunications Group for Pittiglio Rabin Todd and McGrath, a management consulting firm, from August 1995 to April 1998 and previously held various engineering and technology management positions for Raytheon Company.

William R. Tyson. Mr. Tyson will serve as our Vice President, Customer Service. Mr. Tyson has been the Vice President of Customer Services of Old Teligent since February 2001. He has served in a variety of capacities with Old Teligent, including: Vice President of Sales Operations from February 2000 to February 2001; and Director of Local Order

Provisioning/Customer Service from January 1998 to February 2000. He served MCI WorldCom as Director of Local Network Operations from November 1996 to January 1998. From May 1993 to November 1996, Mr. Tyson served MFS Communications as Director of Customer Service and Network Operations.

Steven W. Firkus. Mr. Firkus will serve as our Vice President, Sales. Mr. Firkus has been the Division President of Central Region of Old Teligent since February 2001 and is responsible for field marketing and sales, service and central office/network operations. He served as National Vice President of Sales Operations of Old Teligent from June 2000 to February 2001. He served Lucent Technologies as Vice President of Sales, Midwest from 1997 to 2000 and was responsible for revenue and profit and loss performance for global and national enterprise markets. Mr. Firkus served AT&T/Lucent Technologies from 1994 to 1997 as General Manager of Sales and Service and was responsible for revenue and profit and loss performance for small and medium-sized enterprise markets.

Christine A. Wolf. Ms. Wolf will serve as our Vice President, Human Resources. Ms. Wolf has been the Vice President of Human Resources of Old Teligent since April 2001. She served as the Vice President of Compensation and Benefits of Old Teligent from August 1999 to April 2001 and as Director of Compensation and Benefits of Old Teligent from April 1997 to August 1999. Ms. Wolf was Director of Compensation and Benefits at COMSAT Corp. from 1994 to 1997.

Denisse Goldberg. Ms. Goldberg will serve as our Vice President, Marketing. Ms. Goldberg has been the Vice President of Marketing of Old Teligent since May 2001. She served as the Vice President of Marketing Business Analysis of Old Teligent from November 2000 to April 2001 and as Director of Marketing Business Analysis of Old Teligent from February 2000 to October 2000, directing the development of product pricing and profitability measurement tools for Old Teligent's products. She served MCI WorldCom in a variety of strategic planning and analysis positions for its local business unit from September 1997 to January 2000. Ms. Goldberg held various marketing and brand management positions at Colgate Palmolive from March 1994 to July 1997.

Terri B. Natoli. Ms. Natoli will serve as our Vice President, Regulatory Affairs and Public Policy. Ms. Natoli has been the Vice President of Regulatory Affairs and Public Policy and an Assistant Secretary of Old Teligent since July 1999. She served as Associate General Counsel, Director and Assistant Secretary of Old Teligent from September 1997 to July 1999, responsible for providing legal advice regarding all aspects of federal and state regulatory matters and public policy. In addition, she was responsible for regulatory compliance, state and federal licensing and interconnection-related matters. From May 1995 to September 1997, Ms. Natoli was an associate with the law firm of Fleischman and Walsh, L.L.P., where she practiced in the federal and state telecommunications regulatory arenas on behalf of a diversified base of telecommunications clients, including Old Teligent's predecessor. She has also held numerous regulatory positions with other telecommunications companies including GTE and Sprint since beginning her career in telecommunications in April 1979.