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Director - Regulatory Affairs and Contract Management

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Date	12/21/07

07-00277

December 20, 2007
Via Overnight Courier

Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243
(615) 741-2904

Re: Joint Petition and Request for Expedited Treatment

Dear Sir/Madam:

Enclosed for filing with the Tennessee Regulatory Authority ("TRA") are one (1) original and thirteen (13) copies of a Joint Petition and Request for Expedited Treatment filed by American Fiber Systems, Inc. ("AFS"), USCarrier Telecom, LLC ("USC") and USCarrier Telecom Holdings, LLC ("USCTH"). Also enclosed is a check on the amount of \$25.00 in payment of the filing fee.


As set forth in the enclosed Petition, Petitioners seek TRA expedited approval of a transaction under which AFS will gain indirect control of USC, a utility regulated by the TRA.

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 Petitioners believe to be confidential. The second version, contained in separate, sealed envelope is the complete Petition without redaction. Petitioners respectfully request that the unredacted version be accorded

(TRA, p. 2)

confidential treatment by the TRA and not placed on the TRA's website or made publicly available in the TRA's docket filing room.

Sincerely,



Michael J. Nighan
Director - Regulatory Affairs

Enclosures

**BEFORE THE
TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

**JOINT PETITION OF AMERICAN)
FIBER SYSTEMS, INC., USCARRIER)
TELECOM, LLC AND USCARRIER)
TELECOM HOLDINGS, LLC FOR)
APPROVAL OF AN INDIRECT)
TRANSFER OF CONTROL)**

DOCKET NO. 07-00277

JOINT PETITION AND REQUEST FOR EXPEDITED TREATMENT

1. INTRODUCTION

American Fiber Systems, Inc. ("AFS"), USCarrier Telecom, LLC ("USC") and USCarrier Telecom Holdings, LLC ("USCTH") (jointly "Petitioners") hereby respectfully petition the Tennessee Regulatory Authority ("TRA") pursuant to T.C.A. § 65-4-113 for approval of a proposed indirect transfer of control of USCarrier Telecom, LLC¹, as described in greater detail below. The proposed transaction will be completed at the holding company level and will not change USC's name or the rates, terms or conditions of its services and as such will be transparent to the customers of USC in Tennessee.

Because time is of the essence in this transaction, Petitioners respectfully request that this Petition be approved no later than January 1, 2008.

In support of this Petition, Petitioners submit the following information:

¹ USCarrier Telecom, LLC is authorized to provide resold and facilities-based interexchange telecommunications services within the state of Tennessee pursuant to certification granted by the TRA in Docket No. 01-00512 (Sept. 13, 2001)

2. PETITIONERS

A. AMERICAN FIBER SYSTEMS, INC.

AFS is a Delaware corporation which maintains its principal place of business at 100 Meridian Centre, Suite 250, Rochester, New York 14618. AFS 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 Docket No. 00-00988 (Jan. 24, 2000). Petitioner 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 in Kansas, Minnesota, Missouri, Ohio, Tennessee and Utah.

AFS is operated by a highly qualified management team, all of whom have extensive backgrounds in telecommunications. Information regarding AFS's officers and executives is available at *www.americanfibersystems.com*.

B. USCARRIER TELECOM, LLC

USC is a Georgia limited liability company which maintains its principal place of business at 180 Interstate North Parkway, Suite 200, Atlanta, Georgia 30339. USC is a subsidiary of USCTH and operates as a “carrier’s carrier”. Its network customers include competitive local exchange and wireless carriers, local Internet service providers, local municipalities, state government agencies and incumbent local exchange carriers.

USC holds certificates to provide interexchange or competitive local exchange services in five states in the southeastern United States, including Tennessee.

C. USCARRIER TELECOM HOLDINGS, LLC

USCTH is a Georgia limited liability company which maintains its principal place of business at 180 Interstate North Parkway, Suite 200, Atlanta, Georgia. USCTH holds 99% of the stock in USC but holds no certificates or other operating authority from any state or federal regulatory agency.

3. **DESCRIPTION OF THE TRANSACTION**

This petition is being filed pursuant to T.C.A. § 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 transaction described in this Petition does not include any transfer by USC of its certificate of convenience and necessity, Petitioners understand that the TRA has taken the position that T.C.A. § 65-4-113 requires TRA approval of an indirect change of control of a Tennessee public utility.

Under this transaction AFS will acquire (**REDACTED**) ownership of USCTH. This will result in AFS gaining direct control of USCTH and indirect, control of USC. The term "control" as used herein is limited to the definition of control as interpreted by the TRA under TCA Section 65-4-113. For purposes of clarity, while this transaction may constitute a change of control for purposes of applicable law, and even though AFS will have a total of (**REDACTED**) ownership interest, AFS will not have actual day-to-day control of USCTH (nor indirect control of USC) because of governance and voting agreements contained within the governing documents of USCTH; however there are certain major decisions that require supermajority approval of the members and therefore AFS' approval. However, as the proposed indirect

transfer of control of USC will not result in any change in customer services, rates or terms and condition, the transaction will be transparent to USC's customers in Tennessee.

Petitioners submit that this transaction will further the public interest and therefore requests approval of this Petition.

4. DESIGNATED CONTACTS

The designated contacts for questions concerning this Petition are:

Bruce T. Frankiewicz
Vice President of Legal and Regulatory Affairs
American Fiber Systems, Inc.
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Rochester, NY 14618
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Joaquin Luna
Chief Financial Officer
USCarrier Telecom, LLC
180 Interstate North Parkway, Suite 200
Atlanta, GA 30339
Phone: (678) 454-1431
Fax: (678) 454-1429
E-Mail: jluna@uscarrier.com

Joaquin Luna
Chief Financial Officer
USCarrier Telecom Holdings, LLC
180 Interstate North Parkway, Suite 200
Atlanta, GA 30339
Phone: (678) 454-1431
Fax: (678) 454-1429
E-Mail: jluna@uscarrier.com

5. PUBLIC INTEREST CONSIDERATIONS

Petitioners submit that the proposed transaction will serve the public interest, convenience and necessity. Petitioners anticipate that a number of benefits will ensue from the transaction for current and future Tennessee customers of both USC and AFS. The transaction will permit each company access to the other's operational resources thus strengthening their respective competitive positions to the benefits of consumers and the telecommunications marketplace.

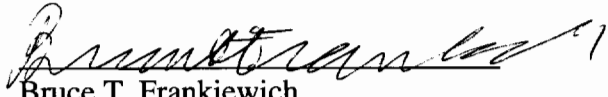
6. REQUEST FOR EXPEDITED TREATMENT

In order to facilitate business and financial plans of USC and AFS, time is of the essence for this transaction. Petitioners respectfully request that this matter be considered on an expedited basis. Specifically, Petitioners respectfully request that the TRA take all necessary actions to allow the transaction described above to be consummated no later than January 1, 2008.

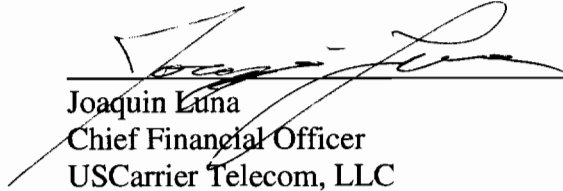
7. CONCLUSION

WHEREFORE, for the reasons stated herein, Petitioners submit that the public interest, convenience and necessity would be furthered by a grant of this Petition. Petitioners therefore respectfully request that the Tennessee Regulatory Authority approve this Petition on an expedited basis and authorize the proposed indirect transfer of control as described herein.

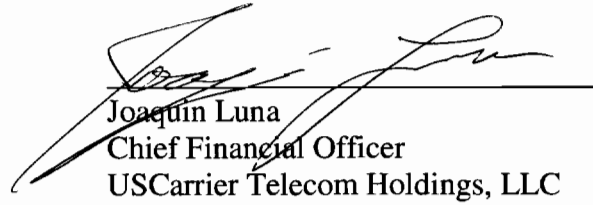
Respectfully Submitted,



Bruce T. Frankiewicz
Vice President of Legal and Regulatory Affairs
American Fiber Systems, Inc.



Joaquin Luna
Chief Financial Officer
USCarrier Telecom, LLC



Joaquin Luna
Chief Financial Officer
USCarrier Telecom Holdings, LLC

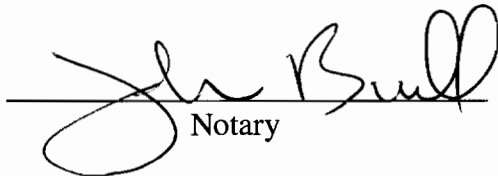
Dated: December 19, 2007

VERIFICATION

I, Bruce T. Frankiewich, state that I am Vice President of Legal and Regulatory Affairs of American Fiber Systems, Inc., a Petitioner in the foregoing Petition; that I am authorized to make this Verification on behalf of 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.


Bruce T. Frankiewich

Sworn and subscribed before me this 20th day of December, 2007

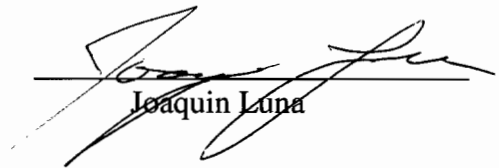

Notary

My commission expires Nov 30, 2009

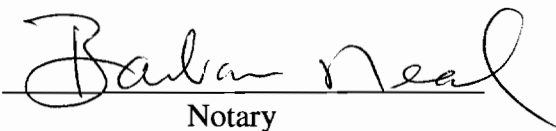
JOHN BUELL
NOTARY PUBLIC in the State of New York
Mills, County, N.Y.
My Commission Expires Nov 30, 2009

VERIFICATION

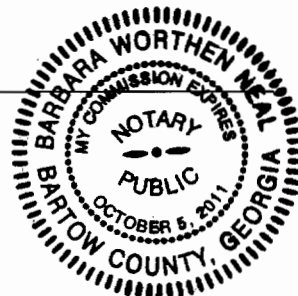
I, Joaquin Luna, state that I am Chief Financial Officer of USCarrier Telecom, LLC, a Petitioner in the foregoing Petition; that I am authorized to make this Verification on behalf of Petitioner; and that the contents of the foregoing Petition are true and correct to the best of my knowledge, information and belief.


Joaquin Luna

Sworn and subscribed before me this 19th day of December, 2007

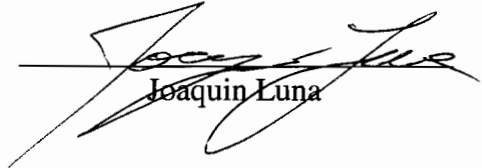

Notary

My commission expires _____

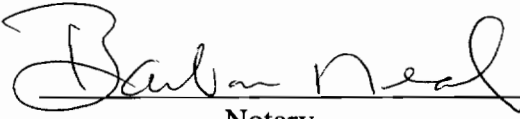


VERIFICATION

I, Joaquin Luna, state that I am Chief Financial Officer of USCarrier Telecom Holdings, LLC, a Petitioner in the foregoing Petition; that I am authorized to make this Verification on behalf of Petitioner; and that the contents of the foregoing Petition are true and correct to the best of my knowledge, information and belief.


Joaquin Luna

Sworn and subscribed before me this 19th day of December, 2007


Notary

My commission expires _____

