

BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

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In the Matter of)
)
 PROGRESS TELECOM CORPORATION) File No. _____
 PROGRESS TELECOM)
 INTERNATIONAL, LLC)
 PROGRESS TELECOM VIRGINIA, LLC)
)
 Application for Determination of)
 Exempt Telecommunications Company)
 Status Pursuant to the)
 Telecommunications Act of 1996)

020000-PE

APPLICATION FOR DETERMINATION OF
EXEMPT TELECOMMUNICATIONS COMPANY STATUS

Pursuant to Section 34(a)(1) of the Public Utility Holding Company Act of 1935 ("PUHCA"),¹ and Section 1.5000, *et seq.* of the rules of the Federal Communications Commission ("Commission"),² Progress Telecom Corporation ("PTC"), Progress Telecom International, LLC ("PTI"), and Progress Telecom Virginia, LLC ("PTV") (collectively, the "Applicants") hereby apply to the Commission for a determination of "exempt telecommunications company" ("ETC") status. In support of their Application, the Applicants have provided in Attachment 1 the certifications required by the Commission's Rules,³ and state as follows:

PTV, a limited liability company organized under the laws of Virginia, and PTI, a limited liability company organized under the laws of Florida, are wholly-owned subsidiaries of

- AUS _____
- CAF _____
- CMP _____
- COM _____
- CTR _____
- ECR _____
- GCL _____
- OPC _____
- MMS _____
- SEC
- OTH _____

¹ 15 U.S.C. § 79, *et seq.*, as added by Section 103 of the Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56 (1996).
² 47 C.F.R. § 1.5000, *et seq.*
³ See 47 C.F.R. §§ 1.2002(a), 1.5002(a).

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PTC, a corporation organized under the laws of Florida. PTC is a jointly-owned subsidiary of Caronet, Inc. (“Caronet”) and Progress Telecommunications Corporation (“Progress Telecommunications”). Caronet and Progress Telecommunications have been found by the Commission to qualify as ETCs under the Commission’s Rules.⁴ Caronet and Progress Telecommunications are indirect subsidiaries of Progress Energy, Inc., a registered public utility holding company pursuant to PUHCA.

Progress Telecommunications and Caronet currently offer telecommunications and related products and services on a resale and facilities basis to other carriers primarily in the southeastern U. S. Interstate and international services are available, as well as local and intrastate services in certain states.⁵ As part of a *pro forma* internal reorganization and restructuring, Caronet and Progress Telecommunications will transfer the assets associated with these products and services to PTC. The Applicants will provide these products and services to new and existing customers. In addition, the Applicants may in the future engage in other activities that fall within the categories set forth in Section 34(a) of PUHCA.

As such, each of the Applicants is exclusively engaged, directly or indirectly, in the business of providing telecommunications services, information services, other services or products subject to the jurisdiction of the Commission and/or products or services that are related or incidental to such products or services.⁶ Accordingly, each of the Applicants meets the criteria for Commission determination that it is an exempt telecommunications company under Section 34(a)(1) of PUHCA.

⁴ See NSD File Nos. ETC 00-37 (Caronet) and ETC 00-38 (Progress Telecommunications).

⁵ At present, neither Caronet nor Progress Telecommunications have customers for any regulated international service.

⁶ See PUHCA § 34(a)(1).

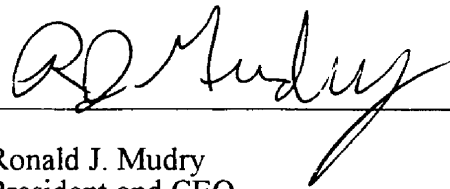
In accordance with the Commission's Rules,⁷ a copy of this Application has been served on the Securities and Exchange Commission, and the Public Utilities Commission of Florida, Georgia, South Carolina, North Carolina, Tennessee, Virginia, New York, and the District of Columbia.

WHEREFORE, the Applicants respectfully request that the Commission determine that they are exempt telecommunications companies under Section 34(a) of PUHCA.

Respectfully submitted,

**PROGRESS TELECOM CORPORATION
PROGRESS TELECOM INTERNATIONAL,
LLC
PROGRESS TELECOM VIRGINIA, LLC**

By: _____



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Attorneys for the Applicants

Date: March 12, 2002

⁷ 47 C.F.R. § 1.5002(a).

AFFIDAVIT

The undersigned hereby attests, on behalf of Progress Telecom Corporation, Progress Telecom International, LLC, and Progress Telecom Virginia, LLC ("the Applicants") and with respect to the foregoing "Application for Determination of Exempt Telecommunications Company Status," that:

1. The facts and representations set forth in the Application are true and correct to the best of my knowledge, information and belief.
2. Each of the Applicants will be exclusively engaged, directly or indirectly, in the business of providing (A) telecommunications services, (B) information services, (C) other services for products subject to the jurisdiction of the Federal Communications Commission (the "Commission"), or (D) products or services related or incidental to the provision of a product or service described in clause (A), (B), or (C).
3. No party to this Application is subject to a denial of federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.

By: *Ronald J. Mudry*
 Ronald J. Mudry
 President and CEO
 PROGRESS TELECOM CORPORATION

Subscribed and sworn to before me this 12th day of March, 2002.

Carole L. Cornelius
 Printed Name: Carole L. Cornelius
 A Notary Public of STATE OF FLORIDA

My Commission expires: _____
 Carole L. Cornelius
 MY COMMISSION # CC952714 EXPIRES
 December 30, 2002
 BONDED THRU TROY FARM INSURANCE, INC.

CERTIFICATE OF SERVICE

This is to certify that on this 14th day of March 2002, a copy of the foregoing "Application for Determination of Exempt Telecommunications Company Status" was served, by hand or via United States first class mail, postage prepaid, on the following persons:

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