

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Joint)	Application No. C-3329
Application of Paetec)	
Corporation, Fairport, New York,)	
and American Long Lines, Inc.,)	GRANTED
Horsham, Pennsylvania, jointly)	
seeking a transfer of control of)	
ownership of American Long)	
Lines, Inc.)	Entered: February 23, 2005

BY THE COMMISSION:

On January 7, 2005, Paetec Corporation (Paetec) of Fairport, New York and American Long Lines, Inc. (American), of Horsham, Pennsylvania, filed a joint application seeking authority to transfer of control of ownership of American to Paetec. Notice of the application was published in The Daily Record, Omaha, Nebraska, on January 20, 2005. No protests were filed; therefore, this application is processed pursuant to the Commission's Rule of Modified Procedure.

O P I N I O N A N D F I N D I N G S

The Parties:

Paetec is a Delaware corporation with its principal office located in Fairport, New York, and is the holding company of several subsidiaries including Paetec Communications, Inc. (PCI). PCI was authorized to provide local and interexchange telecommunications services in this state pursuant to Application Nos. C-1991 and C-2120.

American is a Pennsylvania corporation with its principal office located in Horsham, Pennsylvania. American was authorized to provide local and interexchange telecommunication services in this state pursuant to Application C-1497.

Description of the Transaction:

Paetec and American request Commission approval for a transaction that will result in the transfer of control from American to Paetec. The transfer of control is the result of the purchase by Paetec of 100 percent of the issued and outstanding equity securities in American from its sole owner, Douglas Derstine. As a result of this transaction, American will become the wholly owned subsidiary of Paetec. While the

transaction nominally will close on February 28, 2005, Paetec and American acknowledge that the closing and transfer of control is subject to, and contingent upon, approval of this application by the Commission.

Applicants contend that granting of this application will serve the public interest, convenience and necessity by promoting competition among telecommunications carriers. Specifically, approval of the proposed transfer of control will enable Paetec to strengthen its competitive presence and to concentrate its resources and expertise on providing innovative and diversified service offerings to consumers.

American shall continue to provide service to its customers and the proposed transaction will be seamless to customers of American. Furthermore, the transaction will not change the rates, terms, or conditions under which American provides service.

Based on the evidence, we find the application to be fair and reasonable and in the public interest. The application should be granted.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application C-3329 be, and it is hereby, granted.

MADE AND ENTERED at Lincoln, Nebraska, this 23rd day of February, 2005.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Chairman

ATTEST:

Deputy Director