

KELLEY DRYE & WARREN LLP

A LIMITED LIABILITY PARTNERSHIP

1200 19TH STREET, N.W.

SUITE 500

WASHINGTON, D.C. 20036

(202) 955-9600

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TYSONS CORNER, VA
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FACSIMILE

(202) 955-9792

www.kelleydrye.com

DIRECT LINE (202) 955-9785

E-MAIL: moden@kelleydrye.com

January 24, 2002

VIA FEDERAL EXPRESS

Mr. Gary E. Vigorito
Secretary
Public Utilities Commission of Ohio
180 East Broad Street, 10th Floor
Columbus, Ohio 43215-3793

PUCO

2002 JAN 25 AM 11:48

RECEIVED-DOCKETING DIV

02-200-CT-ABN

Re: Request to Cancel the Authorization of Net2000 Communications Services, Inc. to Provide Telecommunications Services

Dear Mr. Vigorito:

Per the instructions of Net2000 Communications Services, Inc. ("Net2000"), we hereby respectfully request, on its behalf, that the Public Utilities Commission of Ohio ("Commission") cancel Net2000's authority to provide interexchange telecommunications service within Ohio, as well as any associated tariffs. This request for cancellation of Net2000's authority is being made consistent with the directions of the U.S. Bankruptcy Court for Delaware.¹ Net2000 received authorization to provide interexchange telecommunications service in Ohio on September 25, 1998.² As discussed hereafter, pursuant to the orders of the Bankruptcy Court, Net2000 is in the process of transferring all of its network assets and customers to Cavalier Telephone Corporation ("Cavalier") and expect to discontinue providing services on or around *January 21, 2002*.

¹ Net2000 Communications, Inc. and its subsidiaries, including Net2000 Communications Services, Inc., filed for bankruptcy law protection on November 16, 2001 in the U.S. Bankruptcy Court for Delaware, and currently operate as debtors-in-possession pursuant to Chapter 11 of the U.S. Bankruptcy Code. See Case No. 01-11324.

² Case No. 98-1356-CT-ACE.

Net2000, located at 2180 Fox Mill Road, Herndon, Virginia 20171, provides broadband voice and data telecommunications services. The company provides business customers with long distance, data, interactive video and Internet services. Net2000 operates network facilities in nine markets. It provides service on a purely resale basis elsewhere.

Founded in 1993, Net2000 grew quickly and enjoyed early success. The sudden collapse in the capital markets for technology companies, as exacerbated by the tragic events of September 11, 2001, however, unexpectedly denied Net2000 the access to capital required for the continued operation and expansion of its business. As a result, on November 16, 2001, Net2000 filed a petition pursuant to Chapter 11 of the U.S. Bankruptcy Code seeking the protection of the U.S. Bankruptcy Court for Delaware while Net2000 disposes of its assets and reassigns its customer base in an orderly fashion. As a prelude to its bankruptcy court filing, Net2000 negotiated to sell substantially all of its assets to Cavalier.

Cavalier is a telecommunications carrier that already provides high quality local and long distance telecommunications services to thousands of consumers. The company utilizes state-of-the-art telecommunications facilities and is led by an able and experienced team of management and technical personnel. Cavalier has determined that the acquisition of Net2000's assets will enable it to significantly expand its operations in a cost-effective manner, thereby enhancing its competitive position and ability to provide an array of high quality telecommunications services to the public. Net2000, in turn, has decided to undertake the transaction with Cavalier to preserve the maximum possible value for Net2000's creditors and ensure that its customers continue to receive the same reliable, high quality telecommunications services to which they are accustomed. Accordingly, Cavalier and Net2000 have entered into an Asset Purchase Agreement whereby Cavalier will purchase substantially all of Net2000's telecommunications assets, including the operations and existing customer base associated therewith ("Agreement"). Cavalier has stated that it has no immediate plans to alter rates or other terms of service for former Net2000 customers materially. The proposed transaction was approved by the Bankruptcy Court on December 27, 2001.

Importantly, to ensure a seamless transition and avoid customer confusion or inconvenience, Net2000 and Cavalier gave written notice to Net2000's customers of the proposed transfer date, explaining the change in service provider. Some notification letters were sent on November 29, 2001, and others on December 17, 2001. All customers received one version or the other. The customer notices comply with the Federal Communications Commission's ("FCC's") requirements for changing a customer's presubscribed carrier pursuant to Section 64.1120(e) of the FCC's Rules and for discontinuing service pursuant to Section 63.71 of the FCC's Rules.

As the Commission is acutely aware, Net2000 is not alone in suffering recent financial hardship, which has plagued virtually the entire competitive telecommunications carrier community. Many other competitive carriers preceded Net2000 to the bankruptcy courts; examples include

Teligent, Picus, Winstar, e.spire, ICG, NorthPoint, Telergy and Covad. Other new entrants have reported that they are substantially scaling back their respective operations or expansion plans. This sudden reversal in the fortunes of so many new entrants has been caused by the recent general collapse in the capital markets for technology companies, a reduction in demand for telecommunications services attributable to the recession as exacerbated by the September 11 tragedy, and a generally hostile change in the federal regulatory and legislative climate.

Net2000's intention to discontinue service is not discretionary on its part. Due to its financial condition, the company simply lacks sufficient cash to continue providing service for more than a few weeks, even operating with the benefit of bankruptcy court protection. *In addition, with the entry of the Bankruptcy Court's order on January 10, 2002, Net2000 is obligated under federal law to close the Transaction and transfer its assets according to the schedule prescribed therein in order to provide the maximum possible protection to creditors.*

The company has worked in good faith to ensure that its customers will not be adversely affected. All customers have been given a minimum of 30 days advance written notice of the imminent discontinuance of service by Net2000, and the company's plans to sell its accounts to Cavalier. Each such customer was informed that, thereafter, its service would be provided by Cavalier or a designee or assignee of Cavalier to be named. Obviously, affected customers have the option of arranging substitute service or accepting the service offered by Cavalier or its designee. Customers who elect to remain will initially receive service at the same rates, terms and conditions offered by Net2000.

Obviously, Net2000 would have preferred to remain in business itself, or at least have had an opportunity for a more prolonged transition plan. Unfortunately, business conditions simply do not permit either. Thus, the company has attempted in good faith to craft and implement a plan that protects the legitimate interests and expectations of its customers and creditors to the maximum extent reasonably feasible within the confines of its pending bankruptcy proceeding.

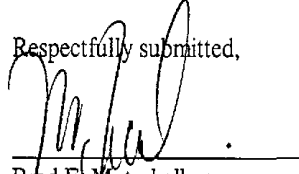
Significantly, under the terms of the Bankruptcy Court order, Net2000 is *compelled* to close its transaction with Cavalier and transfer its assets to Cavalier no later than the effective date of the FCC's approval of Net2000's discontinuance of service (projected to be *January 21, 2002*). *Specifically, Paragraph 22 of the Bankruptcy Court's order issued on January 10, 2002 states: "The Debtors [Net2000] are hereby ordered to immediately transfer the customers and other assets subject to the [Asset Purchase] Agreement to the Purchaser [Cavalier] as of (i) the Closing Date or (ii) to the extent applicable, the receipt of all requisite approvals of the Federal Communications Commission for the discontinuance of service by the Debtors and transfer of affected customers to the Purchaser".* With the entry of the Bankruptcy Court's order, Net2000 is obligated under federal law to close the transaction with Cavalier, including the transfer of its customers and other assets.

Public Utilities Commission of Ohio
January 24, 2002
Page Four

Accordingly, Net2000 respectfully requests that the Commission cancel its authorization to provide telecommunications services in Ohio as soon as possible.

Enclosed, please find two (2) copies and a duplicate of this letter. Upon receipt, please date-stamp the duplicate and return it in the self-addressed postage-paid envelope provided.

Respectfully submitted,



Brad E. Mutschelknaus
M. Nicole Oden
KELLEY DRYE & WARREN LLP
1200 19th Street, N.W., Suite 500
Washington, DC 20036
(202) 955-9785

Attorneys for
Net2000 Communications Services, Inc.

Enclosures

PUBLIC UTILITIES COMMISSION OF OHIO

PUBLIC COMPETITIVE TELECOMMUNICATIONS SERVICE PROVIDER

563 REGISTRATION FORM

ISSUED: December 21, 1995

RECEIVED-DOCKETING DIV
2002 JAN 25 AM 11:48
PUCO

In the Matter of the Application of
NET2000 COMMUNICATIONS
SERVICES, INC.

Case No. 02-200-CT-ABN

Name of Registrant NET2000 COMMUNICATIONS SERVICES, INC.
Registrant's Address 1775 Wiehle Avenue, Suite 400; Reston, VA 20190-5159
Contact Person Piper, Marbury, Rudnick & Wolfe (Phone - 703-773-4000)
Date TRF Docket No. -CT-TRF

I. Indicate the reason for submitting this form (check only one) (NOTES: 1. If a waiver is filed in conjunction with an automatic case, see I.D.2.b. of the 563 guidelines for the applicable automatic time frame; and 2. The number of copies noted below must be accompanied by an original filing. Facsimiles are not acceptable.):

- ☒ 1. (ABN) Withdrawal or Abandonment of all Services (14-day notice, 13 copies)
- ☐ 2. (ACE) New Operating Authority (30-day approval, 10 copies)
 - ☐ IXC ☐ AOS ☐ CAP ☐ Cellular ☐ Paging
 - ☐ Other _____
- ☐ 3. (AMT) Merger (14-day notice, 13 copies)
- ☐ 4. (ATR) Transfer or Transaction Affecting Operating Authority (14-day notice, 7 copies)
- ☐ 5. (ARJ) All Other Requests for Relief from Jurisdiction (NOT automatic, 10 copies)
- ☐ 6. (MTW) "Me Too" Waiver (30-day approval, 10 copies)
- ☐ 7. (RRJ) Interexchange Switchless Rebiller Request for Relief from Jurisdiction (30-day approval, 10 copies)
- ☐ 8. (WVR) Request for Waiver from Portion(s) of 563 pursuant to I.D.3. of the 563 guidelines. (NOT automatic, 10 copies)
- ☐ 9. (ZAC) Contract (0-day notice, 10 copies)
- ☐ 10. (ZCN) Change of Name (0-day notice, 10 copies)
- ☐ 11. (ZCO) Change in Ownership (0-day notice, 10 copies)
- ☐ 12. (ZTA) Introduction of new tariffed service(s), textual revision, correction of error, addition of service area(s), etc. (0-day notice, 10 copies)
- ☐ 13. (UNC) Unclassified (explain) _____ (NOT automatic, 10 copies)
- ☐ 14. Other (explain) _____ (NOT automatic, 10 copies)

THE FOLLOWING ARE TRF FILINGS ONLY, NOT NEW CASES (0-day notice, 3 copies)

- ☐ 15. Introduction or Extension of Promotional Offering
- ☐ 16. New Price List Rate for Existing Service.
- ☐ 17. Designation of Registrant's Process Agent(s)

II. Indicate which of the following exhibits have been filed. The numbers (corresponding to the list above) indicate, at a minimum, the types of cases in which the exhibit is required:

- ☐ A copy of registrant's proposed informational tariff. (2)
- ☐ Statement affirming that the registrant has notified the Ohio Department of Taxation of its intent to conduct operations as a telephone utility in the State of Ohio. (2)
- ☐ List of names, addresses, and phone numbers of officers and directors, or partners. (2-4)
- ☐ Brief description of service(s) proposed, as well as the targeted market(s). (2)
- ☐ Copy of tariff sheet(s) & price list(s) superseded, marked as Exhibit A. (1,3-4,6, 8,10,12-16)

- ☐ Copy of revised tariff sheets & price lists, marked as Exhibit B. (1,3-4,6,8,10,12-16)
- ☐ If increase to residential MTS, DA, or traditional operator surcharges, specify which notice procedure will be utilized: _____ real time; or _____ annual. (12, 16)
- ☐ Copy of real time notice which has been provided to customers. (1,3,10-12,16)
- ☐ Copy of annual notice which will be sent to customers is: _____ included with this filing; or will be filed with the Commission _____ (month) _____ (year). (16)
- ☐ Description of and rationale for proposed tariff changes, including a complete description of the service(s) proposed or affected. Specify for each service affected whether it is business _____, residence _____, or both _____ as well as whether it is a switched _____ or dedicated _____ service. Include this information in either the cover letter or label as "Exhibit C". (3,6,8,12-15)
- ☐ Delineation of any deaveraged message toll service, if applicable. (6, 12-16)
- ☐ Statement explaining rationale for proposal. (1,3-5,10-11)
- ☐ List of Ohio counties specifically involved or affected (1-6,8,10,16)
- ☐ Certification from Ohio Secretary of State as to party's proper standing (domestic or foreign corporation, authorized use of fictitious name, etc.). (2-4,7,10) (In transfer of certificate cases, the transferee's good standing must be established).
- ☐ Justification for waiver of specific element(s) of 563. (6,8)
- ☐ Responses to questions contained in Appendix A, Attachment 4 to the 563 guidelines (7)
- ☐ For radio common carriers, a statement affirming that registrant has obtained all necessary federal authority to conduct operations being proposed, and that copies have been furnished by cellular, paging, and mobile companies to this Commission of any Form 401, 463, and/or 489 which the applicant has filed with the Federal Communications Commission. (2-4)
- ☐ Other information requested by the Commission staff.

III. Registrant hereby attests to its compliance with the following requirements in the Service Requirements Form, as well as all pertinent entries and orders issued by the Commission with respect to these issues. Further, registrant hereby affirms that it will maintain with its TRF docket an up-to-date, properly marked, copy of the Service Requirements Form available for public inspection.

Mandatory requirements for all CTS providers:

- ☒ Sales tax
- ☒ Deposits

Service requirements for CTS providers of certain services (check all applicable):

- ☐ Discounts for Persons with Communication Disabilities and the Telecommunication Relay Service
- ☐ Emergency Services Calling Plan
- ☐ Alternative Operator Service (AOS) requirements
- ☐ Limitation of Liability
- ☐ Termination Liability Language

IV. List names, titles, and addresses of those persons authorized to make and/or verify filings at the Commission on behalf of the registrant:

Kelley, Drye & Warren, LLP
1200 19th Street, N.W., Suite 500
Washington, DC 20036

NOTE: An annual report is required to be filed with the Commission by each company on an annual basis. The annual report form will be sent for completion to the address and individual(s) identified in this Section unless another address or individual is so indicated.

VERIFICATION

I, M. Nicole Oden, Atty w/KDW verify that I have utilized, verbatim, the Commission's 563 Registration Form issued December 21, 1995 and that all of the information submitted here, and all additional information submitted in connection with Case No. _____-CT- is true and correct to the best of my knowledge.

M. Nicole Oden
(Signature)*

1/24/04
(Date)

* A verification is required for every filing. It may be signed by counsel or a process agent designated by the Registrant, except that initial certification cases (ACE) must be signed by an officer of the registering entity.

Send your completed Registration Form, including all required attachments as well as the required number of copies, to:

Public Utilities Commission of Ohio
Attention: Docketing Division
180 East Broad Street
Columbus, OH 43215-3793