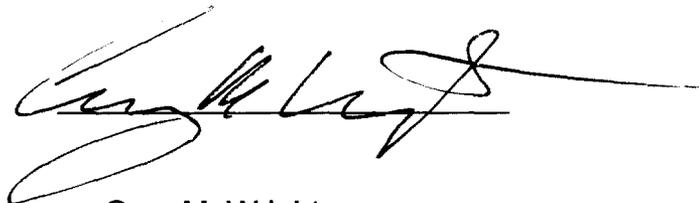


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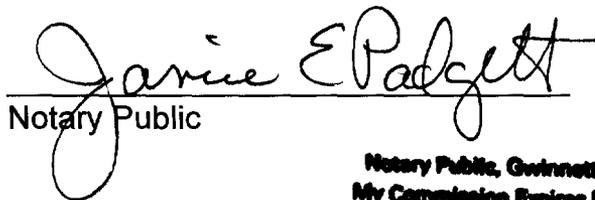
24. South Carolina's local exchange market is currently open to local exchange service competition on facility and resale bases to both wireline and wireless competitors. The future business plans of each of these potential competitors will determine the who, where, and when of facility-based local exchange service availability.

I hereby swear that the foregoing is true and correct to the best of my information and belief.



Gary M. Wright
Manager-Regulatory Competitive Analysis
Federal Regulatory Department
BellSouth Telecommunications, Inc.

Subscribed and sworn to before me this 12
day of November, 1997.



Notary Public

**Notary Public, Gwinnett County, GA
My Commission Expires Feb. 19, 2000**

AFFIDAVIT OF GARY M. WRIGHT

EXHIBIT A

Overview

American Communications Services, Inc. ("ACSI") is a competitive local exchange carrier (CLEC), and provides an alternative to the incumbent local telephone companies, by offering local dial tone, dedicated access and advanced data and networking solutions to business customers in mid-sized markets primarily in the southern half of the United States.

The company manages and operates digital SONET-based fiber optic networks in its local markets, along with its coast-to-coast ATM backbone (ACSINet). ACSI's integrated networks, which allow the company to provide end-to-end solutions for business applications, are monitored by its state-of-the-art Network Management Center.

ACSI's senior management is among the most experienced in the emerging competitive local telecommunications industry, with over 250 collective years of telecommunications experience and over 50 years in the CLEC business. The management team has been strengthened with the appointment of Jack Reich as President and CEO in December 1996 and of David Piazza as Chief Financial Officer in March 1997. In addition, Vernon Irvin has joined as Senior Vice President of Advanced Data Services.

Founded in 1993, ACSI currently offers local voice and/or data communications in over 50 markets. The company has derived much of its business from the sale of dedicated services, including switched transport and private line. In late 1996, ACSI introduced its first facilities-based competitive local dial tone in Columbus, Georgia. The company today offers facilities-based dial tone in ten markets, with plans to deploy its own switches in 16 markets by the end of 1997. In addition, ACSI resells dial tone in more than 30 markets and will continue to add new resale markets through the first quarter of 1998.

In late 1996, the company also deployed ACSINet, a coast-to-coast leased broadband data communications network through which it offers frame relay, ATM and Internet access services to Internet service providers (ISPs) and local businesses. ACSI has ACSINet data points of presence (POPs) in 42 markets. ACSI's integrated network enables the company to deliver high-quality voice and high-speed data communications services to long-distance carriers (IXCs) and end users.

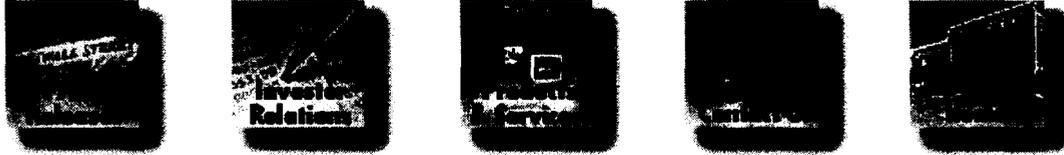
In late 1996, ACSI acquired CyberGate, Inc., the largest independent ISP in Florida, to broaden the distribution channels for data services. This acquisition allows ACSI to offer Internet services to ISPs in existing ACSI markets and to end users in targeted markets.

Building on its data capabilities, ACSI introduced **e*spire**, a comprehensive family of data and Internet services, in July 1997. This new offering includes Internet connectivity, frame relay and ATM data transport, Website hosting, routing, enterprise solutions and firewall security services for small and mid-sized businesses.

ACSI has embarked on an aggressive sales and marketing program to establish itself as a competitor to the local telephone company in the markets it serves. Emphasis will continue on building density in existing markets, selling services, broadening product capabilities and providing customers with responsive customer service.

ACSI is headquartered in Annapolis Junction, Maryland, in the Baltimore-Washington business corridor. The company currently employs more than 500 people, who are located at headquarters and in local sales and customer support offices in ACSI markets throughout the United States. ACSI's common stock is publicly traded under the ticker symbol "ACNS" on the NASDAQ National Market.

For more information, please contact: Peggy Disney, Director of Corporate Communications at 1.301.617.4259, or <http://www.acsi.net>.





The signing of the **Telecommunications Act of 1996** mandated full competition in all telecommunications markets. The only "protected" market that excluded competition was local exchange services. Today, wherever you live, you can choose your long distance company, but not your local telephone company. The Telecom Act changed all that. What ACSI is bringing to each of its 50 cities is the opportunity for businesses to have the right to choose their local telephone company just like people do today with their other vendors.

We have started providing that choice in Columbus, GA, Montgomery, AL, Louisville, KY, and Fort Worth, TX where we have recently introduced our digital telephone services. ACSI is currently installing Lucent Technologies #5 ESS 2000 switches which, when integrated with our local fiber network will provide local business customers with a wide array of digital services that have been previously unavailable or simply too costly. Most business customers have digital telephone systems that they have had to connect to the old copper telephone network of the local telephone company. Now, with ACSI's fiber network, business customers can have digital PBX trunks that support advanced services.

These services include the normal telephone services that have been provided over the years by the old telephone company and in addition, such digital services as ISDN and other enhanced services. ACSI believes that our service offerings are only part of the story. How we support our customers is the other. We believe that people should talk with people, not answering machines. If you have questions or special requirements, please call our local office, use our 1-888-398-ACSI number or e-mail us. We want your business, we'll earn your trust.



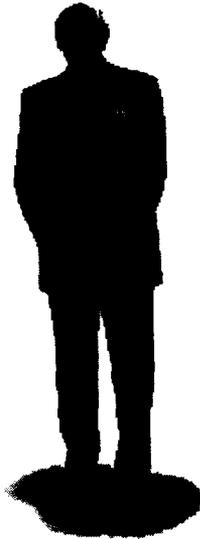
To Our Shareholders, Friends and Employees.

We at American Communications Services, Inc. (ACSI) are pleased to report significant progress for 1996, in revenue growth, network expansion, the recruitment of experienced senior management and customer-focused teams.

The Company's past accomplishments, together with our Build, Win, Leverage strategies for the year ahead, will bring us closer to our goals. By building SONET-based fiber optic networks, winning new customers with distinctive products and leveraging our customer base with enhanced services, ACSI is poised to become the premier, full-service, local phone company for businesses in our markets.

ACSI's recent gains are impressive. Total revenues for the period July 1, 1996, through December 31, 1996, were \$7.0 million, up 600% from the same six months of the preceding year. Our route miles in service, from January 1, 1996, through December 31, 1996, increased nearly five-fold. We intend to keep this momentum going in 1997. Plans for the upcoming year include expanding our integrated voice and data networks; providing ACSI-branded voice and data communication services; increasing sales, marketing and distribution channels; and leveraging strategic relationships.

Our management team is also prepared for continued growth through our expanded marketing and sales emphasis, as evidenced by the hiring of Jack Reich as President and Chief Executive Officer of Communications Services and David Piazza as Chief Financial Officer. We are increasing our direct sales force five-fold during 1997 to meet challenging, but achievable, revenue goals.



And through increased marketing and customer service, ACSI's brand will become synonymous with quality products and attentive, responsive customer care.

In just three years, ACSI has earned a position at the forefront of the local telecommunications services industry. And we intend to compete aggressively, focusing our energy on customers and meeting our financial objectives. Our 1996 results give solid evidence that our strategies are sound. The outlook for the new fiscal year is extremely optimistic.

This is a great industry, and the possibilities before us are endless. With the passage of the Telecommunications Act of 1996, competition for local telecommunications services is exploding. ACSI has all the right pieces to compete in this new environment: state-of-the-art technology, multiple distribution channels, enthusiastic sales people, skilled technicians, a growing customer care organization, and more. In 1997 you will hear our strategic themes - Build, Win, Leverage - in everything we do. With our focus on making ACSI the premier local telecommunications provider, we can expect an increase in the Company's revenue and, consequently, in your shareholder value.

Sincerely,

Anthony J. Pompliano, Executive Chairman

Continue...

[CEO Message](#) | [Build](#) | [Win](#) | [Leverage](#) | [View Fiscal '96](#) | [ACSI Locations](#) | [Overview](#) | [Back to ACSI Financials](#)

AFFIDAVIT OF GARY M. WRIGHT

EXHIBIT B

New Orleans, Greenville, Spartanburg, and Charleston

INCONTEXT® INC.
POLITICAL ECONOMIC ANALYSIS

1615 L STREET, N.W., SUITE 650 • WASHINGTON, DC 20036
TEL: 202 659-1023 FAX: 202 659-3010

WILLIAM LILLEY III
CHAIRMAN AND CHIEF EXECUTIVE OFFICER

September 5, 1997

The attached sheets contain specialized information about telephony competitors to BellSouth in the urban markets of New Orleans (LA) and three cities in South Carolina—Charleston, Greenville and Spartanburg. In all of the attached sheets, computerized mapping, socio-economic data from the Census and telemarketing results are juxtaposed to show the following:

1. The precise configurations of the fiber grids of the non-RBOC companies providing local telephone service in those markets.
2. The precise geographic relationship of commercial business buildings and residential buildings to those grids.
3. The maps show that the fiber grids run in proximate patterns to both commercial buildings and residential buildings.
4. The maps show that the non-RBOC competitors have hooked up many commercial buildings but no residential buildings.
5. The maps show that the non-RBOC competitors could hook up residential buildings with little or no more effort than they have taken to hook up commercial buildings.
6. The data from the census, juxtaposed with the maps, show that in many areas of these markets that the fiber grids bypass affluent residential properties which presumably would provide the basis for profitable telephone service.
7. The quotes from the non-RBOC competitors show that those companies have absolutely no near-term intention of providing residential service. For example, in New Orleans ACSI told us that: *"We provide local dial tone service to businesses only. We are not providing services to residences and I am not aware of any plans to do so in the future.* In Spartanburg, ACSI told us that *"We do not provide residential telephone service. Not yet. We might possibly in the future."*

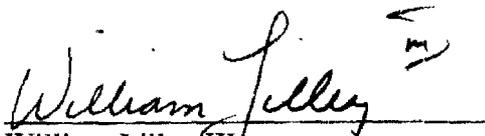
The following pages contain maps showing these points, and relevant quotes, for the four markets cities above. We reprint in the following pages an earlier July 1997 study done of the much larger and more affluent Atlanta market. The reader should note that the pattern is the same in all the markets, large or small, just as the quotes are remarkably similar even though the companies are different and range in size from large companies like MCI to smaller ones like ACSI.

The maps show that the configuration of the non-RBOC fiber grids lend themselves to hooking up at least some affluent residential, multi-family buildings that are in the direct

or virtually direct path of all of the grids. Because the fiber grids are in current proximity to these residential dwellings, it is self-evident that the non-RBOC competitors have already made the major capital commitment precedential to providing residential service. It appears to us that the provision of residential service could easily be provided at very little additional cost.

While our expertise is not in telephony per se, our expertise is in the mapping of business activity clusters and measuring the precise role that geographic proximity plays in determining levels and types of economic activity. Our company, InContext, has copyrighted extensive computer software applications to use in measuring how proximate locational configurations—what economists and geographers call “clustering” or “agglomerative” patterns as opposed to “dispersive” patterns—play in facilitating economic activity in certain markets compared to other markets. We have provided analysis in this area for large corporations in the United States, for the Federal Reserve System, for large corporations in the European Union and for large sports entertainment organizations in the U.S. and the European Union. In 1992 and 1993, we provided similar economic analysis to the seven RBOCs when we measured how the configuration of existing CAP grids and existing CAP hookups was guided by the degree to which commercial businesses were clustered geographically in 14 major U.S. markets.

Against this analytical background of measuring how proximity facilitates economic activity, we have analyzed in the attached five urban markets the perplexing disconnect between non-RBOC capital investment programs and subsequent provision of service. The pattern we see in these five markets contradicts economic commonsense. Therefore, we have concluded that non-RBOC telephone service is being withheld from residential buildings for non-economic reasons.

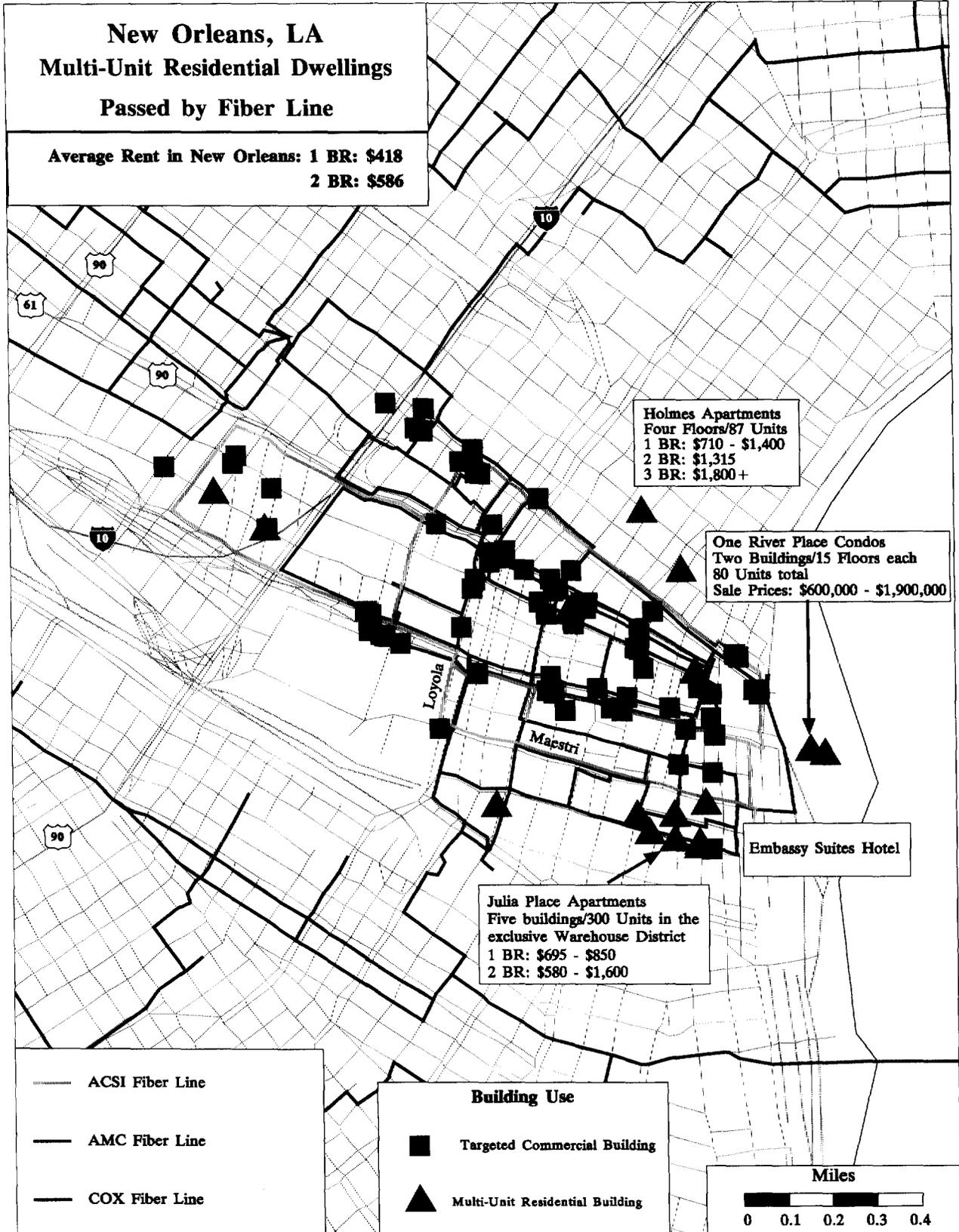

William Lilley III
Chairman and CEO

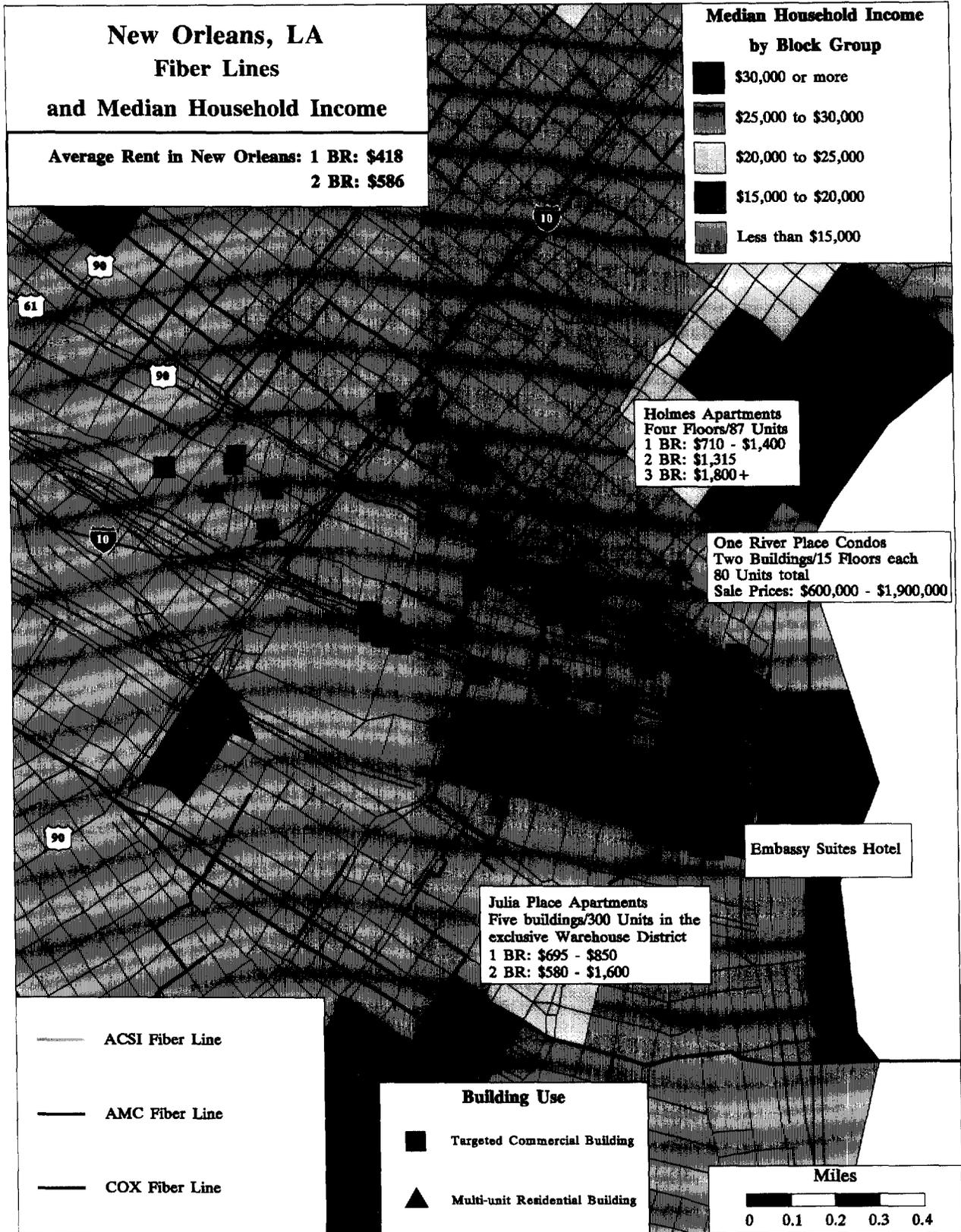

Laurence J. DeFranco
President

Analytical Research Steps Taken in New Orleans, Greenville, Spartanburg and Charleston, SC

1. 1997 geocoded entire existing fiber backbone grid of the RBOC competitors in the four cities.
2. 1997 geocoded all commercial buildings in proximity to the RBOC competitors grids.
3. 1997 ascertained which commercial buildings were being targeted to receive local business service from the RBOC competitors.
4. 1997 geocoded those commercial buildings being targeted to receive local business service from the RBOC competitors.
5. 1997 geocoded all multifamily residential buildings in proximity to the high-volume local business telephone service provided by the RBOC competitors.
6. 1997 researched how many residential units in each of the multifamily residential facilities in the path of the RBOC competitors grids.
7. 1997 researched average rentals for the same buildings.
8. 1997 ascertained average household incomes for census block areas in the path of the RBOC competitors grids.
9. 1997 ascertained sales transaction prices for multifamily condominiums in the path of the RBOC competitors grids.
10. 1997 demonstrated visually that affluent multifamily residential units lay between and adjacent to commercial buildings which were receiving service local business telephone service. These residential buildings could receive local residential service if the RBOC competitors so chose.
11. 1997 ascertained from extensive telemarketing of residential buildings, property managers, the RBOC competitors that none of the residential buildings along the paths of the RBOC competitors grids were receiving local residential telephone service from the RBOC competitors.
12. 1997 asked the RBOC competitors why local residential telephone service was not being provided to buildings adjacent to commercial buildings which were receiving local business telephone service.

New Orleans





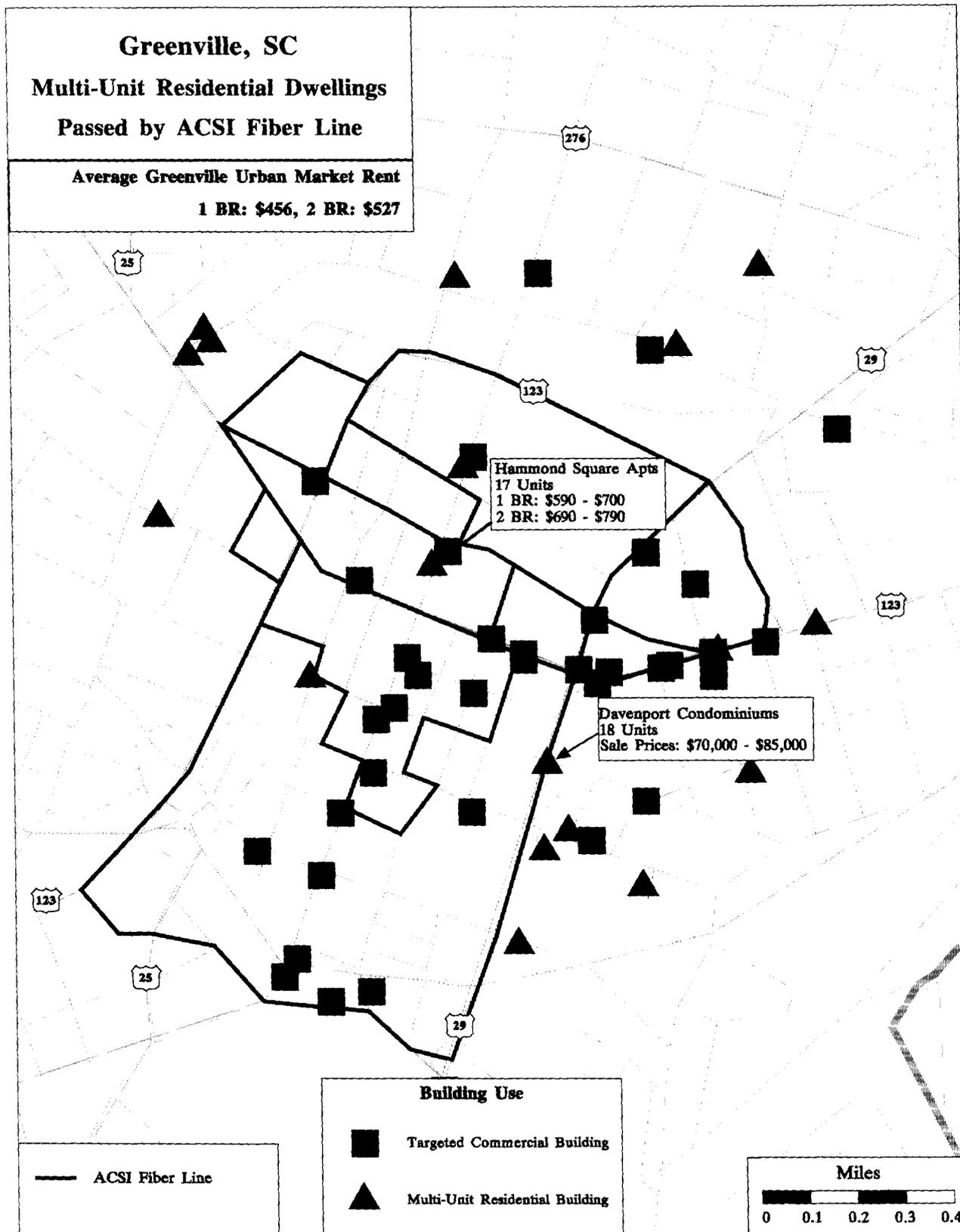
We now provide data and T-1 type services over fiber optic line. We will be putting in a local switch for dial tone service beginning the first quarter of next year. We serve businesses only.

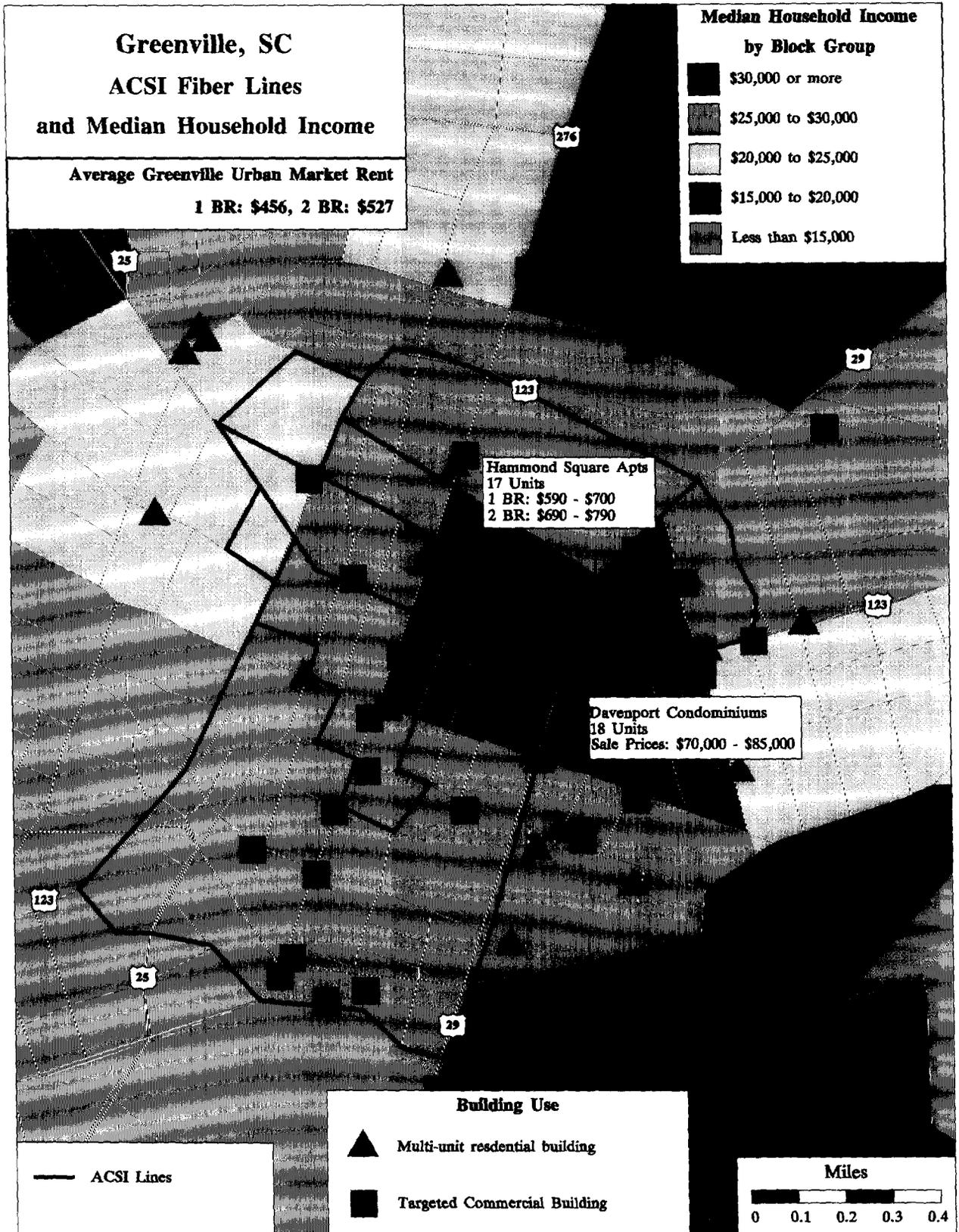
Cox Fibernet of New Orleans
September 2, 1997 telephone conversation

We provide local dial tone service to businesses only. We are not providing service to residences and I am not aware of any plans to do so in the future.

ASCI of New Orleans
September 2, 1997 telephone conversation

Greenville, SC

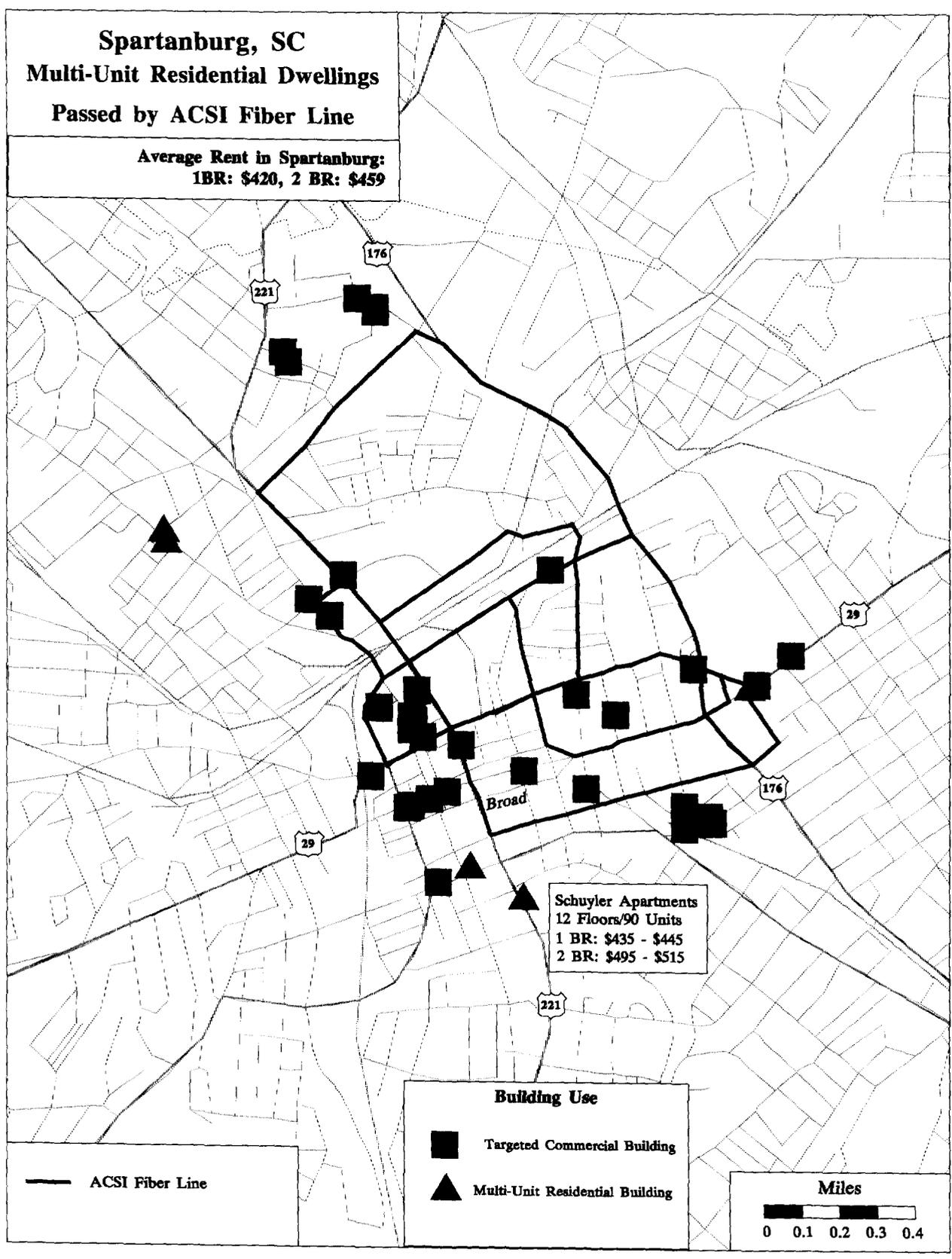


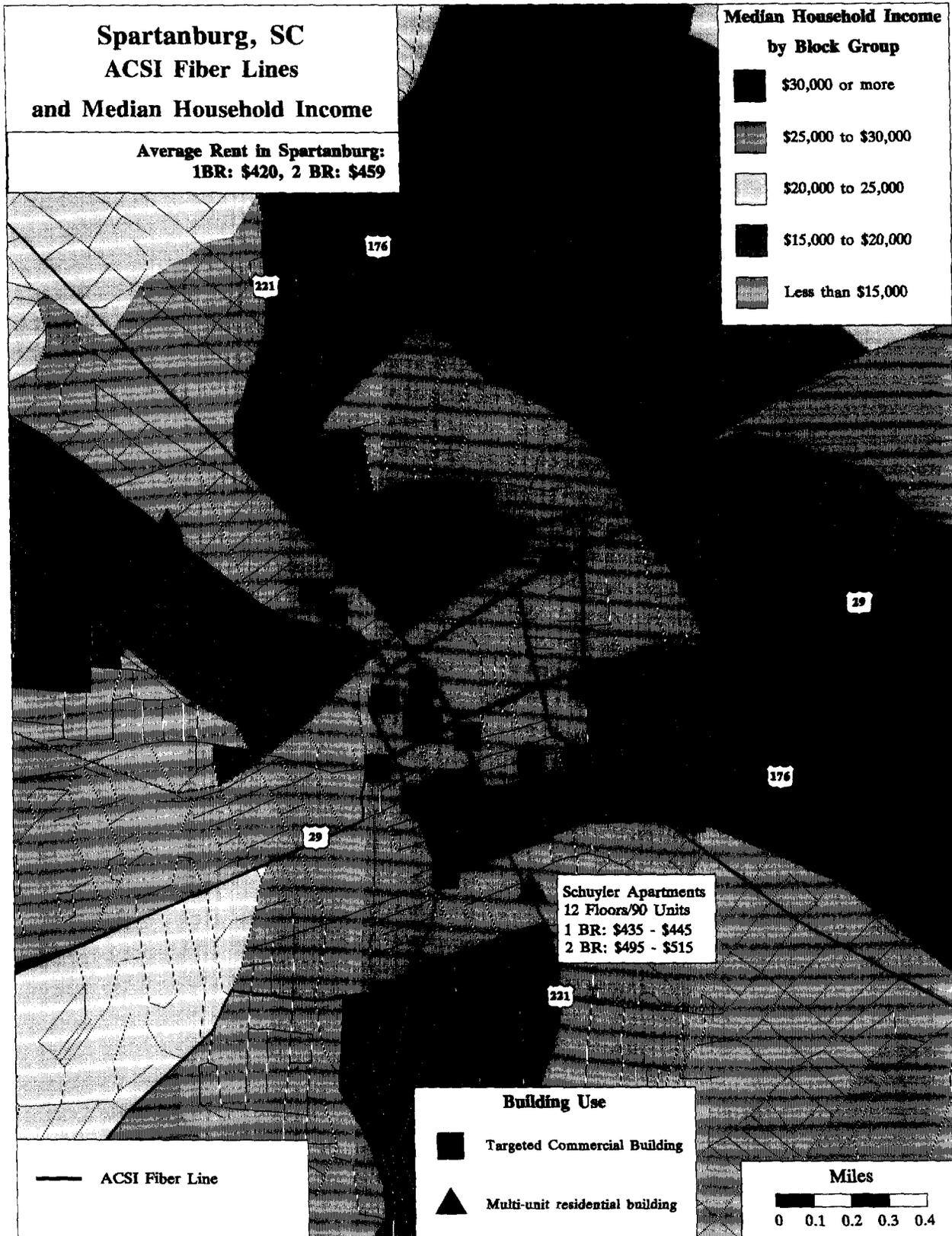


*We only have commercial accounts. No residential.
Ultimately we may provide residential service. It is too
cost prohibitive to do everyone at once.*

ASCI Greenville
September 4, 1997 telephone conversation

Spartanburg, SC





We do not provide residential telephone service. Not yet. We might possibly in the future. There has to be a certain level of demand before we'll invest in the facilities and equipment and run fiber lines for residential hook ups.

ASCI of Spartanburg, Inc.
August 6, 1997 telephone conversation

Charleston, SC