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January 25, 1994

Via Facsimile and First Class Mail
202-326-2050

202-574-2363

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JAN 27 10 28 AM '94
FEDERAL TRADE COMMISSION
PREMERGER NOTIFICATION DIVISION

CONFIDENTIAL SUBMISSION
PREMERGER NOTIFICATION EXEMPTION
COMPETITIVE TELECOMMUNICATIONS CARRIERS

Dear Ms. Ovuka and Gibbs:

This letter will record the position that given the encompassing jurisdiction of the Federal Communications Commission (FCC) over telecommunications carriers under the Communications Act of 1934, as amended, 47 U.S.C. §§ 151, et seq., (1992) ("Act"), the express provisions of Section 221(a) thereof, and judicial interpretations thereof, the planned acquisition of a competitive long distance interexchange company by another such company is exempt from the premerger notification filing requirements under Title II of the Hart, Scott, Rodino Antitrust Improvements Act of 1976, § 7A of the Clayton Act, 15 U.S.C. § 18a.

The identity of the acquiring and acquired companies are given in the sealed envelope being sent under separate cover, accompanied by the hard copy original of this letter. The identity of the companies is confidential for the time being as final terms of the acquisition are not as yet completed and because unrelated, but significant interests of one of the companies could be prejudiced by premature disclosure. When the acquisition terms are finalized, and the related interests accounted for, written notice shall be provided that protection of the identity of the companies is no longer required. It is anticipated that such notice can be given by the second week in February.

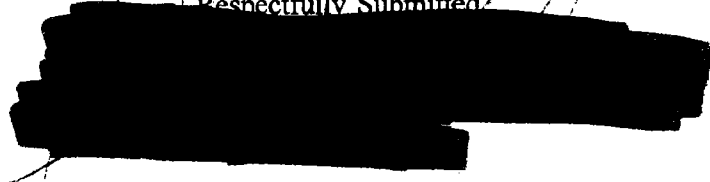
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Exemption from the premerger notification requirements is established by Guide II of the FTC's "Introductory Guides to the Premerger Notification Program," at 27 and citations contained thereat, the applicability of Section 221(a) of the Act to mergers of telecommunications companies as established for example in MCI Telecommunications, Inc. v. AT&T, 462 F. Supp. 1072 (D.C.N.D. IL 1978) and legal treatises which hold that the prohibitions of Section 7 of the Clayton Act do not apply to transactions consummated pursuant to authority given by the FCC, CCH Trade Regulation Reports, ¶4240.

In order to complete the acquisition in compliance with the Communications Act, an application to the FCC will be filed and copies thereof will be provided to your respective offices.

If there should be any questions, please contact the undersigned.

Respectfully Submitted,



Enclosure via First Class Mail only

2/8/94

The transaction is exempt under (c)(6). Although filings by telecommunications carriers are submitted under HSR (perhaps due to time constraints w/FCC), parties filing w/ the FCC would be exempt provided copies are given to the antitrust agencies.

R5 concurs