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April 20, 2006

HAND DELIVER

The Honorable Ron Jones
Chairman
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243

06-00116

Re: Petition and Request for Expedited Treatment of USCarrier Telecom, LLC

Dear Mr. Jones:

Enclosed for filing with the Tennessee Regulatory Authority are one original and thirteen copies of the Petition and Request for Expedited Treatment of USCarrier Telecom, LLC. Also enclosed is a check in the amount of \$25.00 in payment of the filing fee.

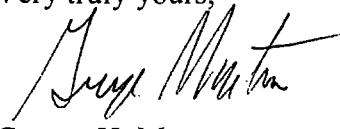
As set forth in the enclosed petition, USCarrier Telecom would like to close the reorganization described in the petition as soon as possible and respectfully requests that, if possible, the TRA consider this petition at its conference on May 1, 2006.

Please note that there are two versions of the Petition. The first version is the "public" version, which has been redacted to remove all information that the petitioner believes to be confidential. The second version, contained in separate, sealed envelopes, is the complete petition without redaction. On behalf of the petitioner, we respectfully request that the unredacted version be accorded confidential treatment by the TRA and not placed on the TRA's website or made publicly available in the TRA's docket filing room.

Please date-stamp the enclosed extra copy and return it to our courier.

Please do not hesitate to contact me if you have any questions concerning this filing.

Very truly yours,


George H. Masterson

GHM/ch
Enclosures

cc: Hon. Sara Kyle (w/o enclosures)
Hon. Pat Miller (w/o enclosures)
Richard Collier, Esq. (w/o enclosures)

The Honorable Ron Jones

April 20, 2006

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Pedro Ferreira (w/ enclosures

David K. Wilson, Esq. (w/ enclosures)

Benjamin L. Young, Esq. (w/ enclosures)

R. Dale Grimes, Esq. (w/o enclosures)

BEFORE THE
TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE

PETITION OF USCARRIER)
TELECOM, LLC FOR APPROVAL)
OF AN INDIRECT AND PRO)
FORMA TRANSFER OF CONTROL)

DOCKET NO. _____

PETITION AND REQUEST FOR EXPEDITED TREATMENT

USCarrier Telecom, LLC (“USCarrier” or the “Petitioner”) hereby respectfully petitions the Tennessee Regulatory Authority (“TRA”) pursuant to T.C.A. § 65-4-113 for approval of a proposed indirect and *pro forma* transfer of control of USCarrier, a company authorized to provide telecommunications service in the State of Tennessee. As part of a restructuring, USCarrier plans to create a new holding company, USCarrier Telecom Holdings, LLC (“Holdings”), which will become the 100% owner and direct parent company of USCarrier. Petitioner seeks approval for an indirect and *pro forma* transfer of control because although (as explained below) control of USCarrier will not change, Holdings will be the new owner of USCarrier.

The Petitioner emphasizes that the transfer of control described herein is *pro forma* in nature because it will not result in a change in the ultimate control of USCarrier. Currently, twenty (20) local independent telephone companies (the “Member Companies”) own 100% of the stock or membership units (the “Units”) of USCarrier; immediately following the proposed reorganization, by virtue of the proposed membership interests in Holdings, the current Member Companies will hold approximately [BEGIN CONFIDENTIAL INFORMATION] XX [END CONFIDENTIAL INFORMATION]% of the interest in USCarrier and an additional entity, American Fiber Systems Holding Corporation (“AFSHC”), will hold approximately [BEGIN

CONFIDENTIAL INFORMATION] XX [END CONFIDENTIAL INFORMATION]% of the interest in USCarrier. Therefore, control of USCarrier will remain in the Member Companies subsequent to the reorganization.

Additionally, the proposed indirect and *pro forma* transfer of control will not involve an assignment of any certification of USCarrier and there will be no change in any services or rates as a result of the reorganization. The Petitioner submits that this reorganization will further the public interest and, therefore, requests approval of this Petition.

This petition is being filed pursuant to TCA Section 65-4-113, which prohibits a Tennessee public utility from transferring its authority to provide utility services without first obtaining TRA approval. Although the proposed reorganization described in this Petition does not include any transfer by the Petitioner of its certificate of convenience and necessity, the Petitioner understands that the TRA has taken the position that TCA Section 65-4-113 requires TRA approval of an indirect change of control of Tennessee public utility. Petitioner's filing of this Petition does not constitute a waiver by or on behalf of the Petitioner or its affiliates of any right that any of such entities might have under Tennessee law to assert that approval of the reorganization described herein requires TRA approval.

Because time is of the essence in this reorganization, the Petitioner respectfully requests that this Petition be approved no later than May 2, 2006.

In support of this Petition, Petitioner submits the following information:

I. PETITIONER AND OTHER RELEVANT PARTIES

A. USCARRIER TELECOM, LLC

USCarrier is a Georgia corporation which maintains its principal place of business at 180 Interstate North Parkway, Suite 200, Atlanta, Georgia 30339. USCarrier is currently owned by

twenty (20) Member Companies, none of which are certificated telecommunications providers in Tennessee. USCarrier is a “carrier’s carrier” and its network customers include competitive local exchange and wireless carriers, local Internet service providers, local municipalities, state government agencies and incumbent local exchange carriers. USCarrier provides wholesale broadband transport services to other telecommunication carriers. In Tennessee, USCarrier has installed synchronous optical network (SONET), dense wavelength division multiplexing (DWDM) and other transport multiplexing equipment.

USCarrier holds certificates to provide interexchange or competitive local exchange services in five states in the southeastern United States, including Tennessee. USCarrier is authorized to provide resold and facilities-based interexchange telecommunications services in the state of Tennessee pursuant to certification granted by the TRA in Case No. 01-00512 (Sep. 13, 2001). USCarrier is also authorized by the Federal Communications Commission to provide interstate and international services as a non-dominant carrier pursuant to FCC File No. ITC-214-19980224-00140.

B. USCARRIER TELECOM HOLDINGS, LLC

Holdings will be formed in Georgia and is expected to own 100% of the stock of USCarrier. Holdings will be a Georgia limited liability company with a business address of at 180 Interstate North Parkway, Suite 200, Atlanta, Georgia 30339.

C. AMERICAN FIBER SYSTEMS HOLDING CORPORATION

AFSHC is a Delaware corporation which maintains its principal place of business at 100 Meridian Centre, Suite 250, Rochester, New York 14618. American Fiber Systems, Inc. (“AFS”), a wholly owned subsidiary of AFSHC, is authorized to provide facilities based and resold local exchange and inter-exchange telecommunications services in the State of Tennessee,

pursuant to certification granted by the TRA in Case No. 00-00988 (Jan. 24, 2000). AFS provides “dark” fiber metropolitan infrastructure and transport services and is dedicated to designing, building, operating and maintaining high-capacity, high-bandwidth fiber-optic networks, constructed on full-spectrum fiber and connected to points of communications within major metropolitan areas.

D. THE MEMBER COMPANIES

The current Members Companies of USCarrier are ETC Fiber Company, Alma Telephone Company, Inc., Darien Telephone Company, Inc., Brantley Telephone Company, Inc., Progressive Holding Co., Plant Telephone Company, Pembroke Telephone Company, Inc., Pineland Cellular, Inc., Citizens Telephone Company, Inc., Bulloch Telephone Cooperative, Inc., Accucomm Telecommunications, Inc., Public Service PCS, Inc., Costal Utilities, Inc., Ringgold Telephone Company, Comsouth Corporation, Hargray Telephone Company, Inc., Wilkes Telephone & Electric, Co., Planters Telephone Cooperative, Inc., Hart Telephone, and Waverly Hall Telephone Co., Inc. None of these companies operates as a telephone provider in Tennessee and therefore none of these companies holds a Certificate in its own right.

II. DESIGNATED CONTACTS

The designated contacts for questions concerning this Petition are:

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with a copy to:

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Pedro M. Ferreira
Director of Network Services
USCarrier Telecom LLC
180 Interstate North Parkway, Suite 200,
Atlanta, Georgia 30339
Phone: (678) 454-1439
E-mail: pferreira@uscarrier.com

III. DESCRIPTION OF THE REORGANIZATION

Subsequent to the proposed reorganization, USCarrier will retain its authority under all federal and state certifications. A new entity, Holdings, will be formed in Georgia and will own 100% of the stock of USCarrier.

Holdings will be authorized to issue two classes of Units – Class A and Class B. Class A Units will be the equivalent of common stock and will hold all voting rights; Class B Units will be the equivalent of preferred stock and will have no voting rights. Holdings will have the authority to issue up to 500 million Class A Units and four million Class B Units and will be initially issued as follows: (i) 20 million Class A Units will be issued to the Member Companies in exchange for their current Units; (ii) an aggregate of up to 40 million Class A Units will be issued to Member Companies who convert their fiber leases to IRU's and their equipment leases

to prepaid leases; and (iii) an aggregate of up to 40 Million Class A Units will be issued to investors, including AFSHC. Immediately following the proposed reorganization, AFSHC will hold an approximate **[BEGIN CONFIDENTIAL INFORMATION] XX [END CONFIDENTIAL INFORMATION]** percent interest in Holdings.

Holdings and USCarrier will both be managed by a Management Committee, comprised of **[BEGIN CONFIDENTIAL INFORMATION] XX [END CONFIDENTIAL INFORMATION]** members, **[BEGIN CONFIDENTIAL INFORMATION] XX [END CONFIDENTIAL INFORMATION]** of whom will be appointed by AFSHC and the others by the Class A Member Companies holding the greatest number of Class A Units.

USCarrier does not propose to change the name under which USCarrier currently operates or any other aspect of the manner in which USCarrier currently offers service in the State of Tennessee. USCarrier will continue to operate under its present Certificate issued by the TRA and business licenses as filed with the Tennessee Secretary of State's office. USCarrier wishes to maintain all authority to provide the services under its current Certificate. Immediately following the proposed reorganization, USCarrier will continue its operations with no change in the rates, terms, or conditions of service.

As part of the proposed reorganization, USCarrier will not pledge any of its Tennessee assets as collateral for any secured debt. However, USCarrier will continue to grant a previously existing blanket lien to its lender. Because control is not being transferred, USCarrier does not plan to file any similar petition or notices in other states, but will file notice of the pro forma transfer of control with the Federal Communications Commissions regarding its domestic and international 214 authorizations after the reorganization has been consummated.

Petitioner respectfully requests that the TRA to approve this Petition as expeditiously as possible to allow Petitioner to complete the proposed reorganization at the earliest possible date.

IV. PUBLIC INTEREST CONSIDERATIONS

Currently, USCarrier has no Tennessee customers. Nevertheless, to the extent USCarrier has Tennessee customers in the future, the proposed reorganization will further the public interest by enabling USCarrier and its members to improve the operational and cost efficiencies of USCarrier's business. The proposed reorganization will also enhance USCarrier's operational ability by providing USCarrier with greater flexibility in financing its business. By reorganizing, USCarrier will be in a better position to offer a broader array of high quality services. The proposed reorganization will thus serve the public interest by promoting competition and should allow the provision of innovative, high-quality telecommunications services to the public.

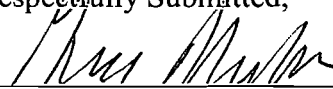
V. REQUEST FOR EXPEDITED TREATMENT

Because time is of the essence for this reorganization, the Petitioner respectfully requests that this matter be considered on an expedited basis. In order to facilitate business and financial plans of USCarrier, it is essential that this Petition be approved in an expedited manner. Specifically, the Petitioner respectfully requests that the TRA take all necessary actions to allow the reorganization described herein to be consummated no later than May 2, 2006.

VI. CONCLUSION

WHEREFORE, for the reasons stated herein, Petitioner respectfully requests that the Tennessee Regulatory Authority approve this Petition and authorize the proposed indirect and *pro forma* transfer of control as described herein.

Respectfully Submitted,



George H. Masterson, Esq.

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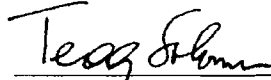
E-mail: gmasterson@bassberry.com

Attorneys for USCarrier Telecom LLC

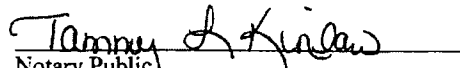
Dated: April 20, 2006

VERIFICATION

I, Teddy Solomon, state that I am an officer of USCarrier Telecom, LLC, the Petitioner in the foregoing Petition; that I am authorized to make this Verification on behalf of the Petitioner; that the foregoing Petition was prepared under my direction and supervision; and that the contents are true and correct to the best of my knowledge, information, and belief.


Teddy Solomon

Sworn and subscribed before me this 20th day of April, 2006.


Notary Public

My commission expires Notary Public - Bacon County, Georgia
My Commission Expires June 19, 2008