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September 15, 2000

VIA OVERNIGHT DELIVERY

Florida Public Service Commission
Division of Records and Reporting
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

001427-TX

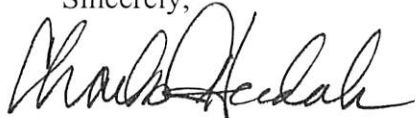
Re: Joint Application of Duro Communications Corporation, MetroLink Internet Services of Port Saint Lucie, Inc. and ALEC, Inc. for Approval of a Reorganization and Merger

Dear Sir or Madam:

Enclosed are the original and seven (7) copies of the Application. Please file the Application in your usual fashion and return one (1) file-stamped copy to us in the enclosed envelope.

If you have any questions or comments, please call the undersigned.

Sincerely,



Charles A. Hudak

CAH/jh

Enc.

cc: Duro Communications Corporation
(with enclosure)

DOCUMENT NUMBER-DATE

11671 SEP 18 8

FPSC-RECORDS/REPORTING

**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

IN RE:)
)
JOINT APPLICATION OF DURO)
COMMUNICATIONS CORPORATION,)
METROLINK INTERNET SERVICES,)
OF PORT SAINT LUCIE, INC. AND)
ALEC, INC. FOR APPROVAL OF)
A REORGANIZATION AND MERGER)

DOCKET NO. 20/427-TX

JOINT APPLICATION

COME NOW DURO Communications Corporation (“DURO”), ALEC, Inc. (“ALEC”) and Metrolink Internet Services of Port Saint Lucie, Inc. (“Metrolink”) (collectively, the “Parties”), by their undersigned counsel, and hereby respectfully request that the Florida Public Service Commission (the “Commission”), pursuant to Section 364.33 of the Florida Statutes, issue an Order approving an intra-company reorganization and merger, as described herein.

This request is being made in order for DURO to consolidate - through a series of mergers - three of its wholly-owned regulated, telecommunications, operating subsidiaries, into one of its existing telecommunications operating subsidiaries, ALEC.¹ Metrolink, one of DURO’s telecommunications subsidiaries that will be affected by the reorganization and mergers, is authorized to provide alternative local exchange services in the State of Florida. Upon the

¹Specifically, under various merger plans, DURO intends to merge each of OptiLink (certificated in Alabama, Georgia, South Carolina and Mississippi), Metrolink Internet Services of Port Saint Lucie, Inc. (certificated in Florida) and GIETEL, Inc. (certificated in North Carolina) with and into ALEC, which shall be the surviving corporation of each merger.

DOCUMENT NUMBER-DATE

11671 SEP 18 8

FPSC-RECORDS/REPORTING

conclusion of the reorganization and mergers, DURO will have only one subsidiary - ALEC - that will provide telecommunications services.

The Parties respectfully request that the Commission act upon this Joint Application expeditiously inasmuch as time is of the essence and the approval sought herein concerns a non-controversial, reorganizational transaction between affiliated entities. In support of this Joint Application, the Parties hereby state as follows.

I. DESCRIPTION OF THE PARTIES

1.

DURO is a privately-held, Delaware corporation headquartered at 1211 Semoran Boulevard, Suite 217, Casselberry, Florida 32707. DURO, a leading Internet service provider ("ISP"), currently operates one of the largest ISP dial-up networks in the Southeast. Since its inception, DURO has grown by acquiring ISPs that have served residential and business customers in Tier II, Tier III and Tier IV markets in Florida, Georgia, North Carolina, South Carolina, Kentucky, Tennessee and Mississippi. In connection with certain of its ISP acquisitions, DURO also has acquired the stock of regulated telecommunications carriers that have provided local exchange, long distance or operator services in these markets. Consequently, at this time, DURO owns all of the issued and outstanding stock of the following telecommunications carriers: Metrolink (which is authorized to provide telecommunications service in Florida), ALEC (which is authorized to provide telecommunications services in Kentucky and Tennessee), GIETEL, Inc. (which is authorized to provide telecommunications service in North Carolina) and OptiLink (which is authorized to provide telecommunications services in Alabama, Georgia, Mississippi and South Carolina).

2.

ALEC, a wholly-owned subsidiary of DURO, is a Kentucky corporation headquartered at 1211 Semoran Boulevard, Suite 217, Casselberry, Florida 32707. Currently, ALEC provides a wide variety of facilities-based and resold local exchange and long distance services in Kentucky and Tennessee. ALEC's services include single and multi-line residential and business local exchange services, complex services such as CENTREX, high-capacity private line (*e.g.*, T-1, DS-1, DS-3), ISDN, digital subscriber line (so-called "xDSL"), and frame relay services, and optional CLASS service features such as call forwarding, call waiting, caller identification, call return, and three-way calling.

3.

Metrolink, a wholly-owned subsidiary of DURO, is a Florida corporation headquartered at 1211 Semoran Boulevard, Suite 217, Casselberry, Florida 32707. Currently, Metrolink is certificated to provide alternative local exchange services in the State of Florida.²

4.

The names and addresses of the attorneys representing the Parties in this matter are:

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Timothy L. Geraghty, Esq.
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Three Ravinia Drive, Suite 1450
Atlanta, Georgia 30346-2131
Tel: (770) 399-9500
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² See Metrolink Internet Services of Port Saint Lucie, Inc.'s Application for a Certificate of Authority to Provide Alternative Local Exchange Services, Certificate No. 5324, Docket No. 971432-TX (issued Jan. 26, 1998).

5.

The Commission has jurisdiction over this matter pursuant to Section 364.33 of the Florida Statutes.

II. DESCRIPTION OF THE REORGANIZATION

6.

DURO intends to consolidate - through a series of mergers - three of its wholly-owned, regulated, telecommunications, operating subsidiaries into one of its existing telecommunications operating subsidiaries, ALEC. Through the reorganization and consolidation of its regulated operating subsidiaries, DURO intends to create an entity that will be able to grow more rapidly and compete more effectively than any of its individual operating subsidiaries could do so independently.

7.

Specifically, in Florida, Metrolink will be merged with and into ALEC, which will be the surviving corporation of the merger.³ All of the assets of every kind and description of Metrolink will be merged into and conveyed to ALEC. The separate corporate existence of Metrolink will thereupon cease. Each issued and outstanding share of ALEC common stock will continue to be outstanding as a share of common stock of ALEC, as the surviving corporation of the merger. However, each issued and outstanding share of Metrolink common stock will be canceled and cease to exist by virtue of the merger.

8.

Until such time as the Commission has approved this Joint Application or otherwise consented to the proposed reorganization and merger described herein and in the attached exhibits,

³A copy of the merger agreement is attached hereto at Exhibit "A".

Metrolink will continue to serve its customers pursuant to its tariff and existing operating authority in Florida. Thereafter, ALEC (as the successor to Metrolink) will serve such customers throughout the State of Florida pursuant to the same rates, terms and conditions under which such customers purchased service. Thus, the merger will have no adverse impact upon customers in Florida.

III. FINANCIAL, MANAGERIAL AND TECHNICAL QUALIFICATIONS

9.

The Parties possess all financial, managerial and technical qualifications necessary to complete the reorganization and merger contemplated herein. The Parties are led by highly qualified teams of management personnel with extensive experience in the telecommunications industry. Brief biographical statements concerning the Parties senior management personnel are attached hereto at Exhibit "B". Furthermore, the ultimate parent of the Parties is DURO Communications Inc. ("DUROCOM"). In 1999, DUROCOM had revenues of approximately \$22.5 million and assets in excess of \$135.9 million.⁴ As wholly-owned subsidiaries of DUROCOM, the Parties have the assurance of their ultimate parent that they will be provided the financial resources necessary to operate their businesses on a continuous basis after the completion of the reorganization and merger.

IV. PUBLIC INTEREST, CONVENIENCE AND NECESSITY

10.

Commission approval of the reorganization and merger of Metrolink and ALEC is in the public interest. DURO seeks to consolidate its regulated telecommunications operating subsidiaries in order to form a more efficient and competitive telecommunications carrier within its corporate family. The reorganization and merger will enable the consolidated telecommunications entity,

⁴Upon request, the Parties will supply copies of DUROCOM's financial statements to the Commission.

ALEC, to benefit from an increase in technical and financial resources and from a reduction in administrative redundancy. The reorganization will further result in economies of scale that will permit ALEC (as the successor to Metrolink) to operate more efficiently, to compete more effectively and to improve and expand its products and service offerings. Consequently, grant of the Joint Application will permit the DURO family of companies to better satisfy the telecommunications requirements of its affected customers in Florida. The Parties will provide the affected customers in Florida with written notification of the merger and with the opportunity to change their service provider to ALEC, or to cancel their service at no charge if they choose not to obtain telecommunications services from ALEC. Consequently, the merger between ALEC and Metrolink will not result in any interruption or diminution in the quality of service provided to the former Metrolink customers and will be essentially transparent to such customers. Finally, as a result of this merger, Florida consumers will benefit from the availability of an increased variety of products and service options for local exchange, long distance and alternate operator services.

V. REQUEST FOR WAIVER OF HEARING

11.

Inasmuch as time is of the essence, the Parties respectfully request expeditious approval of the Joint Application and waiver of any requirements of notice and hearing.

WHEREFORE, the Parties respectfully request that this Commission:

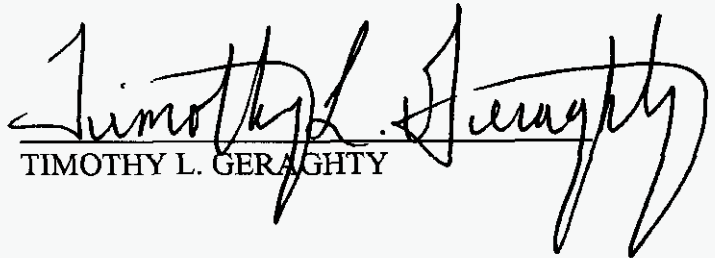
- (1) Issue an order approving this Joint Application in all respects, including without limitation the reorganization and merger described herein;
- (2) Waive any requirement of notice and hearing in connection with the reorganization and merger described in this Joint Application; and
- (3) Grant any other and additional relief that the Commission may deem just and proper.

Respectfully submitted this 15th day of September, 2000.

GERRY, FRIEND & SAPRONOV, LLP



CHARLES A. HUDAK



TIMOTHY L. GERAGHTY

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COUNSEL FOR DURO COMMUNICATIONS CORPORATION,
ALEC, INC. AND METROLINK INTERNET SERVICES OF
PORT SAINT LUCIE, INC.

EXHIBIT "A"
MERGER AGREEMENT

GPH Draft 7/13/00

PLAN OF MERGER

This Plan of Merger (hereinafter referred to as the "Plan"), entered into on the ___ day of _____, 2000 by and between:

ALEC, Inc., a Kentucky corporation (hereinafter referred to as "ALEC");

and

MetroLink Internet Services of Port St. Lucie, Inc., a Florida corporation
(hereinafter referred to as "MetroLink").

WHEREAS, DURO Communication Corporation, a Delaware corporation (hereinafter referred to as "DURO") owns one hundred percent (100%) of the issued and outstanding stock of all classes of ALEC and MetroLink, and as such sole shareholder has determined that it will be in the best interest of DURO to merge and consolidate MetroLink into ALEC as the surviving corporation;

WHEREAS, the Board of Directors of each of DURO, ALEC and MetroLink have respectively determined that it will be in the best interest of each entity to merge and consolidate MetroLink into ALEC as the surviving corporation, effective upon the filing of Articles of Merger in the State of Florida and Articles of Merger in the State of Kentucky.

NOW, THEREFORE, in consideration of the foregoing, it is agreed as follows:

1. For and in consideration of the assumption by ALEC of all liabilities of MetroLink, all of the assets of every kind and description of MetroLink are hereby merged into and conveyed to ALEC.
2. The separate existence of MetroLink shall cease upon the execution of this Plan and the filing of Articles of Merger with the Secretary of State of the State of Florida and Articles of Merger with the Secretary of State of the State of Kentucky.
3. The title to all real estate and other property owned by MetroLink is hereby vested in ALEC without reversion or impairment.
4. ALEC hereby assumes all liabilities of MetroLink as the surviving corporation.
5. Any proceeding pending against MetroLink may be continued against ALEC as if the merger did not occur, or, in the alternative, ALEC may be substituted in any such proceeding.
6. Each share of ALEC that is issued and outstanding immediately prior to the

Effective Time shall remain issued and outstanding without change.

7. All shares of capital stock of MetroLink held in the treasury of MetroLink immediately prior to the Effective Time shall be canceled, without the payment of any consideration therefor.

8. All other shares of capital stock of MetroLink which are outstanding immediately prior to the Effective Time shall be canceled and retired without any action on the part of the holder thereof.

9. There shall be no additional shares issued by ALEC to MetroLink because of this merger.

10. Both entities shall execute all instruments necessary to effect this merger.

IN WITNESS WHEREOF, the parties have executed this Agreement as a sealed instrument on the date first above written.

ALEC, INC.

By: _____

Title: _____

METROLINK INTERNET SERVICES OF PORT ST.
LUCIE, INC.

By: _____

Title: _____

EXHIBIT "B"

MANAGEMENT DESCRIPTION

As a wholly-owned subsidiary of DURO, ALEC shares a common management team with DURO. DURO's key personnel are described on the following pages:

Peter B. Hopper has been DURO's President and Chief Executive Officer since its incorporation in February 1999. From 1994 to 1998, Mr. Hopper served as Vice President at Helicon Cable. While at Helicon, Mr. Hopper managed Helicon Online, a facilities-based full service Internet provider. Mr. Hopper has a B.S. in Finance from Lehigh University.

Mark L. Heimbouch joined DURO in May 1999 as Chief Financial Officer and Treasurer. Prior to joining DURO, Mr. Heimbouch was Vice President, Mergers and Acquisitions with First Data Corporation, where he had held a variety of financial policy and planning positions since 1993. Mr. Heimbouch has an M.B.A. from the Fuqua School of Business at Duke University.

John G. Isaac joined DURO in June 1999 as Chief Technical Officer, and is responsible for planning, building and operating DURO's data network. From 1995 to June 1999, Mr. Isaac served as President and Chief Technical Officer of ICX Online, Inc., which we acquired in June 1999. Mr. Isaac has a B.S. and an M.S. in Computer Science from Bowling Green State University.

Rebecca J. Masisak has been DURO's Senior Vice President, Operations since March 1999. From December 1998 to March 1999 Ms. Masisak operated two newly integrated Internet service providers while acquiring and integrating a third Internet service provider. From January 1996 to December 1998, Ms. Masisak was a Senior Principal for American Management Systems, Inc., a consulting firm and provider of client care and billing solutions for telecommunications companies for which she led the client management practice. Ms. Masisak has an M.B.A. from Columbia Business School.

G. Robert Joiner has been DURO's Senior Vice President, Corporate Development since its incorporation in February 1999. Mr. Joiner was on the board of directors and was an investor in Crossroads Access, a Mississippi facilities-based full service Internet service provider formed in 1995 and acquired by DURO in March 1999. From February 1996 to October 1998, Mr. Joiner was Regional Vice President of Outdoor Communications, Inc., an outdoor advertising venture formed from the roll-up of 33 billboard companies, where he directly oversaw operations for three divisions. Mr. Joiner has a graduate degree from Auburn University.

Richard W. Gourley joined DURO in January 2000 as Vice President, CLEC Operations. From 1995 to January 2000, Mr. Gourley was a founder and the President of Surf South, Inc. and Optilink Communications, Inc. From 1995 until January 2000, Mr. Gourley was a Vice President of Plant Cellular RSA 14, Inc., Telecom Group, Inc. and Phoenix Wireless Group, Inc. Mr. Gourley has a B.S. in Electrical Engineering and a B.S. in Physics from the University of Oklahoma.

Richard M. Lee, Jr. joined DURO in April 1999 as Vice President of its Florida sales region. From 1996 through April 1999, Mr. Lee was a founder of MPInet, an Internet data services company based in Orlando, Florida. DURO acquired MPInet in April 1999. Prior to founding MPInet, Mr. Lee was a systems integrator for Micro Products, Inc., a systems integration service provider based in Washington D.C., from 1987 to 1996. Mr. Lee has a B.S. in Building Science from Auburn University.

Carlos Carpenter joined DURO in August 1999 as Vice President of its Mid-South sales region. From 1995 through August 1999, Mr. Carpenter was a founder of KIH Online, an Internet service company, based in London, Kentucky. DURO acquired KIH Online in August 1999. Prior to 1995, Mr. Carpenter was a founder of College Cable Service, a cable television company based in London, Kentucky.

William C. Hanks joined DURO in October 1999 as Vice President of its Carolina sales region. From 1995 to October 1999, Mr. Hanks served in various capacities for Nortel Networks, most recently as Senior Data Sales Manager, Emerging Markets. Mr. Hanks has a B.S. in Marketing/Management from the University of North Carolina at Greensboro.

John G. Hayes has served as one of DURO's directors since March 1999. Mr. Hayes is a managing partner of Great Hill Partners, L.L.C., a private equity firm. Mr. Hayes has been associated with Media/Communications Partners, a private equity firm, since 1989 and has served as a partner since 1993. Mr. Hayes serves as Chairman of Horizon Telecom International, Inc., a telecommunications company focused on developing broadband networks in Brazil; American Broadband, Inc., a development stage company focused on implementing broadband networks in the United States; and Amstar Entertainment, LLC, a movie theater developer. Mr. Hayes also presently serves as director of a number of companies, including Voyager.net, Inc., a consolidator of business translation services companies; and Teltrust, Inc., a telecommunications services provider.

John C. Stanley IV has been one of DURO's directors since its incorporation in February 1999. Mr. Stanley was the Chief Executive Officer of Outdoor Communications, Inc. from 1996 until it was sold in October 1998 and prior to that, he served as vice president of that company. Mr. Stanley has a B.B.A. degree from The University of Mississippi.

Stephen F. Gormley has served as one of DURO's directors since March 1999. Mr. Gormley is a managing partner of Great Hill Partners, L.L.C., a private equity firm. Mr. Gormley has served as a general partner of Media/Communications Partners, a private equity firm, since 1986. Mr. Gormley serves as Chairman of Bloomington Broadcasting Holding, Inc., a radio broadcaster; and General Systems Solutions, Inc., a leading provider of on-line vehicle registration. Mr. Gormley also serves as a director to ManagedOps.com, Inc., a leading mid-market application software services provider; Sunburst Media, L.P., a radio broadcaster; Adams Business Media, Inc., a business-to-business publisher and information provider; Medical World Communications, Inc., a healthcare publisher and information provider; Haight's Cross Communications, LLC, a professional information provider and supplementary education publisher; Mergent, Inc., a financial database operator; and Language for Industry Worldwide, Inc., a language translation provider.

Pearch A. Landry has been one of DURO's directors since December 1999. Mr. Landry is a Principal of First Union Capital Partners, Inc., which he joined in 1995. His investing efforts are focused in the telecommunications industry, including wireline, wireless, data and Internet service businesses. Mr. Landry graduated as a Morehead Scholar from the University of North Carolina in 1995.

Scott Perper has been one of DURO's directors since December 1999. Since February 1995, Mr. Perper has been Managing Partner of First Union Capital Partners, Inc. Mr. Perper is a Senior Vice President of First Union Corporation and First Union National Bank of North Carolina. Mr. Perper received his B.A. in government and legal studies from Bowdoin College and his M.B.A. from Harvard Business School.

David F. Dietz has been one of DURO's directors since April 2000. Mr. Dietz has been a partner of Goodwin, Procter & Hoar LLP since 1984. Mr. Dietz has a B.A. from Dartmouth College and a J.D. from Boston University.