

NEWMAN, COMLEY & RUTH

PROFESSIONAL CORPORATION
ATTORNEYS AND COUNSELORS AT LAW
MONROE BLUFF EXECUTIVE CENTER
601 MONROE STREET, SUITE 301
P.O. BOX 537
JEFFERSON CITY, MISSOURI 65102-0537
TELEPHONE: (573) 634-2266
FACSIMILE: (573) 636-3306
www.ncrpc.com

ROBERT K. ANGSTEAD
ROBERT J. BRUNDAGE
MARK W. COMLEY
LANETTE R. GOOCH
CATHLEEN A. MARTIN

MARTIN A. MILLER
STEPHEN G. NEWMAN
THOMAS R. O'TOOLE
JOHN A. RUTH
ALICIA EMBLEY TURNER

November 16, 2005

FILED⁴

NOV 16 2005

Missouri Public
Service Commission

The Honorable Colleen M. Dale
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102-0360

Re: PAETEC Communications, Inc.

Dear Judge Dale:

Please find enclosed for filing in the referenced matter the original and five copies of a Joint Application along with a Motion for Expedited Treatment.

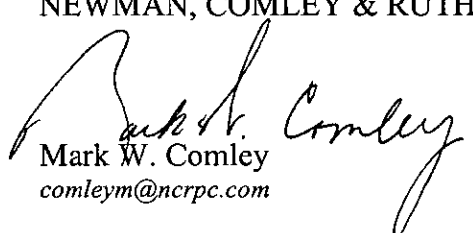
Would you please bring this filing to the attention of the appropriate Commission personnel.

Please contact me if you have any questions regarding this filing. Thank you.

Very truly yours,

NEWMAN, COMLEY & RUTH P.C.

By:


Mark W. Comley
comleym@ncrpc.com

MWC:ab

Enclosure

cc: Office of Public Counsel
General Counsel's Office
Amy Bellerose

BEFORE THE PUBLIC SERVICE COMMISSION
FOR THE STATE OF MISSOURI

FILED⁴

NOV 16 2005

Joint Application of)
)
PAETEC COMMUNICATIONS, INC.)
and AMERICAN LONG LINES, INC.)
)
For Approval of Merger,)
Discontinuance of Service, and)
Cancellation of Authority.)
_____)

Missouri Public
Service Commission

Docket No. _____

JOINT APPLICATION

PAETEC Communications, Inc. ("PAETEC"), and American Long Lines, Inc. ("AMLL") (collectively, "Applicants"), pursuant to 4 CSR 240-3.525 and 4 CSR 240-2.060, hereby request that the Commission approve a transaction whereby telecommunications companies affiliated by common ownership propose to merge and discontinue certain operations. Specifically, PAETEC and AMLL, which are both wholly-owned subsidiaries of PAETEC Corp., propose to undergo a transaction whereby AMLL will be merged into PAETEC, PAETEC will provide service to the AMLL customers, and AMLL will discontinue providing service to its customers. As described more fully below, the proposed merger and discontinuance will result in a change in the service provider for AMLL's current customers, and those customers will become the customers of PAETEC.

Following the transaction, PAETEC will provide telecommunications services to AMLL's current customers pursuant to the authority granted to PAETEC by the Commission. The rates, terms, and conditions of service will be provided pursuant to existing contracts assumed by PAETEC, or pursuant to PAETEC's tariffs. There will be no immediate changes to the rates and services provided to AMLL's existing customers, and upon expiration of any

service contracts with those customers, they 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. Applicants respectfully request that the approval of this Application be completed no later than December 21, 2005, so that the parties may consummate the proposed transaction to merge AMLL into PAETEC, and streamline the companies' operations by the end of 2005.

In support hereof, Applicants state as follows:

I. THE PARTIES

A. PAETEC Communications, Inc.

1. PAETEC is a privately held Delaware corporation with principal offices located at One PAETEC Plaza, 600 Willowbrook Office Park, Fairport, New York 14450. PAETEC is a wholly-owned subsidiary of PAETEC Corp., a privately held Delaware holding company. PAETEC Corp. is the holding company of several subsidiaries, including the parties to this proceeding. PAETEC's is authorized to do business in the state of Missouri and its certificate of good standing from the Secretary of State of Missouri is attached as Exhibit A. PAETEC is authorized to provide intrastate interexchange telecommunication services in Missouri and is classified as a competitive telecommunications company pursuant to certification granted by the Commission in Case No. TA-99-379 on May 17, 1999. PAETEC 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. In addition, PAETEC is authorized by the Federal Communications Commission to provide international services as a non-dominant carrier.

2. Further information regarding PAETEC's technical, managerial, and financial qualifications to provide service was submitted with its application for authority to provide service in the state of Missouri, and therefore, that information is a matter of public record. PAETEC respectfully requests that the Commission take official notice of that information, and incorporates it by reference herein.

B. American Long Lines, Inc.

3. AMLL is a Pennsylvania corporation with headquarters also located at One PAETEC Plaza, 600 Willowbrook Office Park, Fairport, New York 14450. AMLL is also a wholly owned subsidiary of PAETEC Corp. AMLL's is authorized to do business in the State of Missouri and its certificate of good standing from the Secretary of State of Missouri is attached hereto as Exhibit B. AMLL offers resold local and long distance telecommunications services in markets throughout the United States, primarily in the Northeast United States. AMLL is authorized to provide intrastate interexchange telecommunication services in Missouri and is classified as a competitive telecommunications company pursuant to certification granted by the Commission in Case No. TA-97-363 on April 21, 1997.

II. DESIGNATED CONTACTS

4. All matters related to this Application, including all inquires, correspondence, communications, pleadings, notices, orders, and decisions, should be addressed to the following:

Mark W. Comley
Newman, Comley & Ruth P.C.
601 Monroe Street, Suite 301
P.O. Box 537
Jefferson City, MO 65102-0537
Phone: (573) 634-2266
Fax: (573) 636-3306
Email: comleym@ncrpc.com

III. DESCRIPTION OF THE TRANSACTION

5. By way of background, earlier this year, PAETEC Corp. acquired 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 in Missouri as well as other states. Both PAETEC and AMLL are wholly-owned subsidiaries of PAETEC Corp. However, the companies continue to maintain separate billing systems, customer service operations, and other internal processes that are largely duplicative. In order to eliminate redundancies and inefficiencies, and to further streamline company operations, the parties have determined that they should consolidate their administrative and business operations into a unified system. To that end, Applicants propose to merge AMLL into PAETEC, transfer all of AMLL's customers to PAETEC, and discontinue AMLL's operations in Missouri. A diagram depicting the proposed transaction is attached hereto as Exhibit D.

6. AMLL will send a notice to its customers that it intends to discontinue service at least thirty (30) days prior to the transition of service to PAETEC. A proposed discontinuance notice is attached hereto as Exhibit C. The provisions of 4 CSR 240-33.150 require certain verification procedures before a subscriber's carrier can be changed. Applicants seek a waiver of the requirements of 4 CSR 240-33.150 since the transfer of customers in this matter will be in the context of a transfer of assets subject to the supervision and approval of the Commission, and in that manner the goals and purposes of the slamming rule are being upheld. Insisting on

adherence to the slamming rule in this case would be confusing to the customers, and therefore be offensive to the public interest. AMLL's customers will 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.

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

IV. PUBLIC INTEREST CONSIDERATIONS

8. The primary objective of the transaction is to achieve greater corporate efficiencies by eliminating duplicative billing systems, customer service operations, and other internal processes maintained by the parties. The proposed 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. Applicants anticipate that the proposed transaction will result in a more efficient company better equipped to accelerate its growth as a competitive telecommunications provider. The transaction will enable PAETEC to strengthen its competitive position in Missouri, which

will inure to the benefit of consumers through improved service. Thus, approval of the instant Application will ensure continued provision of high quality, affordable telecommunications services to existing customers, and should promote competition in the Missouri telecommunications services market by offering consumers a cost effective and competitive alternative.

9. PAETEC and AMLL do not have any pending actions or final unsatisfied judgments or decisions against them from any state or federal agency or court that involve customer service or customer rates, which action, judgment or decision has occurred within three (3) years of the date of this Application

10. No annual reports or fees are overdue from PAETEC and AMLL.

11. The parties hope to close the transaction described as soon as possible after receipt of necessary approvals.

V. CONCLUSION

WHEREFORE, for the foregoing reasons, Applicants submit that the information provided herein demonstrates that the public interest, convenience, and necessity would be served by grant of the instant Application. Accordingly, Applicants respectfully request that the Commission approve the Joint Application no later than December 31, 2005, to (1) permit the parties to consummate the transaction to enable them to complete the transaction by the end of 2005 and transfer AMLL's customers and operations to PAETEC; (2) authorize AMLL to discontinue service to its current customers as described herein; (3) only upon notice from PAETEC to the Commission of the transaction, cancel AMLL's authorization to provide telecommunications service in Missouri after completion of the proposed merger; and (4) grant all other relief as necessary and appropriate to effectuate the transaction described herein.

Respectfully submitted,



Mark W. Comley #28847
Newman, Comley & Ruth P.C.
601 Monroe Street Suite 301
P.O. Box 537
Jefferson City, MO 65102-0537
Phone: (573) 634-2266
Fax: (573) 636-3306
Email: comleym@ncrpc.com

Certificate of Service

I hereby certify that a true and correct copy of the above and foregoing document was sent via e-mail on this 16th day of November, 2005, to General Counsel's Office at gencounsel@psc.mo.gov; and Office of Public Counsel at opcservice@ded.mo.gov.



EXHIBITS

Exhibit A	Certificate of Good Standing from Missouri for PAETEC Communications, Inc.
Exhibit B	Certificate of Good Standing from Missouri for American Long Lines, Inc.
Exhibit C	Proposed Discontinuance Notice
Exhibit D	Pre/Post-Merger Corporate Structure
Exhibit E	Verification

EXHIBIT A

Certificate of Good Standing from Missouri for PAETEC Communications, Inc.

STATE OF MISSOURI



Robin Carnahan
Secretary of State

CORPORATION DIVISION
CERTIFICATE OF GOOD STANDING

I, ROBIN CARNAHAN, Secretary of the State of Missouri, do hereby certify that the records in my office and in my care and custody reveal that

PAETEC COMMUNICATIONS, INC.

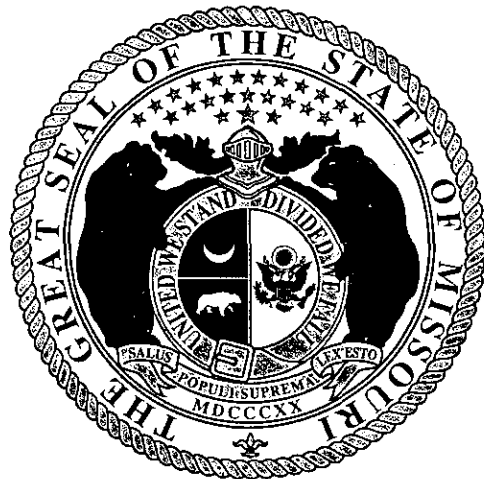
using in Missouri the name

PAETEC COMMUNICATIONS, INC.
F00457323

a DELAWARE entity was created under the laws of this State on the 24th day of June, 1998, and is in good standing, having fully complied with all requirements of this office.

IN TESTIMONY WHEREOF, I have set my hand and imprinted the GREAT SEAL of the State of Missouri, on this, the 15th day of November, 2005


Secretary of State



Certification Number: 8179438-1 Reference:

Verify this certificate online at <http://www.sos.mo.gov/businessentity/verification>

EXHIBIT B

Certificate of Good Standing from Missouri for American Long Lines, Inc.

STATE OF MISSOURI



Robin Carnahan
Secretary of State

CORPORATION DIVISION CERTIFICATE OF GOOD STANDING

I, ROBIN CARNAHAN, Secretary of the State of Missouri, do hereby certify that the records in my office and in my care and custody reveal that


AMERICAN LONG LINES, INC.

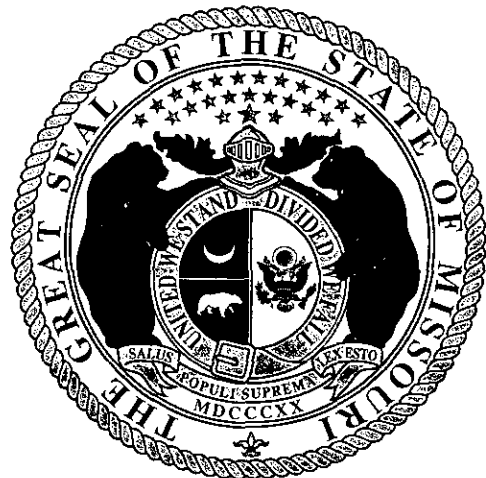
using in Missouri the name

**AMERICAN LONG LINES, INC.
F00511677**

a PENNSYLVANIA entity was created under the laws of this State on the 5th day of August, 2002, and is in good standing, having fully complied with all requirements of this office.

IN TESTIMONY WHEREOF, I have set my hand and imprinted the GREAT SEAL of the State of Missouri, on this, the 15th day of November, 2005


Secretary of State



Certification Number: 8179439-1 Reference:

Verify this certificate online at <http://www.sos.mo.gov/business/certification>

EXHIBIT C

Proposed Discontinuance Notice

DRAFT 9/27/05

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

[November __, 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 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 PAETEC toll free at (877) 340-2600 or visit the PAETEC website at www.paetec.com.

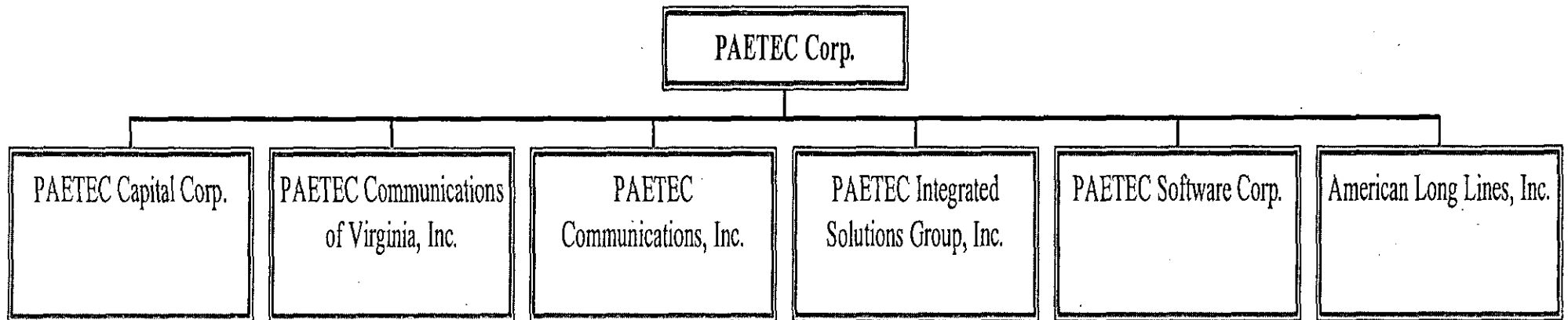
Cordially,

Doug Derstine
Vice President
PAETEC Communications, Inc.

EXHIBIT D

Pre/Post-Merger Corporate Structure

Corporate Structure – PRE Merger



Corporate Structure – POST Merger

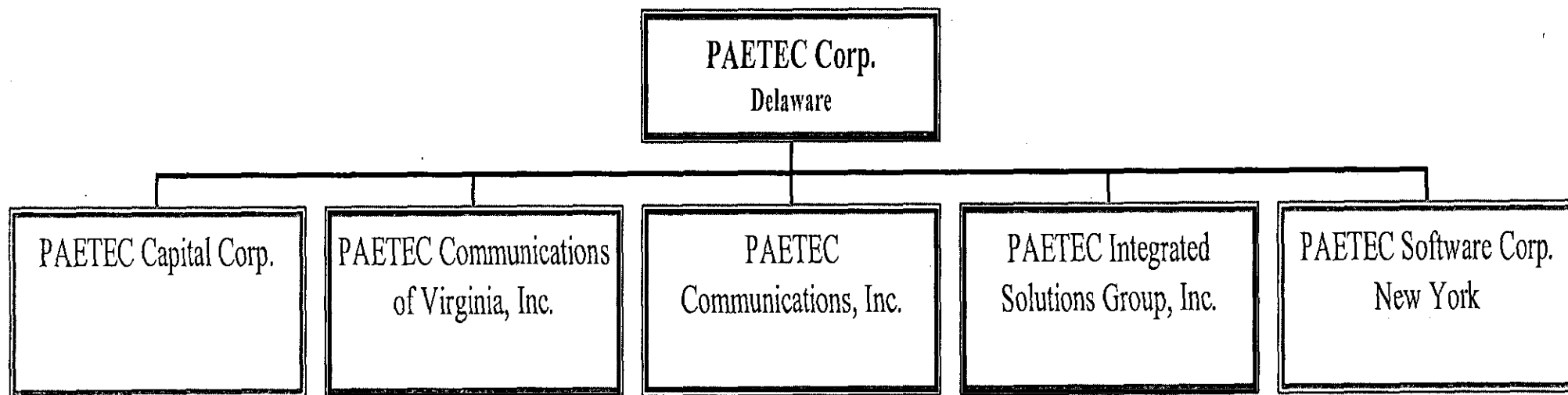


EXHIBIT E

Verifications

VERIFICATION


STATE OF NEW YORK

COUNTY OF MONROE

)
)
)


ss:

I, Mary K. O'Connell, being first duly sworn, state that I am Assistant Secretary of PAETEC Communications, and applicant in the foregoing Application; that I am authorized to make this Verification on behalf of PAETEC Communications, Inc; that the foregoing Application was prepared under my direction and supervision; and that the contents are true and correct to the best of my knowledge, information, and belief.


Signature

Sworn and subscribed before me this 14th day of November, 2005.

KAREN F. FERRINI
Notary Public, State of New York
No. 4765553
Qualified in Monroe County 2006
Commission Expires Nov. 30, _____


Notary Public

My commission expires _____

VERIFICATION

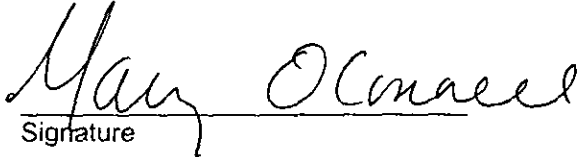
STATE OF NEW YORK

COUNTY OF MONROE


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)
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ss:

I, Mary K. O'Connell, being first duly sworn, state that I am the Assistant Secretary of American Long Lines, Inc., and applicant in the foregoing Application; that I am authorized to make this Verification on behalf of American Long Lines, Inc.; that the foregoing Application was prepared under my direction and supervision; and that the contents are true and correct to the best of my knowledge, information, and belief.


Signature

Sworn and subscribed before me this 14th day of November, 2005.


Notary Public

KAREN F. FERRINI
Notary Public, State of New York
No. 4765553
Qualified in Monroe County
My commission expires ~~Commission Expires Nov. 30, 2006~~ 2006