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July 2, 2002

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VIA FEDERAL EXPRESS

Blanca S. Bayo, Director
Division of Public Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Re: Docket No. 020535-TP: Joint Application of ACSI Local Switched Services, Inc., d/b/a e.spire, and American Communication Services of Jacksonville, Inc., d/b/a e.spire; and Xspedius Management Co. Switched Services, LLC and Xspedius Management Co. of Jacksonville, LLC for Expedited Approval of (i) the Transfer of Substantially All of the Assets, Including the Customer Contracts, of the e.spire Operating Entities to the Xspedius Operating Entities; (ii) the Transfer of the e.spire Operating Entities' State Authorizations to the Xspedius Operating Entities; and (iii) the Discontinuance of Telecommunications Services in Florida by the e.spire Operating Entities.

Dear Ms. Bayo:

On June 17, 2002, ACSI Local Switched Services, Inc., d/b/a e.spire, American Communication Services of Jacksonville, Inc., d/b/a e.spire, Xspedius Management Co. Switched Services, LLC and Xspedius Management Co. of Jacksonville, LLC (the "Applicants") filed with Florida Public Service Commission ("Commission") the above-referenced Application for authority to consummate a transaction in bankruptcy whereby the current assets and customers of the e.spire Operating entities in the State of Florida will be transferred to the Xspedius Operating Entities. Per the advice of Commission Staff, the Applicants hereby respectfully request, as a part of their Application, that the Commission waive its Rules and Regulations related to slamming and carrier selection as may otherwise apply in this docket.

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Blanca S. Bayo, Director
Division of Public Records and Reporting
Florida Public Service Commission
July 2, 2002
Page Two

Enclosed please find twelve (12) copies of this letter, a duplicate and a self-addressed, stamped envelope. Please feel free to contact Stephanie A. Bishop at (202) 955-9869 if you have any questions regarding this filing.

Respectfully submitted,

A handwritten signature in cursive script that reads "Brett Heather Freedson". The signature is written in black ink and is positioned below the typed name.

Brett Heather Freedson

STATE OF FLORIDA

COMMISSIONERS:

LILA A. JABER, CHAIRMAN
J. TERRY DEASON
BRAULIO L. BAEZ
MICHAEL A. PALECKI
RUDOLPH "RUDY" BRADLEY



DIVISION OF THE COMMISSION CLERK &
ADMINISTRATIVE SERVICES
BLANCA S. BAYÓ
DIRECTOR
(850) 413-6770 (CLERK)
(850) 413-6330 (ADMIN)

Public Service Commission

June 18, 2002

Leila M. Baheri, Attorney
Kelley Drye & Warren LLP
1200 - 19th Street, NW, Suite 500
Washington, DC 20036

Re: Docket No. 020535-TP

Dear Ms. Baheri:

This will acknowledge receipt of a request for approval of transfer of substantially all assets, including customer contracts, of e.spire operating entities to Xspedius operating entities; application for transfer of ALEC Certificate 4722 from American Communication Services of Jacksonville, Inc. d/b/a e.spire to Xspedius Management Co. of Jacksonville, LLC, for transfer of ALEC Certificate No. 5474 from ACSI Local Switched Services, Inc. d/b/a e.spire Communications, Inc. to Xspedius Management Co. Switched Services, LLC, and for transfer of IXC Certificate No. 5339 from ACSI Local Switched Services, Inc. d/b/a e.spire Communications, Inc. to Xspedius Management Co. Switched Services, LLC, which was filed in this office on June 17, 2002, and assigned the above-referenced docket number. Appropriate staff members will be advised.

Mediation may be available to resolve any dispute in this docket. If mediation is conducted, it does not affect a substantially interested person's right to an administrative hearing. For more information, contact the Office of General Counsel at (850) 413-6248 or FAX (850) 413-7180.

Division of the Commission Clerk and Administrative Services
Florida Public Service Commission

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June 15, 2002

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VIA FEDERAL EXPRESS

Ms. Blanca Bayo
Commission Clerk & Administrative Services Director
Florida Public Service Commission
2540 Shuman Oak Blvd.
Tallahassee, Florida 32399-0850

020535-TP

Re: Application for Approval of (i) the Transfer of Substantially All of the Assets, Including the Customer Contracts, of the e.spire Operating Entities to the Xspedius Operating Entities; (ii) the Transfer of the e.spire Operating Entities' State Authorizations to the Xspedius Operating Entities; and (iii) the Discontinuance of Telecommunications Services in Florida by the e.spire Operating Entities

Dear : Ms. Bayo

Enclosed, please find an original and 12 copies of the above referenced Application. Please date-stamp the enclosed duplicate and return in the enclosed Federal Express envelope. If you have any questions, please do not hesitate to contact me at (202) 887-1228.

Sincerely,

Leila Baheri

Leila M. Baheri

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**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

Joint Application of)
)
ACSI LOCAL SWITCHED SERVICES, INC., D/B/A E.SPIRE)
AND AMERICAN COMMUNICATION SERVICES OF)
JACKSONVILLE, INC., D/B/A E.SPIRE)
)
 and)
)
XSPEDIUS MANAGEMENT CO. SWITCHED)
SERVICES, LLC, AND XSPEDIUS MANAGEMENT CO)
OF JACKSONVILLE, LLC)
)
 For Expedited Approval of (i) the Transfer of Substantially)
 All of the Assets, Including the Customer Contracts, of)
 the e.spire Operating Entities to the Xspedius Operating)
 Entities; (ii) the Transfer of the e.spire Operating Entities')
 State Authorizations to the Xspedius Operating Entities;)
 and (iii) the Discontinuance of Telecommunications)
 Services in Florida by the e.spire Operating Entities)

Docket No. _____

APPLICATION AND REQUEST FOR EXPEDITED TREATMENT

American Communication Services of Jacksonville, Inc. (“ACSI of Jacksonville”) and ACSI Local Switched Services, Inc. (“ACSI Local”) (the “e.spire Operating Entities”); and Xspedius Management Co. of Jacksonville, LLC (“Xspedius Jacksonville”) and Xspedius Management Co. Switched Services, LLC (“Xspedius Switched”) (the “Xspedius Operating Entities”) (collectively, the “Petitioners”), through their undersigned counsel and pursuant to Fla. Admin. Code 25-24.820 and 25-4.118 hereby respectfully request that the Florida Public Service

Commission (the "Commission") grant authority to the Petitioners to consummate a transaction arising out of the e.spire Operating Entities' Chapter 11 bankruptcy proceeding that will enable the e.spire Operating Entities to (a) transfer substantially all of their assets, including their customer base, to the Xspedius Operating Entities, and (b) transfer the current customers of ACSI Jacksonville and ACSI Local to Xspedius Jacksonville and Xspedius Switched, respectively (or another carrier of their choice) without interruption of service.¹ The actual date for the transfer of the e.spire Operating Entities' customers to the Xspedius Operating Entities, and the discontinuance of service by the e.spire Operating Entities, cannot be determined at this time as completion of the transaction requires various state and federal regulatory approvals. The Petitioners will notify the Commission when the transaction is complete. In the interim, the e.spire Operating Entities will provide continuous, uninterrupted service to their customers.

Pursuant to the terms of the transaction approved on June 5, 2002, by the Bankruptcy Court, the Xspedius Operating Entities are acquiring substantially all of the assets of the e.spire Operating Entities, including most of their customer accounts and contracts and, where applicable, their state regulatory authorizations, including their state regulatory authorization(s) in Florida (the "Transaction").² Accordingly, the Petitioners request that the

¹ The e.spire Operating Entities filed a voluntary petition for Chapter 11 protection with the United States Bankruptcy Court for Delaware (the "Bankruptcy Court") on March 22, 2001. A Sale Order approving the transaction covered by this Petition was entered by the Bankruptcy Court on June 5, 2002.

² The e.spire entities that are parties to the asset transfer transaction are: e.spire Finance Corporation; ACSI Network Technologies, Inc.; e.spireDATA, Inc.; ACSI Local Switched Services, Inc.; ACSI Long Distance, Inc.; e.spire Leasing Corporation; American Communication Services of Albuquerque, Inc.; American Communication Services of Amarillo, Inc.; American Communication Services of Atlanta, Inc.; American Communication Services of Austin, Inc.; American Communication Services of Baton Rouge, Inc.; American Communication Services of Birmingham, Inc.; American Communication Services of Charleston, Inc.; American Communication Services of Chattanooga, Inc.; American Communication Services of Colorado Springs, Inc.; American Communication Services of Columbia, Inc.; American Communication
(continued...)

Commission approve the transfer of the e.spire Operating Entities' assets, including their customer base, to the Xspedius Operating Entities.³ By separate applications, which are being filed simultaneously with this Petition, Xspedius Jacksonville and Xspedius Switched are requesting the transfer of the existing e.spire authorizations to provide alternative local exchange service and interexchange telecommunications services in Florida and will provide service to the former ACSI Jacksonville and ACSI Local customers under those authorizations. Because the Xspedius Operating Entities are acquiring the assets and not the stock of the e.spire Operating Entities, upon completion of the Transaction, the e.spire Operating Entities no longer will provide telecommunications services in Florida. Accordingly, the e.spire Operating Entities respectfully request authority to discontinue the provision of telecommunications services upon

(...continued)

Services of Columbus, Inc.; American Communication Services of Corpus Christi, Inc.; American Communication Services of Dallas, Inc.; American Communication Services of D.C., Inc.; American Communication Services of El Paso, Inc.; American Communication Services of Fort Worth, Inc.; American Communication Services of Greenville, Inc.; American Communication Services of Irving, Inc.; American Communication Services of Jackson, Inc.; American Communication Services of Jacksonville, Inc.; American Communication Services of Kansas City, Inc.; American Communication Services of Las Vegas, Inc.; American Communication Services of Lexington, Inc.; American Communication Services of Little Rock, Inc.; American Communication Services of Louisiana, Inc.; American Communication Services of Louisville, Inc.; American Communication Services of Maryland, Inc.; American Communication Services of Miami, Inc.; American Communication Services of Mobile, Inc.; American Communication Services of Montgomery, Inc.; American Communication Services of Pima County, Inc.; American Communication Services of Rio Rancho, Inc.; American Communication Services of Roanoke, Inc.; American Communication Services of San Antonio, Inc.; American Communication Services of Savannah, Inc.; American Communication Services of Shreveport, Inc.; American Communication Services of Spartanburg, Inc.; American Communication Services of Tampa, Inc.; American Communication Services of Tulsa, Inc.; American Communication Services of Virginia, Inc.; American Communication Services International, Inc.; ACSI Local Switched Services of Virginia, Inc., Cybergate, Inc., and FloridaNet, Inc.

³ As the transaction is currently structured, the relevant assets will be initially transferred to Xspedius Management Co., LLC, and then immediately transferred to the Operating Entities.

the complete transfer of their assets, including their customers, to the Xspedius Operating Entities.

The Petitioners respectfully request *expedited* treatment and consideration of this Petition because the e.spire Operating Entities' customers currently are continuing to receive service from ACSI Jacksonville and ACSI Local. The e.spire Operating Entities are operating in Chapter 11 of the U.S. Bankruptcy Code, but may soon be forced to convert to Chapter 7. If the e.spire Operating Entities are forced to convert, ACSI Jacksonville and ACSI Local could shut down and customers not already migrated to the Xspedius Operating Entities could lose service. In order to avoid such an interruption of service—which e.spire will endeavor to prevent—the Petitioners respectfully request that the Commission grant all relief sought herein as soon as practically possible.

In support of this Petition, Petitioners respectfully provide the following information:

I. PARTIES TO THE TRANSACTION

A. The Xspedius Operating Entities

Xspedius Management Co. Switched Services, LLC and Xspedius Management Co. of Jacksonville, LLC are limited liability companies formed under the laws of Delaware. The Xspedius Operating Entities' principal place of business is P.O. Box 1116, O'Fallon, MO 63366-1116. The parent company of the Xspedius Operating Entities is Xspedius Management Co., LLC ("Xspedius"). None of the Xspedius Operating Entities is authorized to provide telecommunications services in this state, although another affiliate, Xspedius Corp.,⁴ currently

⁴ Xspedius Corp. is an integrated communications provider authorized to provide local, long distance, and integrated services in five states. Xspedius Corp., for the time-being, will continue as a separate entity, wholly owned by Xspedius Management Co., LLC.

is authorized to provide telecommunications services in Alabama, Louisiana, Mississippi, North Carolina, and Tennessee.

B. The e.spire Operating Entities

ACSI Local Switched Services, Inc., d/b/a e.spire, a Delaware corporation, and American Communication Services of Jacksonville, Inc., d/b/a e.spire, a Maryland corporation, have their principal place of business at Monument One, 12975 Worldgate Drive, Herndon, VA 20170. e.spire Communications, Inc. ("e.spire") is the parent company of the e.spire Operating Entities. e.spire through its operating affiliates, is an integrated communications provider, offering traditional local and long distance, dedicated Internet access, and advanced data solutions, including ATM and frame relay. e.spire, through its operating affiliates, currently is authorized to provide facilities-based and resale competitive local exchange, competitive access, and intrastate interexchange services in virtually all of the states. In this state, the e.spire Operating Entities are authorized to provide dedicated service and alternative local exchange and interexchange telecommunications services.⁵

II. DESIGNATED CONTACTS

The designated contacts for this Petition are:

Brad Mutschelknaus
Enrico C. Soriano
Leila M. Baheri
KELLEY DRYE & WARREN LLP
1200 19th Street, N.W., Fifth Floor
Washington, D.C. 20036
(202) 955-9600 (telephone)
(202) 955-9792 (facsimile)

⁵ Docket No. 960698-TX, Order No. PSC-96-1201-FOF-TX (Certificate No. 4722); Docket No. 971064-TX, Order No. PSC-97-1299-FOF-TX (Certificate No. 5474); and Docket No. 971476-TI (Certificate No. 5339).

Notices and other filings concerning this Petition should be sent to the individuals designated above, and copies of same should be sent to the following (which shall not constitute notice):

James C. Falvey
Senior Vice President – Regulatory Affairs
e.spire Communications, Inc.
7125 Gateway Drive
Suite 200
Columbia, MD 21046

III. BACKGROUND TO THE TRANSACTION

After their inception in 1994, e.spire and its operating subsidiaries, including the e.spire Operating Entities (collectively, the “e.spire Companies”) grew quickly and enjoyed early success. The sudden collapse of the capital markets for technology companies, however, unexpectedly denied the e.spire Companies continued access to the capital necessary for the continued operation and expansion of their business. As a result, on March 22, 2001, the e.spire Companies filed a voluntary petition for Chapter 11 protection with the United States Bankruptcy Court for Delaware. Although the bankruptcy filing temporarily relieved the e.spire Companies from their debt payment obligations, the e.spire Companies were unable to raise a sufficient funding while in Chapter 11 to emerge from bankruptcy as a going concern. The e.spire Companies instead chose to auction their assets. The auction took place between May 20 and May 22, 2002. After the auction, the e.spire Companies and Xspedius agreed that Xspedius and its operating subsidiaries, including the Xspedius Operating Entities (the “Xspedius

Companies”), would acquire substantially all of e.spire’s telecommunications assets and the authorizations and existing customer base associated therewith.⁶

After a final hearing on May 29, 2002, the Bankruptcy Court approved the sale, which calls for, *inter alia*, the sale of certain assets of the e.spire Companies, including those of the e.spire Operating Entities, to Xspedius and its operating subsidiaries, including the Xspedius Operating Entities, as set forth in the Asset Contribution Agreement; the continued provision of service to the e.spire Companies’ customers while necessary regulatory approvals are obtained, as set forth in the Management Agreement; and, upon obtaining such approvals, the transfer of the e.spire Companies’ assets, regulatory authorizations, and customers to the Xspedius Companies.

As explained above, to assure continuity of service to the e.spire Companies’ customers, the Management Agreement provides for the Xspedius Companies to provide management services to the e.spire Companies and to fund their continued operations while the approvals are obtained. Upon completion of the federal and individual state approval processes, the e.spire Companies’ assets and their customers will be transferred to the Xspedius Companies, including the Xspedius Operating Entities, except for those choosing to designate another carrier.

IV. TRANSFER OF E.SPIRE’S CUSTOMERS

Following completion of the Transaction, the Xspedius Operating Entities will provide the same local, long distance, and dedicated telecommunications services to the e.spire

⁶ The terms of the asset purchase agreement calls for the e.spire Companies to convey to Xspedius and its operating subsidiaries substantially all of the assets and properties of the e.spire Companies in all markets except New York and Philadelphia, together with certain specified obligations and liabilities. Once the entire transaction is consummated, Xspedius and its operating subsidiaries will possess substantially all of e.spire’s assets, including but not limited to, telecommunications facilities, customer contracts, and state authorizations (to the extent permitted by applicable state law).

Operating Entities' former customers in Florida. To ensure a seamless transition and avoid customer confusion or inconvenience, the Petitioners have provided written notice to the affected customers of the e.spire Operating Entities in Florida on June 7, 2002, which is at least thirty (30 days) prior to the transfer, explaining the change in service provider in accordance with applicable Federal Communications Commission ("FCC") and state requirements for changing a customer's presubscribed carrier. A copy of the notification letter that has been sent to the affected customers of the e.spire Companies is attached hereto and incorporated herein by reference as *Exhibit A*. Moreover, as described below, the Xspedius Operating Entities will continue the rates and service arrangements previously offered by the e.spire Operating Entities for the customers of the e.spire Operating Entities they are acquiring. Thus, the customers of the e.spire Operating Entities that will be transferred to the Xspedius Operating Entities will not experience any change in their rates and service arrangements. As a result, assuming that expedited approval can be obtained, the proposed transfer of customers will be virtually transparent to the e.spire Operating Entities' Florida customers in terms of rates, terms, and conditions of services.

V. TRANSFER OF THE E.SPIRE OPERATING ENTITIES' AUTHORIZATIONS

The Petitioners have also filed applications with the Commission for approval of the transfer of ACSI Jacksonville's and ACSI Local's existing telecommunications authorization in Florida to Xspedius Jacksonville and Xspedius Switched, respectively. As noted above, ACSI Jacksonville is authorized to provide alternative local exchange service in Florida pursuant to the authorization(s) granted by the Commission on September 23, 1996 in docket 960698-TX. Likewise, ACSI Local is authorized to provide alternative local exchange service and interexchange service in Florida pursuant to the authorization(s) granted by the Commission on

October 20, 1997 and February 16, 1998 in dockets 971064-TX and 971476-TI. As Xspedius Jacksonville and Xspedius Switched are not currently certified in this state, the transfer of ACSI Jacksonville's and ACSI Local's authorizations to Xspedius Jacksonville and Xspedius Switched is necessary to enable them to begin providing service to ACSI Jacksonville's and ACSI Local's existing customers as part of the Transaction.

VI. ADOPTION OF THE E.SPIRE OPERATING ENTITIES' EXISTING TARIFFS

In connection with the transfer of the e.spire Operating Entities' state authorizations to the Xspedius Operating Entities, the Petitioners also request that Xspedius Jacksonville and Xspedius Switched be allowed to adopt the existing tariffs of ACSI Jacksonville and ACSI Local, respectively, subject only to a minor name change to reflect the new name of the appropriate issuing carriers. None of the rates, terms, and conditions in these tariffs will change at this time. Except for the name change, the adoption of ACSI Jacksonville's and ACSI Local's tariffs by Xspedius Jacksonville and Xspedius Switched will be virtually transparent to the customers. The Xspedius Operating Entities respectfully request that their adopted tariffs be allowed to take effect immediately upon filing to avoid any gap in service to customers.

VII. DISCONTINUANCE OF SERVICE

As noted previously, upon completion of the Transaction, the e.spire Operating Entities will no longer be providing local exchange, interexchange, and dedicated services in Florida. Accordingly, ACSI Jacksonville and ACSI Local respectfully request that the Commission grant them authority to discontinue service upon completing the transfer of their customers to Xspedius Jacksonville and Xspedius Switched.

The Petitioners have complied (or are complying) with the Commission's regulations relating to discontinuance of service and transfers of customer base. Moreover, as noted above, the Petitioners have provided notice of the discontinuance and transfer of service to the affected e.spire customers on June 7, 2002.⁷ A copy of the notification letter giving affected e.spire customers at least thirty (30) days to select another carrier of their choice is attached hereto and incorporated herein by reference as *Exhibit A*.

VIII. PUBLIC INTEREST CONSIDERATIONS AND REQUEST FOR EXPEDITED PROCESSING

The Petitioners respectfully submit that the Transaction serves the public interest. In particular, the Petitioners submit that: (1) the Transaction will eliminate the threat of disruption of service to existing e.spire customers who could lose service due to the e.spire Companies' bankruptcy; (2) expedited approval of the asset transfer prior to June 30, 2002 will accrue to the benefit of e.spire's customers by allowing the customers to move to their new long-term provider, and doing so while the e.spire Companies still have the financial wherewithal to continue uninterrupted service; and (3) the Transaction will increase competition in the Florida telecommunications market by strengthening the Xspedius Companies' position as effective and multifaceted telecommunications carriers. Given the difficult times faced by the competitive industry, it is all the more important to preserve existing competitive facilities-based options and robust local competition, with its attendant benefits of lower prices, higher quality service, and innovative services.

⁷ Pursuant to the notice, e.spire will discontinue service on July 8, 2002, soon thereafter as the necessary governmental approvals can be obtained.

As discussed above, the e.spire Companies currently are operating in Chapter 11 but may soon be forced to convert to Chapter 7. If the e.spire Companies were forced to convert, the e.spire Companies could shut down and customers not already migrated to the Xspedius Companies could lose service. In order to avoid such an interruption of service—which the e.spire Companies will endeavor to prevent—the Petitioners respectfully request that the Commission grant all relief sought herein as quickly as practically possible. Grant of this Petition will serve the public interest by permitting uninterrupted service to existing e.spire customers.

As the Commission is acutely aware, the e.spire Companies are not alone in suffering recent financial hardship, which has plagued virtually the entire competitive carrier community. Recent bankruptcy filings by carriers, such as Teligent, Winstar, ICG, Covad, NorthPoint, Network Plus, and Net2000, coupled with numerous service discontinuance notifications/applications by countless other carriers, along with a general reduction in consumption of telecommunications services caused by unfavorable economic conditions, have eliminated a large number of new entrant competitors in the telecommunications market. Other new entrants have reported that negative economic factors have caused them to scale back the scope of their operations or cease offering new service entirely. In view of this, grant of this Petition will serve the public interest by enabling the Xspedius Companies to expand their operations in a cost-effective manner, thereby enhancing their competitive position and ability to provide high-quality services at more competitive rates to Florida consumers. The Xspedius Operating Entities represent a second generation of competitive local carriers in that they do not start the business with the significant debt load with which many new telecommunications entrants were burdened. By permitting the Xspedius Companies to strengthen their competitive

position and accelerate their entry to additional markets, the proposed transaction will preserve the existing customer base that has already chosen a competitive provider, while creating more robust competition for U.S. telecommunications customers, including customers in Florida.

The Petitioners emphasize that, following the transfer, the former customers of the e.spire Operating Entities will continue to receive services from experienced and qualified carriers, which will be consistent with the quality of services currently provided by the e.spire Operating Entities. Further, these customers have been, and will continue to be, sufficiently notified of the Transaction and their rights. Hence, the public interest will be served by permitting the Xspedius Operating Entities to take over the e.spire Operating Entities' customers.

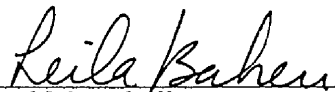
In sum, grant of this Petition will serve the public interest by eliminating the threat of service interruption to existing e.spire customers and by furthering competition in the Florida telecommunications market, as a result of the strengthened competitive position of Xspedius. The Petitioners desire to complete the proposed transaction as quickly as possible to avoid any interruption of service or inconvenience to e.spire's customers. To that end, the Petitioners respectfully request that the Commission expedite the processing and approval of this Petition.

IX. CONCLUSION

For the foregoing reasons, the Petitioners respectfully request that the Commission grant approval for the transfer of the e.spire Operating Entities' assets to the Xspedius Operating Entities, as well as the transfer of ACSI ___'s and ACSI Local's customers to Xspedius Jacksonville and Xspedius Switched, respectively. The Petitioners further request that the Commission likewise approve the transfer of ACSI Jacksonville's and ACSI Local's authorization(s) to Xspedius Jacksonville and Xspedius Switched; the adoption by Xspedius Jacksonville and Xspedius Switched of ACSI Jacksonville's and ACSI Local's existing tariffs;

and e.spire Operating Entities' request to abandon service once their customers have been fully transferred to the Xspedius Operating Entities. The Petitioners respectfully request that the authorizations sought in this Petition be granted on an expedited basis in order to avoid any interruption of service or inconvenience to e.spire's existing customers in Florida and to comply with the order of the Bankruptcy Court. Specifically, the Petitioners respectfully request that the Commission grant all relief requested herein on or before June 30, 2002.

Respectfully submitted,



Brad Mutschelknaus
Enrico C. Soriano
Leila M. Baheri
KELLEY DRYE & WARREN LLP
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Washington, D.C. 20036
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bmutschelknaus@kelleydrye.com
esoriano@kelleydrye.com
Counsel for:
ACSI Local Switched Services, Inc.
American Communication Services
Of Jacksonville, Inc.
Xspedius Management Co. Switched
Services, LLC
Xspedius Management Co. of Jacksonville,
LLC

Dated: June 15, 2002

Parish)
County of Calcasieu)
State of Louisiana)

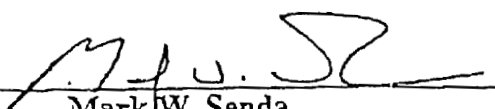
VERIFICATION OF
MARK W. SENDA

I, Mark W. Senda, being duly sworn upon oath, do hereby depose and state as follows:

1. My name is Mark W. Senda. I am employed by Xspedius Management Co., LLC ("Xspedius") as Chief Executive Officer. My business address is Xspedius Management Co., LLC, P.O. Box 1116, O'Fallon, MO 63366-1116. I am authorized by Xspedius to make this Verification on its behalf.

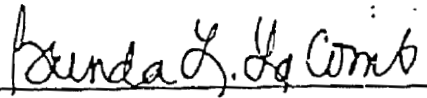
2. I declare that I have read the foregoing document and that the facts and any matters stated therein are true to the best of my knowledge, information, and belief.

FURTHER AFFIANT SAYETH NOT.



Mark W. Senda

SUBSCRIBED AND SWORN TO BEFORE ME this 14 day of June, 2002.



Notary Public

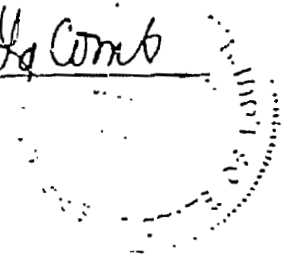


EXHIBIT A

Notification Letter to Existing Customers



**AN IMPORTANT NOTICE REGARDING YOUR
TELECOMMUNICATIONS SERVICE FROM E.SPIRE AND XSPEDIUS**

June 7, 2002

Dear Valued Customer:

We want to thank you for your continued support of e.spire. We have provided you a quality telecommunications service and, together, we have built an excellent business relationship.

We are very excited to inform you that e.spire Communications, Inc. ("e.spire"), including its affiliates American Communications Services International, Inc. and various operating entities, is transferring virtually all of its local, long distance, international, data and Internet assets and services in the states of Alabama, Arizona, Arkansas, Colorado, District of Columbia, Florida, Georgia, Kansas, Kentucky, Louisiana, Maryland, Missouri, New Mexico, Nevada, Oklahoma, South Carolina, Tennessee, Texas and Virginia to Xspedius Management Co., LLC and its various operating entities ("Xspedius"). The anticipated date for the transfer of your service to Xspedius is **July 8, 2002**, or as soon thereafter as the necessary governmental approvals can be obtained. Upon completion of the transfer, Xspedius will provide your telecommunications and other services and e.spire will no longer be your local, long distance, international, data or Internet service provider.¹ As a customer of Xspedius, you will continue to receive all the features, terms and conditions of service, and current rates that you enjoy today through e.spire. Should there be any future changes in rates, terms and conditions of services, notice will be provided in writing or as otherwise permitted by law.

The combination of e.spire with Xspedius is a very positive change for you, our customer. Xspedius Management Company brings a seasoned management team and significant funding to the business. Xspedius has a fully funded business plan, with \$75 million in fresh capital and a virtually debt free balance sheet. The company will be led by Chairman Jim Allen

¹ *The FCC will normally authorize e.spire's proposed discontinuance of service unless it is shown that customers would be unable to receive service or that the public convenience and necessity is otherwise adversely affected. If you wish to object, you should file your comments within 15 days after receipt of this notification. Address them to the Federal Communications Commission, Washington, DC 20554 referencing the §63.71 Application of e.spire Communications, Inc. Comments should include specific information about the impact of the proposed discontinuance upon you or your company, including any inability to acquire reasonable substitute service.*

and CEO Mark Senda, founders of Brooks Fiber and industry veterans of more than 20 years each. Xspedius management's combination of experience, financing, and vision will allow us to provide excellent service to customers and ensure financial stability.

It has been the pleasure of e.spire to provide you with quality telecommunications services. Unless you choose another carrier within thirty (30) days of the date of this letter, as is your right, you will automatically become an Xspedius customer upon completion of this transaction. You do not need to take any action, or pay any change charges, to be transferred to Xspedius. Of course, if you change providers, the terms and conditions of your e.spire contract will still apply, including any applicable termination liability or change charges.

If you have placed a "freeze" on e.spire's long distance services to prevent their unauthorized transfer to another carrier, the freeze will be lifted when your e.spire services are transferred. At your request, Xspedius would be glad to re-establish freeze protection for you after the transfer of your account to Xspedius.

e.spire has been and remains committed to providing excellent service to you. e.spire will continue to be your single point of contact to address any issues or complaints you may have with your service through the time of this transfer. Xspedius is committed to a smooth transition of your account – your current telephone number(s) and account will be migrated to Xspedius in a seamless manner. The only change you may notice is the name of your new service provider on your bill once the transition is complete.

Thank you for your cooperation and patience during this transition. We will continue to communicate with you as we make progress toward combining our companies into Xspedius. If you have any questions or concerns, please feel free to contact us at **Xspedius** at 1-877-XMC(962)-1900 or contact e.spire at 1-800-9-espire (937-7473). Xspedius looks forward to building a long term telecommunications relationship with you.

Randall P. Muench
Executive Vice President Sales & Marketing
e.spire Communications, Inc.

Mark W. Senda
Chief Executive Officer
Xspedius Management Co., LLC

STATE OF FLORIDA

COMMISSIONERS:
LILA A. JABER, CHAIRMAN
J. TERRY DEASON
BRAULIO L. BAEZ
MICHAEL A. PALECKI
RUDOLPH "RUDY" BRADLEY



DIVISION OF THE COMMISSION CLERK &
ADMINISTRATIVE SERVICES
BLANCA S. BAYÓ
DIRECTOR
(850) 413-6770 (CLERK)
(850) 413-6330 (ADMIN)

Public Service Commission

ACKNOWLEDGMENT

DATE: 06/17/02

TO: Leila M. Baheri

FROM: Ruth McGill, Division of the Commission Clerk and
Administrative Services

RE: Acknowledgment of Receipt of Confidential Filing

DN 06263-02

This will acknowledge receipt of a CONFIDENTIAL DOCUMENT filed in Docket No. 020535 - TP or (if filed in an undocketed matter) concerning confidential treatment of their financial information because they are privately owned liability companies 020537-TX, and filed on behalf of Xspedius and Xspedius Management Co., LLC. The document will be maintained in locked storage.

Any questions regarding this matter should be directed to Kay Flynn at (850) 413-6770.

PSC/CCA019-C (Rev 01/02)

DUPLICATE
020535-TP
RECEIVED-FPSC
02 JUN 17 PM 12:24
COMMISSION
CLERK

**** FLORIDA PUBLIC SERVICE COMMISSION ****

DIVISION OF REGULATORY OVERSIGHT
CERTIFICATION SECTION

APPLICATION FORM
for
AUTHORITY TO PROVIDE
ALTERNATIVE LOCAL EXCHANGE SERVICE
WITHIN THE STATE OF FLORIDA

Instructions

- ◆ This form is used as an application for an original certificate and for approval of the assignment or transfer of an existing certificate. In the case of an assignment or transfer, the information provided shall be for the assignee or transferee (See Page 12).
- ◆ Print or type all responses to each item requested in the application and appendices. If an item is not applicable, please explain why.
- ◆ Use a separate sheet for each answer which will not fit the allotted space.
- ◆ Once completed, submit the original and six (6) copies of this form along with a non-refundable application fee of **\$250.00** to:

Florida Public Service Commission
Division of Records and Reporting
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850
(850) 413-6770

- ◆ If you have questions about completing the form, contact:

Florida Public Service Commission
Division of Regulatory Oversight
Certification Section
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850
(850) 413-6480

RECEIVED & FILED

RLM

BUREAU OF RECORDS



APPLICATION

1. This is an application for (check one):

- Original certificate (new company).
- Approval of transfer of existing certificate: Example, a non-certificated company purchases an existing company and desires to retain the original certificate of authority.
- Approval of assignment of existing certificate: Example, a certificated company purchases an existing company and desires to retain the certificate of authority of that company.
- Approval of transfer of control: Example, a company purchases 51% of a certificated company. The Commission must approve the new controlling entity.

2. Name of company:

Xspedius Management Co. of Jacksonville, LLC ("Xspedius")

3. Name under which the applicant will do business (fictitious name, etc.):

Xspedius Management Co. of Jacksonville, LLC

4. Official mailing address (including street name & number, post office box, city, state, zip code):

P.O. box 1116
O'Fallon, MO 63366

‡

5. Florida address (including street name & number, post office box, city, state, zip code):

Corporate Service Company
1201 Hays Street
Tallahassee, FL 32301

6. Structure of organization:

- | | |
|---|--|
| <input type="checkbox"/> Individual | <input type="checkbox"/> Corporation |
| <input checked="" type="checkbox"/> Foreign Corporation | <input type="checkbox"/> Foreign Partnership |
| <input type="checkbox"/> General Partnership | <input type="checkbox"/> Limited Partnership |
| <input type="checkbox"/> Other | |

7. If individual, provide:

Name: Not Applicable

Title:

Address:

City/State/Zip:

Telephone No.: _____ Fax No.:

Internet E-Mail Address:

Internet Website Address:

8. If incorporated in Florida, provide proof of authority to operate in Florida:

- (a) The Florida Secretary of State corporate registration number:

Not Applicable

9. **If foreign corporation, provide proof of authority to operate in Florida:**

(a) The Florida Secretary of State corporate registration number:

Applicant is currently seeking authorization to operate in Florida and will provide this information as soon as it is available.

10. **If using fictitious name-d/b/a, provide proof of compliance with fictitious name statute (Chapter 865.09, FS) to operate in Florida:**

(a) The Florida Secretary of State fictitious name registration number:

Not Applicable.

11. **If a limited liability partnership, provide proof of registration to operate in Florida:**

(a) The Florida Secretary of State registration number:

Not Applicable

12. **If a partnership, provide name, title and address of all partners and a copy of the partnership agreement.**

Name: Not Applicable

Title:

Address:

City/State/Zip:

Telephone No.: _____ Fax No.:

Internet E-Mail Address:

Internet Website Address:

13. **If a foreign limited partnership, provide proof of compliance with the foreign limited partnership statute (Chapter 620.169, FS), if applicable.**

(a) The Florida registration number: Not Applicable

14. Provide F.E.I. Number(if applicable):___ To be provided

15. Indicate if any of the officers, directors, or any of the ten largest stockholders have previously been:

(a) adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings. Provide explanation.

To be provided

(b) an officer, director, partner or stockholder in any other Florida certificated telephone company. If yes, give name of company and relationship. If no longer associated with company, give reason why not.

To be provided

16. Who will serve as liaison to the Commission with regard to the following?

(a) The application:

Name: Leila Baheri
Title: Associate,
Address: Kelley Drye & Warren, 1200 19th Street, N.W., Suite 500
City/State/Zip: Washington, D.C. 20036
Telephone No.: (202) 887-1228 Fax No: (202) 955-9792
Internet E-Mail Address: lbaheri@kelleydrye.com
Internet Website Address: www.kelleydrye.com

(b) Official point of contact for the ongoing operations of the company:

Name: Chad Pifer
Title: Director of Regulatory & Legal Affairs, Xspedius
Address: 901 Lakeshore Drive, Floor 2
City/State/Zip: Lake Charles, LA 70601
Telephone No: (337) 312-5240 Fax No.: (337) 310-2976

Internet E-Mail Address: N/A
Internet Website Address: N/A

(c) Complaints/Inquiries from customers:

Name: Chad Pifer

Title: Director of Regulatory & Legal Affairs

Address: Xspedius, 901 Lakeshore Drive, Floor 2

City/State/Zip: Lake Charles, LA 70601

Telephone No: (337) 312-5240 Fax No: (337) 310-2976

Internet E-Mail Address: N/A
Internet Website Address: N/A

17. **List the states in which the applicant:**

(a) has operated as an alternative local exchange company.

None

(b) has applications pending to be certificated as an alternative local exchange company.

None

(c) is certificated to operate as an alternative local exchange company.

None

- (d) has been denied authority to operate as an alternative local exchange company and the circumstances involved.

None

- (e) has had regulatory penalties imposed for violations of telecommunications statutes and the circumstances involved.

None

- (f) has been involved in civil court proceedings with an interexchange carrier, local exchange company or other telecommunications entity, and the circumstances involved.

None

18. Submit the following:

- A. Managerial capability: give resumes of employees/officers of the company that would indicate sufficient managerial experiences of each.**

See Attachment A

- B. Technical capability: give resumes of employees/officers of the company that would indicate sufficient technical experiences or indicate what company has been contracted to conduct technical maintenance.**

See Attachment A

C. Financial capability.

The application should contain the applicant's audited financial statements for the most recent 3 years. If the applicant does not have audited financial statements, it shall so be stated.

As a privately held limited liability Company, Applicant does not have audited financial statements.

The unaudited financial statements should be signed by the applicant's chief executive officer and chief financial officer affirming that the financial statements are true and correct and should include:

1. the balance sheet:
2. income statement: and
3. statement of retained earnings.

NOTE: *This documentation may include, but is not limited to, financial statements, a projected profit and loss statement, credit references, credit bureau reports, and descriptions of business relationships with financial institutions.*

Further, the following (which includes supporting documentation) should be provided:

1. written explanation that the applicant has sufficient financial capability to provide the requested service in the geographic area proposed to be served.
2. written explanation that the applicant has sufficient financial capability to maintain the requested service.
3. written explanation that the applicant has sufficient financial capability to meet its lease or ownership obligations.

Xspedius, through its parent company Xspedius Management Co., LLC has the requisite financial qualifications to provide telecommunications services in Florida. Attached and incorporated herein by reference is filed *under seal Exhibit B* the *Pro Forma* Balance Sheet of Xspedius Management Co., LLC, for the period ending June 1, 2002. Because Xspedius and Xspedius Management Co., LLC are privately owned limited liability companies, Xspedius requests confidential treatment of its financial information. As a privately held company, Xspedius does not issue annual reports or submit any financial filings with the United States Securities and Exchange Commission, and is not under any obligation to prepare or release public financial statements and ownership information. Because public disclosure of this financial information would result in significant

competitive and business harm to Xspedius, confidential treatment of Xspedius Management Co., LLC's financial data is appropriate.

THIS PAGE MUST BE COMPLETED AND SIGNED

APPLICANT ACKNOWLEDGMENT STATEMENT

1. **REGULATORY ASSESSMENT FEE:** I understand that all telephone companies must pay a regulatory assessment fee in the amount of .15 of one percent of gross operating revenue derived from intrastate business. Regardless of the gross operating revenue of a company, a minimum annual assessment fee of \$50 is required.
2. **GROSS RECEIPTS TAX:** I understand that all telephone companies must pay a gross receipts tax of two and one-half percent on all intra and interstate business.
3. **SALES TAX:** I understand that a seven percent sales tax must be paid on intra and interstate revenues.
4. **APPLICATION FEE:** I understand that a non-refundable application fee of \$250.00 must be submitted with the application.

UTILITY OFFICIAL:

Mark W. Senda

Print Name

Signature See attached verification

Chief Executive Officer

Title

Date June 14, 2002

(337) 312-5240

Telephone No.

Fax No.

Address:

Xspedius Management Co., LLC
P.O. Box 1116
O'Fallon, MO 63366-1116

THIS PAGE MUST BE COMPLETED AND SIGNED

AFFIDAVIT

By my signature below, I, the undersigned officer, attest to the accuracy of the information contained in this application and attached documents and that the applicant has the technical expertise, managerial ability, and financial capability to provide alternative local exchange company service in the State of Florida. I have read the foregoing and declare that, to the best of my knowledge and belief, the information is true and correct. I attest that I have the authority to sign on behalf of my company and agree to comply, now and in the future, with all applicable Commission rules and orders.

Further, I am aware that, pursuant to Chapter 837.06, Florida Statutes, "Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in s. 775.082 and s. 775.083."

UTILITY OFFICIAL:

Mark W. Senda

Print Name

Signature See attached verification

Chief Executive Officer

Title

Date June 14, 2002

(337) 312-5240

Telephone No.

Fax No.

Address:

Xspedius Management Co., LLC
P.O. Box 1116
O'Fallon, MO 63366-1116

4

INTRASTATE NETWORK (if available)

Chapter 25-24.825 (5), Florida Administrative Code, requires the company to make available to staff the alternative local exchange service areas only upon request.

1. **POP:** Addresses where located, and indicate if owned or leased.

1) _____ 2) _____

3) _____ 4) _____

2. **SWITCHES:** Address where located, by type of switch, and indicate if owned or leased.

1) _____ 2) _____

3) _____ 4) _____

3. **TRANSMISSION FACILITIES:** POP-to-POP facilities by type of facilities (microwave, fiber, copper, satellite, etc.) and indicate if owned or leased.

POP-to-POP

OWNERSHIP

1) _____

2) _____

3) _____

4) _____

CERTIFICATE SALE, TRANSFER, OR ASSIGNMENT STATEMENT

I, (Name) James C. Falvey
(Title) Senior Vice President _____ of
(Name of Company) ACSI Local Switching Services, Inc. d/b/a e.spire
and current holder of Florida Public Service Commission Certificate Number #
4722, have reviewed this application and join in the petitioner's request for a:

() sale

(X) transfer

() assignment

of the above-mentioned certificate.

UTILITY OFFICIAL:

James C. Falvey
Print Name

Signature: see attached verification

Senior V.P.
Title

Date June 14, 2002

(301) 361-4298
Telephone No.

(301) 361-4277
Fax No.

Address:

e.spire Communications, Inc.

7125 Gateway Drive, Suite 200

Columbia, MD 21406

Attachment A

Management Resumes

James Allen - Chairman

James C. Allen has been a director of WorldCom since March 1998. Mr. Allen is currently an investment director and member of the general partner of Meritage Private Equity Fund, a venture capital fund specializing in the telecommunications industry. Mr. Allen is the former Vice Chairman and Chief Executive Officer of Brooks Fiber Properties where he served in such capacities from 1993 until its merger with WorldCom January 1998. Mr. Allen served as President and Chief Operating Officer of Brooks Telecommunications Corporation, a founder of Brooks Fiber Properties, from April 1993 until it was merged with Brooks Fiber Properties in January 1996. Mr. Allen serves as a director of Completel LLC, Xspedius, LLC, Masergy, Inc., David Lipscomb University and Family Dynamics Institute.

Mark W. Senda - Chief Executive Officer

Mark W. Senda has been a key contributor and leader in the competitive communications industry over the past two decades in North America. He has had an uncanny ability to stay in front of the trends emerging in the rapidly changing communications services sector during a period of pre- and post-deregulation. More recently, as President of Local Services for AT&T Canada, he ran a \$200m+ business unit growing in excess of 100% per annum. AT&T Canada was the successor to MetroNet Communications where Mr. Senda was Chief Operating Officer for Canada's first national competitive communications company. Prior to his work in Canada, Mr. Senda implemented and operated competitive local access and exchange networks in the United States, first with MFS Communications in various progressive management responsibilities leading up to Senior Vice President of Network Services and later with Brooks Fiber Properties as their Senior Vice President of Operations & Engineering. Prior

to 1991, Mr. Senda spent nearly nine years with MCI Communications Corp. in various management roles. During this time, he was a key team member responsible for deploying MCI's enhanced messaging systems and services worldwide. Mr. Senda holds a BS in Business from The University of the State of New York and a MS in Telecommunications Policy from The George Washington University.

Dan Lensgraf – Chief Executive Officer

Daniel Lensgraf currently serves as Chief Financial Officer of Xspedius, LLC joined Xspedius in August 2000, as Chief Financial Officer. In this capacity, he is responsible for all financial operations of the company. Lensgraf also plays a key role in the day-to-day, business development, and strategy of the company. From August 1995 until joining Xspedius, Lensgraf served as Chief Financial Officer of Satelink Communications, Inc.; an Atlanta based communications provider. During his tenure with Satelink, Lensgraf facilitated thirteen acquisition transactions and was involved in numerous debt and equity fund raising transactions.

Lensgraf earned a Bachelor's Degree in Business Administration from the University of Oklahoma and an MBA from Duke University.

Ines LeBow – Senior Vice President, Operations

Ms. LeBow has twenty years experience in management, operations, engineering, finance and project management in telecommunications, wireless, long distance, competitive access and competitive local exchange. In her last position, Ms. LeBow was Executive Vice President, Operations and Engineering at Conversent Communications; in that capacity, she developed a six-state region in the Northeast, managed the P&L, set company policy, deployed switches, established service delivery flows and OSS systems, built a Network Management Center, created a switched-services field organization and customer service. Former positions include

Vice President, Global Network Operations for Viatel, a multinational long distance carrier; with management responsibility for 150 people in 14 cities worldwide. At Brooks Fiber Communications, Ms. LeBow served as Vice President, Implementation with responsibility for 22 new cities. Prior to Brooks, Ms. LeBow has similar responsibilities at MFS, GTE Spacenet and Contel ASC.

Ms. LeBow is a graduate of American University, Washington, DC and received a MA. in Languages and Linguistics and a MA. in Administration and Education.

Michael Miller – President, Xspedius Management Co. Network Technologies, Inc.

Michael P. Miller is currently serving as President of ACSI Network Technologies, Inc., e.spire's network design, construction and consulting subsidiary, a position he has held since January 2000. He previously served as ACSI Network Technologies' Senior Vice President, responsible for sales and operations support system outsourcing. He joined e.spire in 1996 to assume the position of Regional Vice President and General Manager, responsible for sales and operations in the eastern United States. Before joining e.spire, he was Senior Vice President for Sales and Marketing for Trescom International. Mr. Miller has also held positions with ITT-USTS and LDDS (now, MCI/WorldCom). He has more than 19 years of management experience with telecommunications companies.

Randall Muench – Executive Vice President of Sales and Marketing

Randall P. Muench is currently serving as e.spire Executive Vice President, Sales and Marketing, and manages the retail and wholesale sales force, alternate channels, customer service, technical consulting and training. Mr. Muench is also responsible for product marketing, brand marketing, new media and e.spire's outbound marketing programs. He was promoted to

this position in January 2000. He previously served as Senior Vice President, Sales and Marketing and Vice President of Marketing. He joined e.spire in March of 1998 as Vice President of Sales Operations and Customer Service. Before joining e.spire, Mr. Muench was Director of Marketing and Finance for MCI's State Government and University Markets, a position he held for three years

James C. Falvey – Senior Vice President of Regulatory Affairs

James C. Falvey is currently serving as e.spire Senior Vice President of Regulatory Affairs and is responsible for federal regulatory and legislative matters, state regulatory proceedings and complaints, and municipal rights-of-way issues. He was promoted to his current position in March 2000. He joined e.spire in May 1996 as Vice President of Regulatory Affairs and has been instrumental in developing regulatory strategy; establishing interconnection agreements; pursuing reciprocal compensation and other regulatory complaints; managing certification, franchise, and compliance issues; and advocating e.spire's interests relating to regulatory and policy matters. Prior to joining e.spire, Mr. Falvey practiced law with the Washington, D.C. law firm of Swidler & Berlin, where he represented competitive local exchange providers in state and federal proceedings. Prior to his employment at Swidler & Berlin, Mr. Falvey practiced antitrust litigation in the Washington office of Johnson & Gibbs, and worked as a legislative assistant for Senator Harry M. Reid of Nevada. He is a *cum laude* graduate of Cornell University, received his law degree from the University of Virginia School of Law, and is admitted to practice law in the District of Columbia and Virginia. He is a member of the CompTel Board of Directors and ALTS Operating Board.

EXHIBIT B

Pro Forma Balance Sheet

CONFIDENTIAL – FILED UNDER SEAL

STATE OF FLORIDA

COMMISSIONERS:
LILA A. JABER, CHAIRMAN
J. TERRY DEASON
BRAULIO L. BAEZ
MICHAEL A. PALECKI
RUDOLPH "RUDY" BRADLEY



DIVISION OF THE COMMISSION CLERK &
ADMINISTRATIVE SERVICES
BLANCA S. BAYÓ
DIRECTOR
(850) 413-6770 (CLERK)
(850) 413-6330 (ADMIN)

Public Service Commission

ACKNOWLEDGMENT

DATE: 06/17/02

TO: Leila M. Baheri
FROM: Ruth McGill, Division of the Commission Clerk and
Administrative Services
RE: Acknowledgment of Receipt of Confidential Filing

DN 06265-02

This will acknowledge receipt of a CONFIDENTIAL DOCUMENT filed in Docket No. 020535-TP
020538-TR or (if filed in an undocketed matter) concerning Confidential
Treatment of their financial information because they are privately
owned liability companies., and
filed on behalf of Xspedius and Xspedius Management Co., LLC. The
document will be maintained in locked storage.

Any questions regarding this matter should be directed to Kay Flynn at (850) 413-6770.

PSC/CCA019-C (Rev 01/02)

020535-TP
DUPLICATE

**** FLORIDA PUBLIC SERVICE COMMISSION ****

DIVISION OF REGULATORY OVERSIGHT
CERTIFICATION SECTION

APPLICATION FORM
for
AUTHORITY TO PROVIDE
ALTERNATIVE LOCAL EXCHANGE SERVICE
WITHIN THE STATE OF FLORIDA

RECEIVED-TPSC
02 JUN 17 PM 1:04
COMMISSION
CLERK

Instructions

- ◆ This form is used as an application for an original certificate and for approval of the assignment or transfer of an existing certificate. In the case of an assignment or transfer, the information provided shall be for the assignee or transferee (See Page 12).
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- ◆ Use a separate sheet for each answer which will not fit the allotted space.
- ◆ Once completed, submit the original and six (6) copies of this form along with a non-refundable application fee of \$250.00 to:

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Tallahassee, Florida 32399-0850
(850) 413-6770

- ◆ If you have questions about completing the form, contact:

Florida Public Service Commission
Division of Regulatory Oversight
Certification Section
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850
(850) 413-6480

RECEIVED & FILED
RYM

DOCUMENT NUMBER-DATE

06264 JUN 17 08

TPSC BUREAU OF RECORDS

TPSC-COMMISSION CLERK



APPLICATION

1. This is an application for (check one):

Original certificate (new company).

Approval of transfer of existing certificate: Example, a non-certificated company purchases an existing company and desires to retain the original certificate of authority.

Approval of assignment of existing certificate: Example, a certificated company purchases an existing company and desires to retain the certificate of authority of that company.

Approval of transfer of control: Example, a company purchases 51% of a certificated company. The Commission must approve the new controlling entity.

2. Name of company:

Xspedius Management Co. Switched Services, LLC ("Xspedius")

3. Name under which the applicant will do business (fictitious name, etc.):

Xspedius Management Co. Switched Services, LLC

4. Official mailing address (including street name & number, post office box, city, state, zip code):

P.O. box 1116
O'Fallon, MO 63366

5. Florida address (including street name & number, post office box, city, state, zip code):

Corporate Service Company
1201 Hays Street
Tallahassee, FL 32301

6. Structure of organization:

- | | |
|---|--|
| <input type="checkbox"/> Individual | <input type="checkbox"/> Corporation |
| <input checked="" type="checkbox"/> Foreign Corporation | <input type="checkbox"/> Foreign Partnership |
| <input type="checkbox"/> General Partnership | <input type="checkbox"/> Limited Partnership |
| <input type="checkbox"/> Other | |

7. If individual, provide:

Name: Not Applicable

Title:

Address:

City/State/Zip:

Telephone No.: _____ Fax No.:

Internet E-Mail Address:

Internet Website Address:

8. If incorporated in Florida, provide proof of authority to operate in Florida:

(a) The Florida Secretary of State corporate registration number:

Not Applicable

9. **If foreign corporation, provide proof of authority to operate in Florida:**

(a) The Florida Secretary of State corporate registration number:

Applicant is currently seeking authorization to operate in Florida and will provide this information as soon as it is available.

10. **If using fictitious name-d/b/a, provide proof of compliance with fictitious name statute (Chapter 865.09, FS) to operate in Florida:**

(a) The Florida Secretary of State fictitious name registration number:

Not Applicable.

11. **If a limited liability partnership, provide proof of registration to operate in Florida:**

(a) The Florida Secretary of State registration number:

Not Applicable

12. **If a partnership, provide name, title and address of all partners and a copy of the partnership agreement.**

Name: Not Applicable

Title:

Address:

City/State/Zip:

Telephone No.: _____ Fax No.:

Internet E-Mail Address:

Internet Website Address:

13. **If a foreign limited partnership, provide proof of compliance with the foreign limited partnership statute (Chapter 620.169, FS), if applicable.**

(a) The Florida registration number: Not Applicable

4

14. Provide F.E.I. Number(if applicable):___ To be provided

15. Indicate if any of the officers, directors, or any of the ten largest stockholders have previously been:

(a) adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings. Provide explanation.

To be provided

(b) an officer, director, partner or stockholder in any other Florida certificated telephone company. If yes, give name of company and relationship. If no longer associated with company, give reason why not.

To be provided

16. Who will serve as liaison to the Commission with regard to the following?

(a) The application:

Name: Leila Baheri
Title: Associate,
Address: Kelley Drye & Warren, 1200 19th Street, N.W., Suite 500
City/State/Zip: Washington, D.C. 20036
Telephone No.: (202) 887-1228 Fax No: (202) 955-9792
Internet E-Mail Address: lbaheri@kelleydrye.com
Internet Website Address: www.kelleydrye.com

(b) Official point of contact for the ongoing operations of the company:

Name: Chad Pifer
Title: Director of Regulatory & Legal Affairs, Xspedius
Address: 901 Lakeshore Drive, Floor 2
City/State/Zip: Lake Charles, LA 70601
Telephone No: (337) 312-5240 Fax No.: (337) 310-2976

Internet E-Mail Address: N/A
Internet Website Address: N/A

(c) Complaints/Inquiries from customers:

Name: Chad Pifer

Title: Director of Regulatory & Legal Affairs

Address: Xspedius, 901 Lakeshore Drive, Floor 2

City/State/Zip: Lake Charles, LA 70601

Telephone No: (337) 312-5240 Fax No: (337) 310-2976

Internet E-Mail Address: N/A
Internet Website Address: N/A

17. List the states in which the applicant:

(a) has operated as an alternative local exchange company.

None

(b) has applications pending to be certificated as an alternative local exchange company.

None

(c) is certificated to operate as an alternative local exchange company.

None

- (d) has been denied authority to operate as an alternative local exchange company and the circumstances involved.

None

- (e) has had regulatory penalties imposed for violations of telecommunications statutes and the circumstances involved.

None

- (f) has been involved in civil court proceedings with an interexchange carrier, local exchange company or other telecommunications entity, and the circumstances involved.

None

18. Submit the following:

- A. Managerial capability: give resumes of employees/officers of the company that would indicate sufficient managerial experiences of each.**

See Attachment A

- B. Technical capability: give resumes of employees/officers of the company that would indicate sufficient technical experiences or indicate what company has been contracted to conduct technical maintenance.**

See Attachment A

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C. Financial capability.

The application **should contain** the applicant's audited financial statements for the most recent 3 years. If the applicant does not have audited financial statements, it shall so be stated.

As a privately held limited liability Company, Applicant does not have audited financial statements.

The unaudited financial statements should be signed by the applicant's chief executive officer and chief financial officer affirming that the financial statements are true and correct and should include:

1. the balance sheet:
2. income statement: and
3. statement of retained earnings.

NOTE: *This documentation may include, but is not limited to, financial statements, a projected profit and loss statement, credit references, credit bureau reports, and descriptions of business relationships with financial institutions.*

Further, the following (which includes supporting documentation) should be provided:

1. **written explanation** that the applicant has sufficient financial capability to provide the requested service in the geographic area proposed to be served.
2. **written explanation** that the applicant has sufficient financial capability to maintain the requested service.
3. **written explanation** that the applicant has sufficient financial capability to meet its lease or ownership obligations.

Xspedius, through its parent company Xspedius Management Co., LLC has the requisite financial qualifications to provide telecommunications services in Florida. Attached and incorporated herein by reference is filed *under seal Exhibit B* the *Pro Forma* Balance Sheet of Xspedius Management Co., LLC, for the period ending June 1, 2002. Because Xspedius and Xspedius Management Co., LLC are privately owned limited liability companies, Xspedius requests confidential treatment of its financial information. As a privately held company, Xspedius does not issue annual reports or submit any financial filings with the United States Securities and Exchange Commission, and is not under any obligation to prepare or release public financial statements and ownership information. Because public disclosure of this financial information would result in significant

competitive and business harm to Xspedius, confidential treatment of Xspedius Management Co., LLC's financial data is appropriate.

THIS PAGE MUST BE COMPLETED AND SIGNED

APPLICANT ACKNOWLEDGMENT STATEMENT

1. **REGULATORY ASSESSMENT FEE:** I understand that all telephone companies must pay a regulatory assessment fee in the amount of .15 of one percent of gross operating revenue derived from intrastate business. Regardless of the gross operating revenue of a company, a minimum annual assessment fee of \$50 is required.
2. **GROSS RECEIPTS TAX:** I understand that all telephone companies must pay a gross receipts tax of two and one-half percent on all intra and interstate business.
3. **SALES TAX:** I understand that a seven percent sales tax must be paid on intra and interstate revenues.
4. **APPLICATION FEE:** I understand that a non-refundable application fee of \$250.00 must be submitted with the application.

UTILITY OFFICIAL:

Mark W. Senda

Print Name

Signature See attached verification

Chief Executive Officer

Title

Date June 14, 2002

(337) 312-5240

Telephone No.

Fax No.

Address:

Xspedius Management Co., LLC
P.O. Box 1116
O'Fallon, MO 63366-1116

THIS PAGE MUST BE COMPLETED AND SIGNED

AFFIDAVIT

By my signature below, I, the undersigned officer, attest to the accuracy of the information contained in this application and attached documents and that the applicant has the technical expertise, managerial ability, and financial capability to provide alternative local exchange company service in the State of Florida. I have read the foregoing and declare that, to the best of my knowledge and belief, the information is true and correct. I attest that I have the authority to sign on behalf of my company and agree to comply, now and in the future, with all applicable Commission rules and orders.

Further, I am aware that, pursuant to Chapter 837.06, Florida Statutes, "Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in s. 775.082 and s. 775.083."

UTILITY OFFICIAL:

Mark W. Senda

Print Name

Signature See attached verification

Chief Executive Officer

Title

Date June 14, 2002

(337) 312-5240

Telephone No.

Fax No.

Address:

Xspedius Management Co., LLC
P.O. Box 1116
O'Fallon, MO 63366-1116

4

INTRASTATE NETWORK (if available)

Chapter 25-24.825 (5), Florida Administrative Code, requires the company to make available to staff the alternative local exchange service areas only upon request.

1. **POP:** Addresses where located, and indicate if owned or leased.

1) _____ 2)

3) _____ 4)

2. **SWITCHES:** Address where located, by type of switch, and indicate if owned or leased.

1) _____ 2)

3) _____ 4)

3. **TRANSMISSION FACILITIES:** POP-to-POP facilities by type of facilities (microwave, fiber, copper, satellite, etc.) and indicate if owned or leased.

POP-to-POP

OWNERSHIP

1) _____

2) _____

3) _____

4) _____

CERTIFICATE SALE, TRANSFER, OR ASSIGNMENT STATEMENT

I, (Name) James C. Falvey
(Title) Senior Vice President of
(Name of Company) ACSI Local Switching Services, Inc. d/b/a e.spire
and current holder of Florida Public Service Commission Certificate Number #
5474, have reviewed this application and join in the petitioner's request for a:

() sale

(X) transfer

() assignment

of the above-mentioned certificate.

UTILITY OFFICIAL:

James C. Falvey
Print Name

Signature: see attached verification

Senior V.P.
Title

Date June 14, 2002

(301) 361-4298
Telephone No.

(301) 361-4277
Fax No.

Address:

e.spire Communications, Inc.

7125 Gateway Drive, Suite 200

Columbia, MD 21406

Attachment A

Management Resumes

James Allen - Chairman

James C. Allen has been a director of WorldCom since March 1998. Mr. Allen is currently an investment director and member of the general partner of Meritage Private Equity Fund, a venture capital fund specializing in the telecommunications industry. Mr. Allen is the former Vice Chairman and Chief Executive Officer of Brooks Fiber Properties where he served in such capacities from 1993 until its merger with WorldCom January 1998. Mr. Allen served as President and Chief Operating Officer of Brooks Telecommunications Corporation, a founder of Brooks Fiber Properties, from April 1993 until it was merged with Brooks Fiber Properties in January 1996. Mr. Allen serves as a director of Completel LLC, Xspedius, LLC, Masergy, Inc., David Lipscomb University and Family Dynamics Institute.

Mark W. Senda – Chief Executive Officer

Mark W. Senda has been a key contributor and leader in the competitive communications industry over the past two decades in North America. He has had an uncanny ability to stay in front of the trends emerging in the rapidly changing communications services sector during a period of pre- and post-deregulation. More recently, as President of Local Services for AT&T Canada, he ran a \$200m+ business unit growing in excess of 100% per annum. AT&T Canada was the successor to MetroNet Communications where Mr. Senda was Chief Operating Officer for Canada's first national competitive communications company. Prior to his work in Canada, Mr. Senda implemented and operated competitive local access and exchange networks in the United States, first with MFS Communications in various progressive management responsibilities leading up to Senior Vice President of Network Services and later with Brooks Fiber Properties as their Senior Vice President of Operations & Engineering. Prior

to 1991, Mr. Senda spent nearly nine years with MCI Communications Corp. in various management roles. During this time, he was a key team member responsible for deploying MCI's enhanced messaging systems and services worldwide. Mr. Senda holds a BS in Business from The University of the State of New York and a MS in Telecommunications Policy from The George Washington University.

Dan Lensgraf – Chief Executive Officer

Daniel Lensgraf currently serves as Chief Financial Officer of Xspedius, LLC joined Xspedius in August 2000, as Chief Financial Officer. In this capacity, he is responsible for all financial operations of the company. Lensgraf also plays a key role in the day-to-day, business development, and strategy of the company. From August 1995 until joining Xspedius, Lensgraf served as Chief Financial Officer of Satelink Communications, Inc.; an Atlanta based communications provider. During his tenure with Satelink, Lensgraf facilitated thirteen acquisition transactions and was involved in numerous debt and equity fund raising transactions.

Lensgraf earned a Bachelor's Degree in Business Administration from the University of Oklahoma and an MBA from Duke University.

Ines LeBow – Senior Vice President, Operations

Ms. LeBow has twenty years experience in management, operations, engineering, finance and project management in telecommunications, wireless, long distance, competitive access and competitive local exchange. In her last position, Ms. LeBow was Executive Vice President, Operations and Engineering at Conversent Communications; in that capacity, she developed a six-state region in the Northeast, managed the P&L, set company policy, deployed switches, established service delivery flows and OSS systems, built a Network Management Center, created a switched-services field organization and customer service. Former positions include

Vice President, Global Network Operations for Viatel, a multinational long distance carrier; with management responsibility for 150 people in 14 cities worldwide. At Brooks Fiber Communications, Ms. LeBow served as Vice President, Implementation with responsibility for 22 new cities. Prior to Brooks, Ms. LeBow has similar responsibilities at MFS, GTE Spacenet and Contel ASC.

Ms. LeBow is a graduate of American University, Washington, DC and received a MA. in Languages and Linguistics and a MA. in Administration and Education.

Michael Miller – President, Xpedius Management Co. Network Technologies, Inc.

Michael P. Miller is currently serving as President of ACSI Network Technologies, Inc., e.spire's network design, construction and consulting subsidiary, a position he has held since January 2000. He previously served as ACSI Network Technologies' Senior Vice President, responsible for sales and operations support system outsourcing. He joined e.spire in 1996 to assume the position of Regional Vice President and General Manager, responsible for sales and operations in the eastern United States. Before joining e.spire, he was Senior Vice President for Sales and Marketing for Trescom International. Mr. Miller has also held positions with ITT-USTS and LDDS (now, MCI/WorldCom). He has more than 19 years of management experience with telecommunications companies.

Randall Muench – Executive Vice President of Sales and Marketing

Randall P. Muench is currently serving as e.spire Executive Vice President, Sales and Marketing, and manages the retail and wholesale sales force, alternate channels, customer service, technical consulting and training. Mr. Muench is also responsible for product marketing, brand marketing, new media and e.spire's outbound marketing programs. He was promoted to

this position in January 2000. He previously served as Senior Vice President, Sales and Marketing and Vice President of Marketing. He joined e.spire in March of 1998 as Vice President of Sales Operations and Customer Service. Before joining e.spire, Mr. Muench was Director of Marketing and Finance for MCI's State Government and University Markets, a position he held for three years

James C. Falvey – Senior Vice President of Regulatory Affairs

James C. Falvey is currently serving as e.spire Senior Vice President of Regulatory Affairs and is responsible for federal regulatory and legislative matters, state regulatory proceedings and complaints, and municipal rights-of-way issues. He was promoted to his current position in March 2000. He joined e.spire in May 1996 as Vice President of Regulatory Affairs and has been instrumental in developing regulatory strategy; establishing interconnection agreements; pursuing reciprocal compensation and other regulatory complaints; managing certification, franchise, and compliance issues; and advocating e.spire's interests relating to regulatory and policy matters. Prior to joining e.spire, Mr. Falvey practiced law with the Washington, D.C. law firm of Swidler & Berlin, where he represented competitive local exchange providers in state and federal proceedings. Prior to his employment at Swidler & Berlin, Mr. Falvey practiced antitrust litigation in the Washington office of Johnson & Gibbs, and worked as a legislative assistant for Senator Harry M. Reid of Nevada. He is a *cum laude* graduate of Cornell University, received his law degree from the University of Virginia School of Law, and is admitted to practice law in the District of Columbia and Virginia. He is a member of the CompTel Board of Directors and ALTS Operating Board.

EXHIBIT B

Pro Forma Balance Sheet

CONFIDENTIAL -- FILED UNDER SEAL

KELLEY DRYE & WARREN LLP

A LIMITED LIABILITY PARTNERSHIP

1200 19TH STREET, N.W.

SUITE 500

WASHINGTON, D.C. 20036

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STAMFORD, CT

PARSIPPANY, NJ

BRUSSELS, BELGIUM

HONG KONG

AFFILIATE OFFICES

BANGKOK, THAILAND

JAKARTA, INDONESIA

MANILA, THE PHILIPPINES

MUMBAI, INDIA

TOKYO, JAPAN

June 15, 2002

VIA FEDERAL EXPRESS

Ms. Blanca Bayo
Commission Clerk & Administrative Services Director
Florida Public Service Commission
2540 Shuman Oak Blvd.
Tallahassee, Florida 32399-0850

Re: Application for Approval of (i) the Transfer of Substantially All of the Assets, Including the Customer Contracts, of the e.spire Operating Entities to the Xspedius Operating Entities; (ii) the Transfer of the e.spire Operating Entities' State Authorizations to the Xspedius Operating Entities; and (iii) the Discontinuance of Telecommunications Services in Florida by the e.spire Operating Entities

Dear : Ms. Bayo

Enclosed, please find an original and 12 copies of the above referenced Application. Please date-stamp the enclosed duplicate and return in the enclosed Federal Express envelope. If you have any questions, please do not hesitate to contact me at (202) 887-1228.

Sincerely,



Leila M. Baheri

**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

Joint Application of)
)
ACSI LOCAL SWITCHED SERVICES, INC., D/B/A E.SPIRE)
AND AMERICAN COMMUNICATION SERVICES OF)
JACKSONVILLE, INC., D/B/A E.SPIRE)
)
and)
)
XSPEDIUS MANAGEMENT CO. SWITCHED)
SERVICES, LLC, AND XSPEDIUS MANAGEMENT CO)
OF JACKSONVILLE, LLC)
)
For Expedited Approval of (i) the Transfer of Substantially)
All of the Assets, Including the Customer Contracts, of)
the e.spire Operating Entities to the Xspedius Operating)
Entities; (ii) the Transfer of the e.spire Operating Entities')
State Authorizations to the Xspedius Operating Entities;)
and (iii) the Discontinuance of Telecommunications)
Services in Florida by the e.spire Operating Entities)

Docket No. _____

APPLICATION AND REQUEST FOR EXPEDITED TREATMENT

American Communication Services of Jacksonville, Inc. (“ACSI of Jacksonville”) and ACSI Local Switched Services, Inc. (“ACSI Local”) (the “e.spire Operating Entities”); and Xspedius Management Co. of Jacksonville, LLC (“Xspedius Jacksonville”) and Xspedius Management Co. Switched Services, LLC (“Xspedius Switched”) (the “Xspedius Operating Entities”) (collectively, the “Petitioners”), through their undersigned counsel and pursuant to Fla. Admin. Code 25-24.820 and 25-4.118 hereby respectfully request that the Florida Public Service

Commission (the "Commission") grant authority to the Petitioners to consummate a transaction arising out of the e.spire Operating Entities' Chapter 11 bankruptcy proceeding that will enable the e.spire Operating Entities to (a) transfer substantially all of their assets, including their customer base, to the Xspedius Operating Entities, and (b) transfer the current customers of ACSI Jacksonville and ACSI Local to Xspedius Jacksonville and Xspedius Switched, respectively (or another carrier of their choice) without interruption of service.¹ The actual date for the transfer of the e.spire Operating Entities' customers to the Xspedius Operating Entities, and the discontinuance of service by the e.spire Operating Entities, cannot be determined at this time as completion of the transaction requires various state and federal regulatory approvals. The Petitioners will notify the Commission when the transaction is complete. In the interim, the e.spire Operating Entities will provide continuous, uninterrupted service to their customers.

Pursuant to the terms of the transaction approved on June 5, 2002, by the Bankruptcy Court, the Xspedius Operating Entities are acquiring substantially all of the assets of the e.spire Operating Entities, including most of their customer accounts and contracts and, where applicable, their state regulatory authorizations, including their state regulatory authorization(s) in Florida (the "Transaction").² Accordingly, the Petitioners request that the

¹ The e.spire Operating Entities filed a voluntary petition for Chapter 11 protection with the United States Bankruptcy Court for Delaware (the "Bankruptcy Court") on March 22, 2001. A Sale Order approving the transaction covered by this Petition was entered by the Bankruptcy Court on June 5, 2002.

² The e.spire entities that are parties to the asset transfer transaction are: e.spire Finance Corporation; ACSI Network Technologies, Inc.; e.spireDATA, Inc.; ACSI Local Switched Services, Inc.; ACSI Long Distance, Inc.; e.spire Leasing Corporation; American Communication Services of Albuquerque, Inc.; American Communication Services of Amarillo, Inc.; American Communication Services of Atlanta, Inc.; American Communication Services of Austin, Inc.; American Communication Services of Baton Rouge, Inc.; American Communication Services of Birmingham, Inc.; American Communication Services of Charleston, Inc.; American Communication Services of Chattanooga, Inc.; American Communication Services of Colorado Springs, Inc.; American Communication Services of Columbia, Inc.; American Communication
(continued...)

Commission approve the transfer of the e.spire Operating Entities' assets, including their customer base, to the Xspedius Operating Entities.³ By separate applications, which are being filed simultaneously with this Petition, Xspedius Jacksonville and Xspedius Switched are requesting the transfer of the existing e.spire authorizations to provide alternative local exchange service and interexchange telecommunications services in Florida and will provide service to the former ACSI Jacksonville and ACSI Local customers under those authorizations. Because the Xspedius Operating Entities are acquiring the assets and not the stock of the e.spire Operating Entities, upon completion of the Transaction, the e.spire Operating Entities no longer will provide telecommunications services in Florida. Accordingly, the e.spire Operating Entities respectfully request authority to discontinue the provision of telecommunications services upon

(...continued)

Services of Columbus, Inc.; American Communication Services of Corpus Christi, Inc.; American Communication Services of Dallas, Inc.; American Communication Services of D.C., Inc.; American Communication Services of El Paso, Inc.; American Communication Services of Fort Worth, Inc.; American Communication Services of Greenville, Inc.; American Communication Services of Irving, Inc.; American Communication Services of Jackson, Inc.; American Communication Services of Jacksonville, Inc.; American Communication Services of Kansas City, Inc.; American Communication Services of Las Vegas, Inc.; American Communication Services of Lexington, Inc.; American Communication Services of Little Rock, Inc.; American Communication Services of Louisiana, Inc.; American Communication Services of Louisville, Inc.; American Communication Services of Maryland, Inc.; American Communication Services of Miami, Inc.; American Communication Services of Mobile, Inc.; American Communication Services of Montgomery, Inc.; American Communication Services of Pima County, Inc.; American Communication Services of Rio Rancho, Inc.; American Communication Services of Roanoke, Inc.; American Communication Services of San Antonio, Inc.; American Communication Services of Savannah, Inc.; American Communication Services of Shreveport, Inc.; American Communication Services of Spartanburg, Inc.; American Communication Services of Tampa, Inc.; American Communication Services of Tulsa, Inc.; American Communication Services of Virginia, Inc.; American Communication Services International, Inc.; ACSI Local Switched Services of Virginia, Inc., Cybergate, Inc., and FloridaNet, Inc.

³ As the transaction is currently structured, the relevant assets will be initially transferred to Xspedius Management Co., LLC, and then immediately transferred to the Operating Entities.

the complete transfer of their assets, including their customers, to the Xspedius Operating Entities.

The Petitioners respectfully request *expedited* treatment and consideration of this Petition because the e.spire Operating Entities' customers currently are continuing to receive service from ACSI Jacksonville and ACSI Local. The e.spire Operating Entities are operating in Chapter 11 of the U.S. Bankruptcy Code, but may soon be forced to convert to Chapter 7. If the e.spire Operating Entities are forced to convert, ACSI Jacksonville and ACSI Local could shut down and customers not already migrated to the Xspedius Operating Entities could lose service. In order to avoid such an interruption of service—which e.spire will endeavor to prevent—the Petitioners respectfully request that the Commission grant all relief sought herein as soon as practically possible.

In support of this Petition, Petitioners respectfully provide the following information:

I. PARTIES TO THE TRANSACTION

A. The Xspedius Operating Entities

Xspedius Management Co. Switched Services, LLC and Xspedius Management Co. of Jacksonville, LLC are limited liability companies formed under the laws of Delaware. The Xspedius Operating Entities' principal place of business is P.O. Box 1116, O'Fallon, MO 63366-1116. The parent company of the Xspedius Operating Entities is Xspedius Management Co., LLC ("Xspedius"). None of the Xspedius Operating Entities is authorized to provide telecommunications services in this state, although another affiliate, Xspedius Corp.,⁴ currently

⁴ Xspedius Corp. is an integrated communications provider authorized to provide local, long distance, and integrated services in five states. Xspedius Corp., for the time-being, will continue as a separate entity, wholly owned by Xspedius Management Co., LLC.

is authorized to provide telecommunications services in Alabama, Louisiana, Mississippi, North Carolina, and Tennessee.

B. The e.spire Operating Entities

ACSI Local Switched Services, Inc., d/b/a e.spire, a Delaware corporation, and American Communication Services of Jacksonville, Inc., d/b/a e.spire, a Maryland corporation, have their principal place of business at Monument One, 12975 Worldgate Drive, Herndon, VA 20170. e.spire Communications, Inc. (“e.spire”) is the parent company of the e.spire Operating Entities. e.spire through its operating affiliates, is an integrated communications provider, offering traditional local and long distance, dedicated Internet access, and advanced data solutions, including ATM and frame relay. e.spire, through its operating affiliates, currently is authorized to provide facilities-based and resale competitive local exchange, competitive access, and intrastate interexchange services in virtually all of the states. In this state, the e.spire Operating Entities are authorized to provide dedicated service and alternative local exchange and interexchange telecommunications services.⁵

II. DESIGNATED CONTACTS

The designated contacts for this Petition are:

Brad Mutschelknaus
Enrico C. Soriano
Leila M. Baheri
KELLEY DRYE & WARREN LLP
1200 19th Street, N.W., Fifth Floor
Washington, D.C. 20036
(202) 955-9600 (telephone)
(202) 955-9792 (facsimile)

⁵ Docket No. 960698 TX, Order No. PSC-96-1201-FOF-TX (Certificate No. 4722); Docket No. 971064-TX, Order No. PSC-97-1299-FOF-TX (Certificate No. 5474); and Docket No. 971476-TI (Certificate No. 5339).

Notices and other filings concerning this Petition should be sent to the individuals designated above, and copies of same should be sent to the following (which shall not constitute notice):

James C. Falvey
Senior Vice President – Regulatory Affairs
e.spire Communications, Inc.
7125 Gateway Drive
Suite 200
Columbia, MD 21046

III. BACKGROUND TO THE TRANSACTION

After their inception in 1994, e.spire and its operating subsidiaries, including the e.spire Operating Entities (collectively, the “e.spire Companies”) grew quickly and enjoyed early success. The sudden collapse of the capital markets for technology companies, however, unexpectedly denied the e.spire Companies continued access to the capital necessary for the continued operation and expansion of their business. As a result, on March 22, 2001, the e.spire Companies filed a voluntary petition for Chapter 11 protection with the United States Bankruptcy Court for Delaware. Although the bankruptcy filing temporarily relieved the e.spire Companies from their debt payment obligations, the e.spire Companies were unable to raise a sufficient funding while in Chapter 11 to emerge from bankruptcy as a going concern. The e.spire Companies instead chose to auction their assets. The auction took place between May 20 and May 22, 2002. After the auction, the e.spire Companies and Xspedius agreed that Xspedius and its operating subsidiaries, including the Xspedius Operating Entities (the “Xspedius

Companies”), would acquire substantially all of e.spire’s telecommunications assets and the authorizations and existing customer base associated therewith.⁶

After a final hearing on May 29, 2002, the Bankruptcy Court approved the sale, which calls for, *inter alia*, the sale of certain assets of the e.spire Companies, including those of the e.spire Operating Entities, to Xspedius and its operating subsidiaries, including the Xspedius Operating Entities, as set forth in the Asset Contribution Agreement; the continued provision of service to the e.spire Companies’ customers while necessary regulatory approvals are obtained, as set forth in the Management Agreement; and, upon obtaining such approvals, the transfer of the e.spire Companies’ assets, regulatory authorizations, and customers to the Xspedius Companies.

As explained above, to assure continuity of service to the e.spire Companies’ customers, the Management Agreement provides for the Xspedius Companies to provide management services to the e.spire Companies and to fund their continued operations while the approvals are obtained. Upon completion of the federal and individual state approval processes, the e.spire Companies’ assets and their customers will be transferred to the Xspedius Companies, including the Xspedius Operating Entities, except for those choosing to designate another carrier.

IV. TRANSFER OF E.SPIRE’S CUSTOMERS

Following completion of the Transaction, the Xspedius Operating Entities will provide the same local, long distance, and dedicated telecommunications services to the e.spire

⁶ The terms of the asset purchase agreement calls for the e.spire Companies to convey to Xspedius and its operating subsidiaries substantially all of the assets and properties of the e.spire Companies in all markets except New York and Philadelphia, together with certain specified obligations and liabilities. Once the entire transaction is consummated, Xspedius and its operating subsidiaries will possess substantially all of e.spire’s assets, including but not limited to, telecommunications facilities, customer contracts, and state authorizations (to the extent permitted by applicable state law).

Operating Entities' former customers in Florida. To ensure a seamless transition and avoid customer confusion or inconvenience, the Petitioners have provided written notice to the affected customers of the e.spire Operating Entities in Florida on June 7, 2002, which is at least thirty (30 days) prior to the transfer, explaining the change in service provider in accordance with applicable Federal Communications Commission ("FCC") and state requirements for changing a customer's presubscribed carrier. A copy of the notification letter that has been sent to the affected customers of the e.spire Companies is attached hereto and incorporated herein by reference as *Exhibit A*. Moreover, as described below, the Xspedius Operating Entities will continue the rates and service arrangements previously offered by the e.spire Operating Entities for the customers of the e.spire Operating Entities they are acquiring. Thus, the customers of the e.spire Operating Entities that will be transferred to the Xspedius Operating Entities will not experience any change in their rates and service arrangements. As a result, assuming that expedited approval can be obtained, the proposed transfer of customers will be virtually transparent to the e.spire Operating Entities' Florida customers in terms of rates, terms, and conditions of services.

V. TRANSFER OF THE E.SPIRE OPERATING ENTITIES' AUTHORIZATIONS

The Petitioners have also filed applications with the Commission for approval of the transfer of ACSI Jacksonville's and ACSI Local's existing telecommunications authorization in Florida to Xspedius Jacksonville and Xspedius Switched, respectively. As noted above, ACSI Jacksonville is authorized to provide alternative local exchange service in Florida pursuant to the authorization(s) granted by the Commission on September 23, 1996 in docket 960698-TX. Likewise, ACSI Local is authorized to provide alternative local exchange service and interexchange service in Florida pursuant to the authorization(s) granted by the Commission on

October 20, 1997 and February 16, 1998 in dockets 971064-TX and 971476-TI. As Xspedius Jacksonville and Xspedius Switched are not currently certified in this state, the transfer of ACSI Jacksonville's and ACSI Local's authorizations to Xspedius Jacksonville and Xspedius Switched is necessary to enable them to begin providing service to ACSI Jacksonville's and ACSI Local's existing customers as part of the Transaction.

VI. ADOPTION OF THE E.SPIRE OPERATING ENTITIES' EXISTING TARIFFS

In connection with the transfer of the e.spire Operating Entities' state authorizations to the Xspedius Operating Entities, the Petitioners also request that Xspedius Jacksonville and Xspedius Switched be allowed to adopt the existing tariffs of ACSI Jacksonville and ACSI Local, respectively, subject only to a minor name change to reflect the new name of the appropriate issuing carriers. None of the rates, terms, and conditions in these tariffs will change at this time. Except for the name change, the adoption of ACSI Jacksonville's and ACSI Local's tariffs by Xspedius Jacksonville and Xspedius Switched will be virtually transparent to the customers. The Xspedius Operating Entities respectfully request that their adopted tariffs be allowed to take effect immediately upon filing to avoid any gap in service to customers.

VII. DISCONTINUANCE OF SERVICE

As noted previously, upon completion of the Transaction, the e.spire Operating Entities will no longer be providing local exchange, interexchange, and dedicated services in Florida. Accordingly, ACSI Jacksonville and ACSI Local respectfully request that the Commission grant them authority to discontinue service upon completing the transfer of their customers to Xspedius Jacksonville and Xspedius Switched.

The Petitioners have complied (or are complying) with the Commission's regulations relating to discontinuance of service and transfers of customer base. Moreover, as noted above, the Petitioners have provided notice of the discontinuance and transfer of service to the affected e.spire customers on June 7, 2002.⁷ A copy of the notification letter giving affected e.spire customers at least thirty (30) days to select another carrier of their choice is attached hereto and incorporated herein by reference as *Exhibit A*.

VIII. PUBLIC INTEREST CONSIDERATIONS AND REQUEST FOR EXPEDITED PROCESSING

The Petitioners respectfully submit that the Transaction serves the public interest. In particular, the Petitioners submit that: (1) the Transaction will eliminate the threat of disruption of service to existing e.spire customers who could lose service due to the e.spire Companies' bankruptcy; (2) expedited approval of the asset transfer prior to June 30, 2002 will accrue to the benefit of e.spire's customers by allowing the customers to move to their new long-term provider, and doing so while the e.spire Companies still have the financial wherewithal to continue uninterrupted service; and (3) the Transaction will increase competition in the Florida telecommunications market by strengthening the Xspedius Companies' position as effective and multifaceted telecommunications carriers. Given the difficult times faced by the competitive industry, it is all the more important to preserve existing competitive facilities-based options and robust local competition, with its attendant benefits of lower prices, higher quality service, and innovative services.

⁷ Pursuant to the notice, e.spire will discontinue service on July 8, 2002, soon thereafter as the necessary governmental approvals can be obtained.

As discussed above, the e.spire Companies currently are operating in Chapter 11 but may soon be forced to convert to Chapter 7. If the e.spire Companies were forced to convert, the e.spire Companies could shut down and customers not already migrated to the Xspedius Companies could lose service. In order to avoid such an interruption of service—*which the e.spire Companies will endeavor to prevent*—the Petitioners respectfully request that the Commission grant all relief sought herein as quickly as practically possible. Grant of this Petition will serve the public interest by permitting uninterrupted service to existing e.spire customers.

As the Commission is acutely aware, the e.spire Companies are not alone in suffering recent financial hardship, which has plagued virtually the entire competitive carrier community. Recent bankruptcy filings by carriers, such as Teligent, Winstar, ICG, Covad, NorthPoint, Network Plus, and Net2000, coupled with numerous service discontinuance notifications/applications by countless other carriers, along with a general reduction in consumption of telecommunications services caused by unfavorable economic conditions, have eliminated a large number of new entrant competitors in the telecommunications market. Other new entrants have reported that negative economic factors have caused them to scale back the scope of their operations or cease offering new service entirely. In view of this, grant of this Petition will serve the public interest by enabling the Xspedius Companies to expand their operations in a cost-effective manner, thereby enhancing their competitive position and ability to provide high-quality services at more competitive rates to Florida consumers. The Xspedius Operating Entities represent a second generation of competitive local carriers in that they do not start the business with the significant debt load with which many new telecommunications entrants were burdened. By permitting the Xspedius Companies to strengthen their competitive

position and accelerate their entry to additional markets, the proposed transaction will preserve the existing customer base that has already chosen a competitive provider, while creating more robust competition for U.S. telecommunications customers, including customers in Florida.

The Petitioners emphasize that, following the transfer, the former customers of the e.spire Operating Entities will continue to receive services from experienced and qualified carriers, which will be consistent with the quality of services currently provided by the e.spire Operating Entities. Further, these customers have been, and will continue to be, sufficiently notified of the Transaction and their rights. Hence, the public interest will be served by permitting the Xspedius Operating Entities to take over the e.spire Operating Entities' customers.

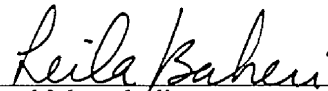
In sum, grant of this Petition will serve the public interest by eliminating the threat of service interruption to existing e.spire customers and by furthering competition in the Florida telecommunications market, as a result of the strengthened competitive position of Xspedius. The Petitioners desire to complete the proposed transaction as quickly as possible to avoid any interruption of service or inconvenience to e.spire's customers. To that end, the Petitioners respectfully request that the Commission expedite the processing and approval of this Petition.

IX. CONCLUSION

For the foregoing reasons, the Petitioners respectfully request that the Commission grant approval for the transfer of the e.spire Operating Entities' assets to the Xspedius Operating Entities, as well as the transfer of ACSI ___'s and ACSI Local's customers to Xspedius Jacksonville and Xspedius Switched, respectively. The Petitioners further request that the Commission likewise approve the transfer of ACSI Jacksonville's and ACSI Local's authorization(s) to Xspedius Jacksonville and Xspedius Switched; the adoption by Xspedius Jacksonville and Xspedius Switched of ACSI Jacksonville's and ACSI Local's existing tariffs;

and e.spire Operating Entities' request to abandon service once their customers have been fully transferred to the Xspedius Operating Entities. The Petitioners respectfully request that the authorizations sought in this Petition be granted on an expedited basis in order to avoid any interruption of service or inconvenience to e.spire's existing customers in Florida and to comply with the order of the Bankruptcy Court. Specifically, the Petitioners respectfully request that the Commission grant all relief requested herein on or before June 30, 2002.

Respectfully submitted,



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American Communication Services
Of Jacksonville, Inc.
Xspedius Management Co. Switched
Services, LLC
Xspedius Management Co. of Jacksonville,
LLC

Dated: June 15, 2002

Parish
County of Calcasieu)
State of Louisiana)

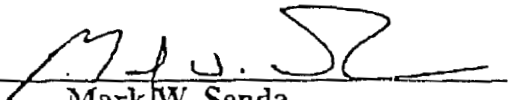
VERIFICATION OF
MARK W. SENDA

I, Mark W. Senda, being duly sworn upon oath, do hereby depose and state as follows:

1. My name is Mark W. Senda. I am employed by Xspedius Management Co., LLC ("Xspedius") as Chief Executive Officer. My business address is Xspedius Management Co., LLC, P.O. Box 1116, O'Fallon, MO 63366-1116. I am authorized by Xspedius to make this Verification on its behalf.

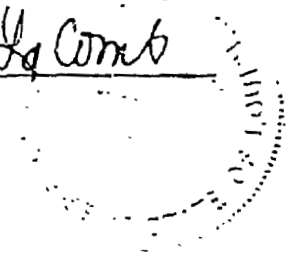
2. I declare that I have read the foregoing document and that the facts and any matters stated therein are true to the best of my knowledge, information, and belief.

FURTHER AFFIANT SAYETH NOT.


Mark W. Senda

SUBSCRIBED AND SWORN TO BEFORE ME this 14 day of June, 2002.


Notary Public



County of

)

TO BE LATE FILED

State of

)

)

**VERIFICATION OF
JAMES C. FALVEY**

I, James C. Falvey, being duly sworn upon oath, do hereby depose and state as follows:

1. My name is James C. Falvey. I am employed by e.spire Communications, Inc. (“e.spire”) as Senior Vice President – Regulatory Affairs. My business address is 7125 Gateway Drive, Suite 200, Columbia, MD 21046. I am authorized by e.spire to make this Verification on its behalf.

2. I declare that I have read the foregoing document and that the facts and any matters stated therein are true to the best of my knowledge, information, and belief.

FURTHER AFFIANT SAYETH NOT.

James C. Falvey

SUBSCRIBED AND SWORN TO BEFORE ME this _____ day of _____, 2002.

Notary Public

EXHIBIT A

Notification Letter to Existing Customers



**AN IMPORTANT NOTICE REGARDING YOUR
TELECOMMUNICATIONS SERVICE FROM E.SPIRE AND XSPEDIUS**

June 7, 2002

Dear Valued Customer:

We want to thank you for your continued support of e.spire. We have provided you a quality telecommunications service and, together, we have built an excellent business relationship.

We are very excited to inform you that e.spire Communications, Inc. ("e.spire"), including its affiliates American Communications Services International, Inc. and various operating entities, is transferring virtually all of its local, long distance, international, data and Internet assets and services in the states of Alabama, Arizona, Arkansas, Colorado, District of Columbia, Florida, Georgia, Kansas, Kentucky, Louisiana, Maryland, Missouri, New Mexico, Nevada, Oklahoma, South Carolina, Tennessee, Texas and Virginia to Xspedius Management Co., LLC and its various operating entities ("Xspedius"). The anticipated date for the transfer of your service to Xspedius is **July 8, 2002**, or as soon thereafter as the necessary governmental approvals can be obtained. Upon completion of the transfer, Xspedius will provide your telecommunications and other services and e.spire will no longer be your local, long distance, international, data or Internet service provider.¹ As a customer of Xspedius, you will continue to receive all the features, terms and conditions of service, and current rates that you enjoy today through e.spire. Should there be any future changes in rates, terms and conditions of services, notice will be provided in writing or as otherwise permitted by law.

The combination of e.spire with Xspedius is a very positive change for you, our customer. Xspedius Management Company brings a seasoned management team and significant funding to the business. Xspedius has a fully funded business plan, with \$75 million in fresh capital and a virtually debt free balance sheet. The company will be led by Chairman Jim Allen

¹ *The FCC will normally authorize e.spire's proposed discontinuance of service unless it is shown that customers would be unable to receive service or that the public convenience and necessity is otherwise adversely affected. If you wish to object, you should file your comments within 15 days after receipt of this notification. Address them to the Federal Communications Commission, Washington, DC 20554 referencing the §63.71 Application of e.spire Communications, Inc. Comments should include specific information about the impact of the proposed discontinuance upon you or your company, including any inability to acquire reasonable substitute service.*

and CEO Mark Senda, founders of Brooks Fiber and industry veterans of more than 20 years each. Xspedius management's combination of experience, financing, and vision will allow us to provide excellent service to customers and ensure financial stability.

It has been the pleasure of e.spire to provide you with quality telecommunications services. Unless you choose another carrier within thirty (30) days of the date of this letter, as is your right, you will automatically become an Xspedius customer upon completion of this transaction. You do not need to take any action, or pay any change charges, to be transferred to Xspedius. Of course, if you change providers, the terms and conditions of your e.spire contract will still apply, including any applicable termination liability or change charges.

If you have placed a "freeze" on e.spire's long distance services to prevent their unauthorized transfer to another carrier, the freeze will be lifted when your e.spire services are transferred. At your request, Xspedius would be glad to re-establish freeze protection for you after the transfer of your account to Xspedius.

e.spire has been and remains committed to providing excellent service to you. e.spire will continue to be your single point of contact to address any issues or complaints you may have with your service through the time of this transfer. Xspedius is committed to a smooth transition of your account – your current telephone number(s) and account will be migrated to Xspedius in a seamless manner. The only change you may notice is the name of your new service provider on your bill once the transition is complete.

Thank you for your cooperation and patience during this transition. We will continue to communicate with you as we make progress toward combining our companies into Xspedius. If you have any questions or concerns, please feel free to contact us at **Xspedius at 1-877-XMC(962)-1900** or contact **e.spire at 1-800-9-espire (937-7473)**. Xspedius looks forward to building a long term telecommunications relationship with you.

Randall P. Muench
Executive Vice President Sales & Marketing
e.spire Communications, Inc.

Mark W. Senda
Chief Executive Officer
Xspedius Management Co., LLC