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Teligent, Inc.
460 Herndon Parkway, Suite 100
Herndon, Virginia 20170
voice: 703.326.4400
fax: 703.326.4500
www.teligent.com

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ADDITIONAL MEMORANDUM 2002 SEP 20 P 1: 28

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ARIZONA CORPORATION COMMISSION
HEARING DIVISION

To: Docket Control
From: Teligent Services, Inc. [Signature]
Terri B. Natoli, Vice President, Regulatory Affairs
Date: September 10, 2002
Re: Procedural Order dated August 1, 2002, Docket No. T-03761A-01-0911
Further Updated Information Regarding Teligent's Bankruptcy Proceedings

Teligent Services, Inc. ("Teligent") hereby files this Additional Memorandum in response to the above-referenced Procedural Order wherein Teligent was ordered to provide updated information to the Arizona Corporation Commission via a responsive Memorandum no later than August 21, 2002, regarding its Bankruptcy Court Hearing initially scheduled for July 9, 2002, subsequently rescheduled to August 14, 2002, and the effect of such Hearing on Teligent's Plan of Reorganization ("POR" or "Plan") to emerge from bankruptcy. Teligent submitted its responsive Memorandum (dated August 19, 2002) to the Commission on August 20, 2002. In that Memorandum, Teligent explained that the August 14, 2002 Bankruptcy Court hearing to formally consider Teligent's Plan to emerge from Chapter 11, in fact, was further postponed until September 5, 2002. Teligent indicated it would provide the Commission further information after the September 5, 2002 Hearing occurred and the likelihood of approval of its Plan.

Teligent is pleased to inform the Commission that the Bankruptcy Hearing did, indeed, occur, and the Chief Judge of the Bankruptcy Court of the Southern District of New York, upon consent of all Teligent claimants and creditors entitled to vote on the POR, confirmed Teligent's Plan on September 5, 2002, signing the Confirmation Order the next day, September 6, 2002.¹ Teligent has attached hereto a copy of the first and last page of the Confirmation Order to validate this fact. Consummation of the Plan must occur prior to September 15, 2002, at which time, Teligent will emerge from Chapter 11, fully-funded, carrying no debt, and anxious to begin growing the services it has continued to provide throughout the Chapter 11 process; rebuilding its 74 fixed-wireless markets; and introducing new services that the marketplace demands.

To that end, Teligent respectfully requests that the Commission enable Teligent to retain its CCN to offer the full range of services, including local service, that it is currently permitted to offer in Arizona. Teligent bases this request on all of the reasons previously stated in Teligent's February 8, 2002, "Exceptions to Staff Report," Docket No. T-03761A-01-0911, as well as the fact that through confirming its Plan to emerge from bankruptcy, the Bankruptcy Court has determined that Teligent's Plan of Reorganization satisfies the statutory requirement regarding ongoing financial feasibility, a

¹ See In re Teligent, Inc., et al., Order Confirming Debtor's Third Amended Joint Plan Of Reorganization Under Chapter 11 Of The Bankruptcy Code, Case No. 01-12974 (SMB) Jointly Administered, dated September 6, 2002 (hereinafter "Confirmation Order").

showing necessary for confirmation under Section 1129(a)(12) of the Bankruptcy Code. In making this finding, Teligent's Confirmation Order states at Section I.B. paragraph 11, "Confirmation of the Plan is not likely to be followed by the liquidation, or need for further financial reorganization, of the Debtors, Reorganized Teligent or any successor to Reorganized Teligent under the Plan"(emphasis added). Thus, Teligent believes the staff's initial concerns regarding Teligent's financial health should be alleviated at this time as a result of both Teligent's success at obtaining the funding necessary to emerge from Chapter 11 as an operational entity, coupled with the Bankruptcy Court's Confirmation Order with respect to its future financial viability.

Finally, at the time Staff issued its recommendation in January 2002, it also cited Teligent's need to discontinue local service during its bankruptcy as causing "some customers" "stress and inconvenience finding another provider in a relatively short time frame". Teligent understands the concern Staff had at that time, particularly since Teligent was one of the first carriers to have to face this type of measure in Arizona as a result of bankruptcy. Since that time, unfortunately, numerous other CLECs, IXCs, and ISPs have had to take similar steps, many closing their doors completely. Teligent continues to believe that it took extraordinary steps beyond that taken by many other carriers to mitigate any inconvenience to its customers and to assist them in every possible way during the discontinuance process, ensuring continuous dial tone until transition to an alternative provider. Based on what Teligent understands has been occurring throughout the industry over the past eight months, Teligent is aware that other carriers have not acted similarly.

Teligent herein respectfully reiterates its request that its CCN for local service not be cancelled and that it be afforded the opportunity to provide local service in Arizona, once again, through its existing certificate.

If you have any questions regarding the above, please do not hesitate to contact me at 703-326-4650 or terri.natoli@teligent.com.

CERTIFICATE OF SERVICE

I, Terri B. Natoli, certify that I have by overnight mail this day served a true copy of the original Additional Memorandum dated September 10, 2002 relating to Docket No. T-03761A-01-0911 on the Administrative Law Judge of record in this proceeding, ALJ Philip J Dion III. I also certify that on this same day I served the following by overnight mail, a true copy of this Memorandum:

Cynthia Hammond
Churchill Mortgage of Arizona, Inc.
11801 N. Tatum Blvd., Ste. 110
Phoenix, AZ 85028

Christopher C. Kempley
Chief, Legal Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

Ernest G. Johnson
Director, Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

Lyn Farmer
Director, Hearing Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

Steve M. Olca
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

Mark A. DiNunzio
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

Dated September 10, 2002, at Herndon, Virginia

Terri B. Natoli