PAETEC Communications, Inc. Pro Forma ITC-ASG-20060130-00081



passionate about quality"

January 27, 2006

VIA FEDERAL EXPRESS

Federal Communications Commission

Office of Secretary

RECEIVED

445 Twelfth Street SW Wireline Competition Bureau -Federal Communications Commission Marlene H. Dortch, Secretary Washington, DC 20554 International Bureau - Policy CPD-214 Appls

Re: Notification of Pro Forma Assignment, Surrender of Section 214 Authority File No. ITC-214-19960823-00397

Dear Ms. Dortch:

subsidiaries of PAETEC Corp., underwent a transaction on December 31, 2005 whereby AMLL certain operations. Specifically, PAETEC and AMLL, which are both wholly-owned merged into PAETEC, PAETEC took over providing service to the AMLL customers and telecommunications companies affiliated by common ownership have merged and discontinued "Parties"), hereby notify the Commission of a pro forma assignment whereby Sections 63.24(d) and 63.18 of the Code of Federal Regulations ("CFR"), PAETEC Communications, Inc. ("PAETEC") and American Long Lines, Inc. ("AMLL") (together the Pursuant to Section 214 of the Communications Act of 1934, as amended (the "Act") and

In support of this Notification Letter, the Parties state as follows:

AMLL has discontinued providing service to its customers (the "Transaction").

The Parties

A **PAETEC** Communications, Inc.

registration, or tariff requirements, or on a deregulated basis. competitive local exchange service in numerous other states pursuant to certification, 05-00658 (November 6, 1996). PAETEC is also authorized to provide interexchange and/or PAETEC is authorized to provide facilities based and resale carrier international services PAETEC Plaza, 600 Willowbrook Office Park, Fairport, New York 14450, (877) 340-2600. pursuant to Section 214 authorization granted by the commission in File No. ITC-214-199809 PAETEC is a privately-held Delaware corporation with principal offices located at One

corporation with a principal address of One PAETEC Plaza, 600 Willowbrook Office Park, Fairport, NY 14450. PAETEC is a wholly owned subsidiary of PAETEC Corp., a privately held Delaware PAETEC Corp. is the holding company of several subsidiaries, including

PAETEC Communications, Inc. | One PAETEC Plaza | 600 WillowBrook Office Park | Fairport, NY 14450

¹ Includes shares h v Madison Dearbor	Name: Address: Citizenship: Percentage Principal Bu	Although not a 3C and AMLL a nt to the Section The following e	AMLL also is a tion with a prin t, NY 14450. d AMLL in WC C. PAETE	AMLL is a priv PAETEC Plaza, 600 W AMLL is authorized to to Section 214 authoriz (October 10, 1996). A markets throughout the	both Parties in this proceeding. Section II.C below. B. American Long
¹ Includes shares held of record by Madison Dearborn Capital Partners III, L.P. (MDCP), shares held of record by Madison Dearborn Special Equity III. L.P. (MDSE) and shares held of record by Special Advisors Fun	Owned: isiness:	Although not a party to this Application, PAETEC Corp. is the controlling entity of both PAETEC and AMLL and therefore the following ownership information is being provided pursuant to the Section 63.18(h) of the CFR: The following entities directly own ten percent (10%) or more of the equity of PAETEC Corp.:	AMLL also is a wholly owned subsidiary of PAETEC Corp., a privately held Delaware corporation with a principal address of One PAETEC Plaza, 600 Willowbrook Office Park, Fairport, NY 14450. Early in 2005, PAETEC Corp. received approval from the Commission to acquired AMLL in WC Docket No. 05-19, DA 05-179 (January 26, 2005). C. PAETEC Corp.	AMLL is a privately-held Pennsylvania corporation with principal offices located at One PAETEC Plaza, 600 Willowbrook Office Park, Fairport, New York 14450, (877) 340-2600. AMLL is authorized to provide facilities based and resale carrier international services pursuant to Section 214 authorization granted by the commission in File No. ITC-214-19960823-00397 (October 10, 1996). AMLL offers resold local and long distance telecommunications services in markets throughout the United States, primarily in the Northeast United States.	
son Dearborn Capital	Madison Dearborn Capital Partners III, L.P Three first National Plaza Suite 3800 Chicago, IL 50502 U.S.A. 27.3% ¹ Equity Investment	cation, PAETEC (llowing ownershi rR: n ten percent (109	osidiary of PAETI ne PAETEC Plazz ETEC Corp. recei), DA 05-179 (Jan	Ivania corporation Park, Fairport, N based and resale c ne commission in local and long dis marily in the Nort	Further information regarding PAETEC Corp. is provi Lines, Inc.
Partners III, L.P. (A	apital Partners III laza	Corp. is the cont p information is %) or more of the	EC Corp., a priva 4, 600 Willowbrc ved approval fro mary 26, 2005).	corporation with principal offices located at Fairport, New York 14450, (877) 340-2600. and resale carrier international services pursu amission in File No. ITC-214-19960823-003 and long distance telecommunications servic <i>i</i> in the Northeast United States.	ing PAETEC Co
ADCP), shares held of Special Advisors Fund I	, L.P.	rolling entity of both being provided equity of PAETEC	itely held Delaw ok Office Park, m the Commissi	ffices located at One (877) 340-2600. nal services pursuant 4-19960823-00397 unications services i tes.	rp. is provided in

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Sector Sec.

PAETEC Communications, Inc. | One PAETEC Plaza | 600 WillowBrook Office Park | Fairport, NY 14450 ŝ CCC Offshore Partners L.P. and Blackstone Family Investment partnership III L.P

Corp. (AMLL) to another corporation (PAETEC) owned and controlled by the same stockholders The merger of AMLL into PAETEC has resulted in an assignment from one corporation As detailed above, both AMLL and PAETEC are wholly-owned subsidiaries of PAETEC The Parties hereby certify that the assignment was pro

IV.

CERTIFICATION OF PRO FORMA ASSIGNMENT

the actual controlling party. forma, and that, together with all previous pro forma transactions, does not result in a change in without any change in their interests.

² Includes shares of common stock owned of record by Blackstone CCC Capital Partners L.P., Blackstone

Principal Business: Percentage Owned: Citizenship: $19.5\%^{2}$ U.S.A. Equity Investment

Address: Name:

31st Floor

New York, NY 10154

345 Park Avenue

The Blackstone Group

the following individual controls PAETEC Corp. by virtue of super-voting rights associated with corp. is less than ten percent (10%). the class of PAETEC Corp. stock he holds, although his equity ownership interest in PAETEC equity of PAETEC Corp. Notwithstanding the foregoing disclosures, PAETEC also reports that No other person or entity directly or indirectly owns ten percent (10%) or more of the

Name: Principal Business: Percentage Owned: Citizenship: Address: 5.98% Individual 18 Buckthorn Run U.S.A. Victor, NY 14564 Arunas A. Chesonis

DESIGNATED CONTACTS

All matters related to this Notification should be addressed to the following:

Mary K. O'Connell, Esq. Fax: (585) 340-2563 Tel: (585) 340-2669 Fairport, NY 14450 600 Willowbrook Office Park **One PAETEC Plaza** PAETEC Communications, Inc. Senior Corporate Counsel E-mail: <u>mary.oconnell@paetec.com</u>

III.

By way of background, the Parties provide the following information

joined PAETEC as a wholly-owned subsidiary of PAETEC Corp. However, AMLL and its competitive position and ability to provide integrated telecommunications services to regulatory agencies, PAETEC Corp. and AMLL consummated the transaction. AMLL thereby customers nationally. After receiving approval from the Commission and the requisite state PAETEC Corp.'s telecommunications operations in a cost-efficient manner, thereby enhancing transaction is attached hereto as Exhibit A customers to PAETEC, and discontinued AMLL's operations. A diagram depicting the December 31, 2005 the Parties merged AMLL into PAETEC, transferred all of AMLL's consolidate their administrative and business operations into a unified system. inefficiencies, and to further streamline company operations, the Parties decided that they should internal processes that were largely duplicative. In order to eliminate redundancies and PAETEC continued to maintain separate billing systems, customer service operations, and other Early in 2005, PAETEC Corp. decided to acquire AMLL in order to expand To that end, on

customers, those customers will have the option to continue service with PAETEC pursuant to its to AMLL's existing customers. Upon expiration of any service contracts with AMLL's disruptions in service, and there will be no immediate changes to the rates and services provided November 21, 2005 is attached hereto as Exhibit B. AMLL's customers did not experience any transition of service to PAETEC. The discontinuance notice, which was mailed to customers on Commissions rules, that it intended to discontinue service at least thirty (30) days prior to the another telecommunications service provider. then-current rates, terms, and conditions or other negotiated agreements, or to select service from AMLL sent notice to its customers pursuant to Section 64.1120(e)(3) of the

services before and after the transition. Affected customers have received the same services operations, have ensured that AMLL's customers continue to receive high quality and innovate the merger and discontinuance. directors, key personnel in charge of the companies' operations have not changed as a result of services pursuant to its own certificate of authority, as referenced above. from PAETEC that they previously received from AMLL, and PAETEC will continue to provide Because the Parties are managed by the same team of well-qualified officers and PAETEC's management, which oversees AMLL's current

efficiencies by eliminating duplicative billing systems, customer service operations, and other internal processes maintained by the Parties. The Transaction will serve the public interest by competition in the telecommunications services market by offering consumers a cost effective high quality, affordable telecommunications services to existing customers, and should promote consumers through improved service. The Transaction will also ensure continued provision of enable PAETEC to strengthen its competitive position, which will inure to the benefit of accelerate its growth as a competitive telecommunications provider and that Transaction will Parties anticipate that the Transaction will result in a more efficient company better equipped to strengths of PAETEC and AMLL to better serve the companies' constituent subscribers. The combining the financial resources and complementary operating, technical, and managerial and competitive alternative. The primary objective of the Transaction was to achieve greater corporate

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Commission's rules that is not subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1998³. < PAETEC certifies pursuant to Sections 1.2001 through 1.2003 of the

V. CONCLUSION

rules. Because PAETEC holds its own Section 214 authorization, AMLL's Section 214 is surrender AMLL's Section 214 authority to the Commission. duplicative. days after completion of the assignment as permitted under Section 63.24 of the Commission's Section 214 authorization was assigned to PAETEC. This notice is being filed within thirty (30) Corp., and they consummated a pro forma transaction on December 31, 2005, whereby AMLL's As described above, AMLL and PAETEC are wholly-owned subsidiaries of PAETEC Accordingly, the Parties respectfully notify the Commission of the Transaction, and

addressed stamped envelope. Should you have any questions with respect to this matter, please do not hesitate to contact the undersigned. Please date-stamp the extra copy of this filing, and return it to us in the enclosed self-

Respectfully submitted,

Olina

Mary K. O'&onnell, Esq. Senior Corporate Counsel PAETEC Communications, Inc. One PAETEC Plaza 600 Willowbrook Office Park Fairport, NY 14450 Tel: (585) 340-2669 Fax: (585) 340-2563 E-mail: <u>mary.oconnell@paetec.com</u>

Date: January 27, 2006

cc: George Li (via email) Susan O'Connell (via email) David Krech (via email) Renee Crittendon (via email) Tracey Wilson- Parker (via email) Alexis John (via email) Kimberly Jackson (via email)

³ 21 U.S.C. § 3301

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EXHIBITS

Pre/Post-Merger Corporate Structure

Discontinuance Notice

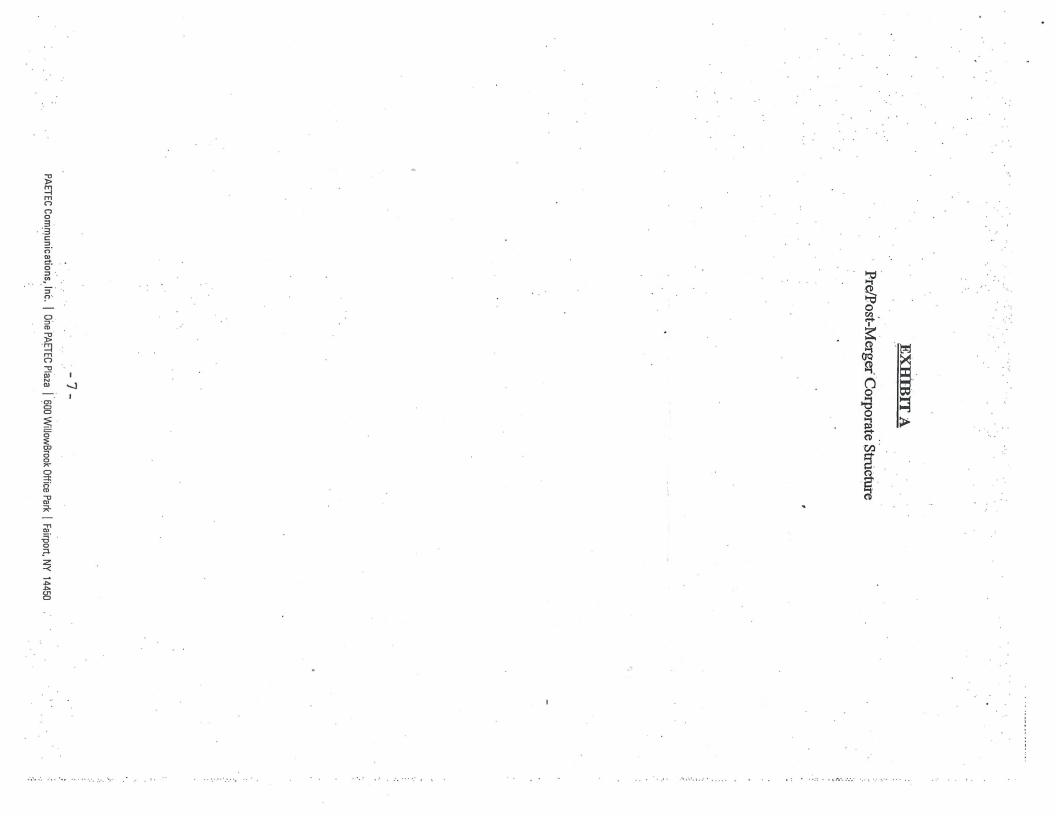
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entre carrier and a series

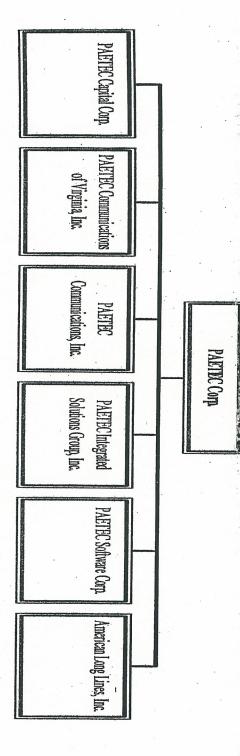
Exhibit B

Exhibit A



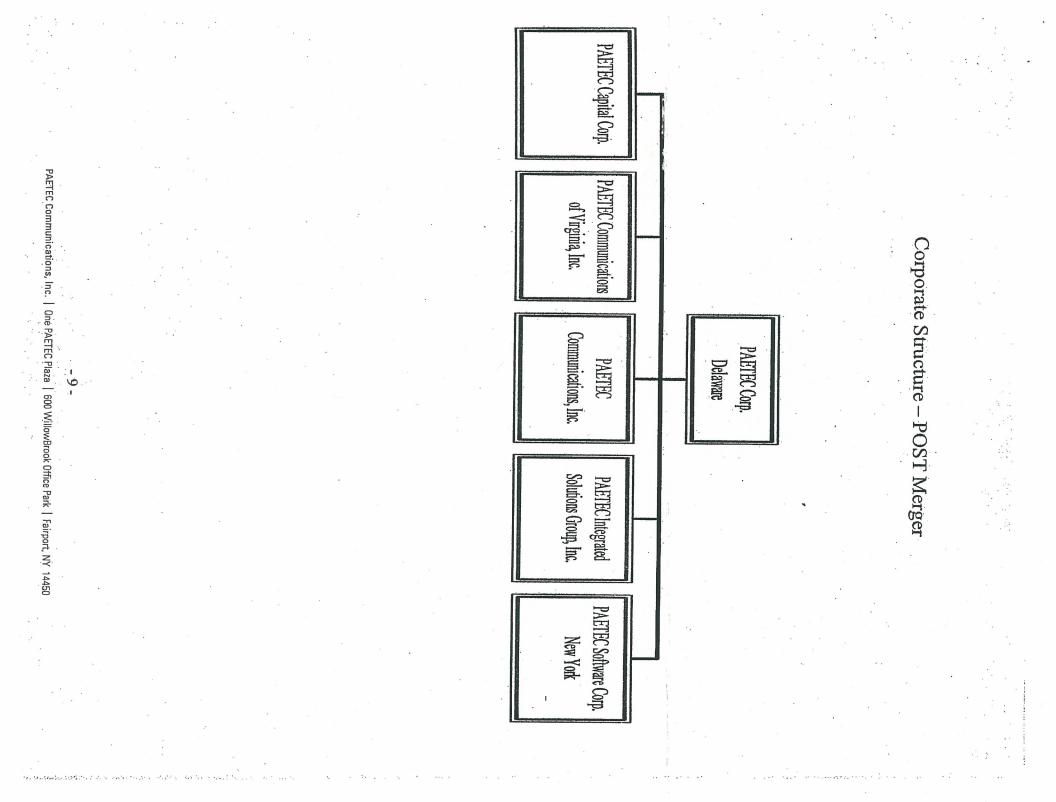
Corporate Structure - PRE Merger

1. August Wester and



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EXHIBIT B

Discontinuance Notice