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VIA FEDERAL EXPRESS

Federal Communications Commission  
Office of Secretary

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

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

Dear Ms. Dortch:

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

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

**I. The Parties**

**A. PAETTEC Communications, Inc.**

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

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

both Parties in this proceeding. Further information regarding PAETEC Corp. is provided in Section II.C below.

**B. American Long Lines, Inc.**

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.

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 acquire AMLL in WC Docket No. 05-19, DA 05-179 (January 26, 2005).

**C. PAETEC Corp.**

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(f) of the CFR:

The following entities directly own ten percent (10%) or more of the equity of PAETEC Corp.:

Name:	Madison Dearborn Capital Partners III, L.P.
Address:	Three first National Plaza Suite 3800 Chicago, IL 50502
Citizenship:	U.S.A.
Percentage Owned:	27.3% <sup>1</sup>
Principal Business:	Equity Investment

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<sup>1</sup> 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. (MDSIE) and shares held of record by Special Advisors Fund I, LLC (SAF).

Name: The Blackstone Group  
Address: 345 Park Avenue  
31<sup>st</sup> Floor  
New York, NY 10154  
Citizenship: U.S.A.  
Percentage Owned: 19.5%<sup>2</sup>  
Principal Business: Equity Investment

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

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

### III. DESIGNATED CONTACTS

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

Mary K. O'Connell, 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: [mary.oconnell@paetec.com](mailto:mary.oconnell@paetec.com)

### IV. CERTIFICATION OF PRO FORMA ASSIGNMENT

As detailed above, both AMLL and PAETEC are wholly-owned subsidiaries of PAETEC Corp. The merger of AMLL into PAETEC has resulted in an assignment from one corporation (AMLL) to another corporation (PAETEC) owned and controlled by the same stockholders without any change in their interests. The Parties hereby certify that the assignment was pro forma, and that, together with all previous pro forma transactions, does not result in a change in the actual controlling party.

<sup>2</sup> Includes shares of common stock owned of record by Blackstone CCC Capital Partners L.P., Blackstone CCC Offshore Partners L.P. and Blackstone Family Investment partnership III L.P.



By way of background, the Parties provide the following information:

- i. Early in 2005, PAETEC Corp. decided to acquire AMLL in order to expand PAETEC Corp.'s telecommunications operations in a cost-efficient manner, thereby enhancing its competitive position and ability to provide integrated telecommunications services to customers nationally. After receiving approval from the Commission and the requisite state regulatory agencies, PAETEC Corp. and AMLL consummated the transaction. AMLL thereby joined PAETEC as a wholly-owned subsidiary of PAETEC Corp. However, AMLL and PAETEC continued to maintain separate billing systems, customer service operations, and other internal processes that were largely duplicative. In order to eliminate redundancies and inefficiencies, and to further streamline company operations, the Parties decided that they should consolidate their administrative and business operations into a unified system. To that end, on December 31, 2005 the Parties merged AMLL into PAETEC, transferred all of AMLL's customers to PAETEC, and discontinued AMLL's operations. A diagram depicting the transaction is attached hereto as Exhibit A.
- ii. AMLL sent notice to its customers pursuant to Section 64.1120(e)(3) of the Commissions rules, that it intended to discontinue service at least thirty (30) days prior to the transition of service to PAETEC. The discontinuance notice, which was mailed to customers on November 21, 2005 is attached hereto as Exhibit B. AMLL's customers did not experience any disruptions in service, and there will be no immediate changes to the rates and services provided to AMLL's existing customers. Upon expiration of any service contracts with AMLL's customers, those customers will have the option to continue service with PAETEC pursuant to its then-current rates, terms, and conditions or other negotiated agreements, or to select service from another telecommunications service provider.
- iii. Because the Parties are managed by the same team of well-qualified officers and directors, key personnel in charge of the companies' operations have not changed as a result of the merger and discontinuance. PAETEC's management, which oversees AMLL's current operations, have ensured that AMLL's customers continue to receive high quality and innovate services before and after the transition. Affected customers have received the same services from PAETEC that they previously received from AMLL, and PAETEC will continue to provide services pursuant to its own certificate of authority, as referenced above.
- iv. The primary objective of the Transaction was to achieve greater corporate 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 combining the financial resources and complementary operating, technical, and managerial strengths of PAETEC and AMLL to better serve the companies' constituent subscribers. The Parties anticipate that the Transaction will result in a more efficient company better equipped to accelerate its growth as a competitive telecommunications provider and that Transaction will enable PAETEC to strengthen its competitive position, which will inure to the benefit of consumers through improved service. The Transaction will also ensure continued provision of high quality, affordable telecommunications services to existing customers, and should promote competition in the telecommunications services market by offering consumers a cost effective and competitive alternative.

v. PAETEC certifies pursuant to Sections 1.2001 through 1.2003 of the Commission's rules that is not subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1998<sup>3</sup>.

#### V. CONCLUSION

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

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

Respectfully submitted,



Mary K. O'Connell, Esq.  
Senior Corporate Counsel  
PAETEC Communications, Inc.  
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600 Willowbrook Office Park  
Fairport, NY 14450  
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E-mail: [mary.oconnell@paetec.com](mailto:mary.oconnell@paetec.com)

Date: January 27, 2006

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

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<sup>3</sup> 21 U.S.C. § 3301

**EXHIBITS**

**Exhibit A**

**Pre/Post-Merger Corporate Structure**

**Exhibit B**

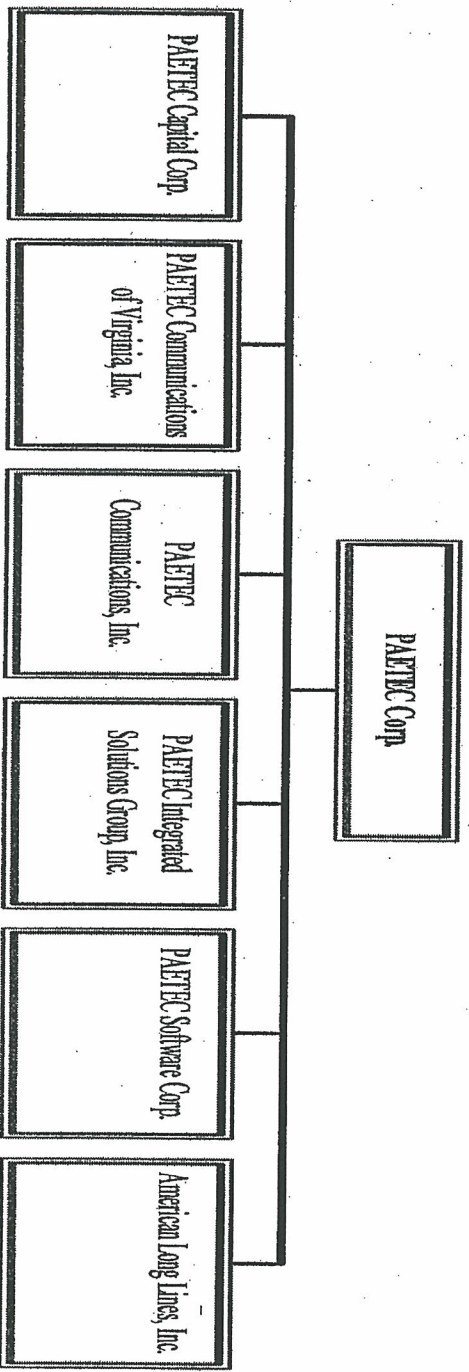
**Discontinuance Notice**

**EXHIBIT A**

**Pre/Post-Merger Corporate Structure**

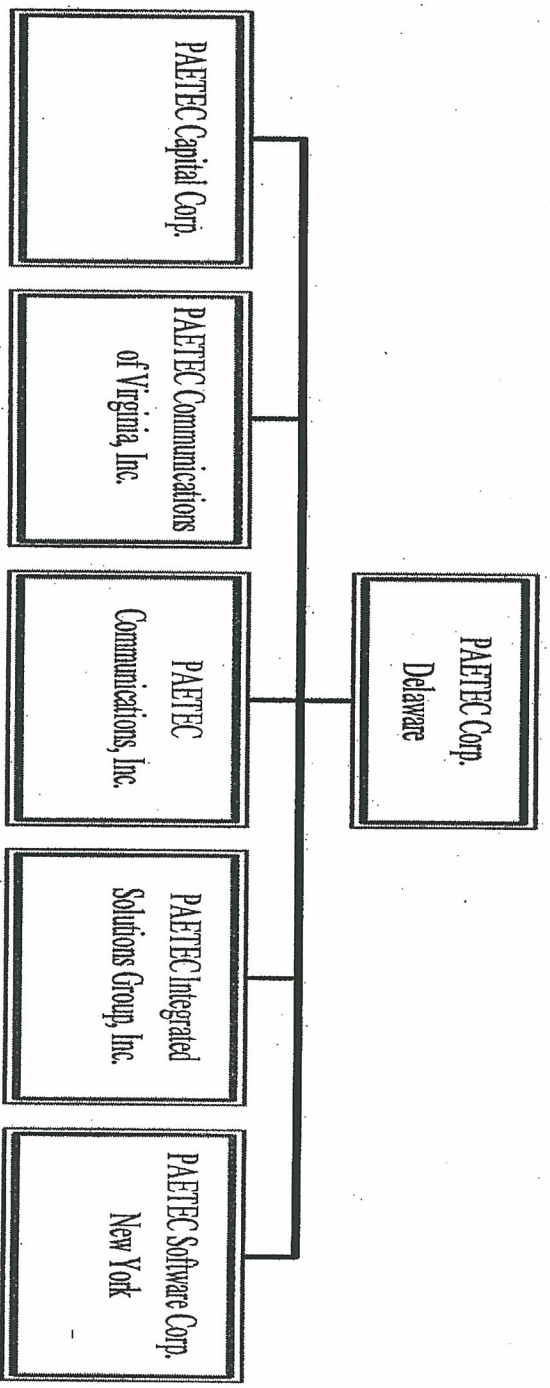


## Corporate Structure – PRE Merger





Corporate Structure – POST Merger



**EXHIBIT B**

**Discontinuance Notice**



**AMERICAN LONG LINES, INC. and PAETEC COMMUNICATIONS, INC.**  
**"Passionate About Quality"**

November 21, 2005

Dear Valued American Long Lines Customer:

American Long Lines, Inc. ("AMLL") and PAETEC Communications, Inc. ("PAETEC") are passionate about bringing you, our valued customer, quality services. AMLL became an affiliate of PAETEC in February 2005. PAETEC, a privately held company, has been providing an enhanced suite of communication services to customers since 1998. With an unwavering commitment to quality, PAETEC now serves more than 11,000 medium and large-sized business customers throughout the United States.

AMLL and PAETEC are now combining their operations in order to maximize the benefits that we may bring to you. The result will be a single company, PAETEC. PAETEC will continue providing the services you currently receive from AMLL. PAETEC will begin invoicing for your current services on or about January 1, 2006, pending all necessary regulatory approvals.

AMLL and PAETEC will work to ensure that the transfer of your services to PAETEC is seamless. Your current services will continue to be provided under the same rates, terms and conditions that you currently enjoy with AMLL. Any future changes in rates, terms and conditions of service will be provided to you as required by law; however, no changes are anticipated. PAETEC will be responsible for handling any questions or issues prior to and during the transfer. PAETEC will also be responsible for any carrier change charges that may be associated with the transfer. If you have placed a "freeze" on the current services, the freeze will be lifted (if needed) and your services will be transferred to PAETEC. As the service subscriber you must contact your local service provider if such provider is not PAETEC, to re-establish freeze protection for your services after the date of final transfer.

As always, you have the right to choose a different carrier for your services. If you do take steps to transfer your service to a different carrier you will need to make sure that the new service is ordered and provisioned no later than December 31, 2005. Please note, that choosing to terminate services may result in early termination charges being assessed per your AMLL contract. If you are a customer of AMLL on the date of the transfer and you have not informed AMLL that you have made arrangements to switch to a carrier other than PAETEC, your services will automatically be transferred to PAETEC.

AMLL and PAETEC are passionate about quality and committed to providing you with outstanding customer service, as well as an enhanced suite of products aimed to meet all of your communications needs. We look forward to continuing the mutually beneficial relationship that you have built with AMLL. If you have any questions, please do not hesitate to contact your AMLL account team or PAETEC to learn more about the company and the service offerings. Please call us toll free at 1-800-922-7730 or visit the PAETEC website at [www.paetec.com](http://www.paetec.com).

Cordially,

**Doug Derstine**  
Vice President