

ORIGINAL

KELLEY DRYE & WARREN LLP

A LIMITED LIABILITY PARTNERSHIP

1200 19TH STREET, N.W.

SUITE 500

WASHINGTON, D.C. 20036

(202) 955-9600

FACSIMILE

(202) 955-9792

www.kelleydrye.com

DIRECT LINE (202) 887-1254

E-MAIL: ejenkins@kelleydrye.com

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April 1, 2003

030308 - TP

VIA OVERNIGHT DELIVERY

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

Re: **Joint Applications of the *Pro Forma* Transfers of Control of KMC Data, LLC and KMC Telecom V, Inc.**

Dear Ms. Bayo:

KMC Telecom Holdings, Inc. ("KMC Holdings") intends to engage in a minor *pro forma* internal restructuring involving several of its wholly-owned subsidiaries. Two of those subsidiaries, KMC DATA LLC ("KMC DATA") and KMC Telecom V, Inc. ("KMC V") are currently authorized to provide telecommunications services in Florida. Accordingly, KMC Holdings is hereby requesting from the Commission authority, to the extent it may be necessary, to engage in the restructuring as described in the two attached applications.

Enclosed for filing with the Florida Public Service Commission please find an original, duplicate and six (6) copies each of the Joint Applications for the *Pro Forma* Transfers of Control being submitted by KMC Holdings and its wholly-owned subsidiaries KMC DATA, LLC and KMC Telecom V, Inc.

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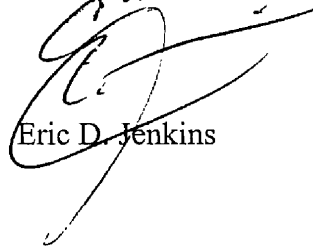
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FFSC-COMMISSION CLERK

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
April 1, 2003

Please date-stamp the duplicates and return them in the pre-addressed envelope provided. If there are any questions regarding this Application, please do not hesitate to contact me at (202) 887-1254. Thank you for your assistance with this matter.

Sincerely,

A handwritten signature in black ink, appearing to be "Eric D. Jenkins", written over a printed name.

Eric D. Jenkins

Enclosures

ORIGINAL

Before the
STATE OF FLORIDA
PUBLIC SERVICE COMMISSION

Joint Application for Approval of the *Pro*)
Forma Transfer of Control of KMC Data,)
LLC from KMC Data Holdco, LLC to)
KMC Data Sub Holdings IV LLC)

Docket No. _____

JOINT APPLICATION

KMC Data, LLC (“KMC Data”), and its parent KMC Data Holdco, LLC (“Data Holdco”), pursuant to Florida Statute Section 364.33, hereby respectfully request that the Florida Public Service Commission (“Commission”) approve, to the extent it may be necessary, the minor restructuring of KMC Data’s ownership to reflect the addition of two new holding companies, KMC Data Sub Holdings IV LLC and KMC Data Holdco Sub LLC (together with KMC Data and Data Holdco, the “Applicants”), as the new direct and indirect parents, respectively, of KMC Data.¹ This change of ownership is an internal reorganization involving no new outside ownership and KMC Data will continue to be 100% owned ultimately by, KMC Telecom Holdings, Inc. (“KMC Holdings”). Charts reflecting the organizational structure before and after this change are attached hereto as *Exhibit A*. Approval of this minor *pro forma* restructuring does not involve the transfer of operating authority and therefore does not affect the identity of the utility entity providing service, or the terms and conditions under which services are currently being provided in the State of Florida. Because of its minor and *pro forma* nature, it is not clear to the parties that any approval is required as there is no actual change in ownership

¹ KMC Data is authorized to provide local exchange and long distance service in the State of Florida. See Docket Nos. 010826-TX and 010825-TI, respectively, dated November 21, 2001.

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but to the extent the Commission determines approval to be necessary it is hereby respectfully requested.

In support of this Application, Applicants provide the following information:

I. PARTIES TO THE APPLICATION

KMC Data, LLC: KMC Data is a Delaware limited liability company headquartered at 1545 Route 206, Suite 300, Bedminster, New Jersey 07921. KMC Data has obtained authorization to provide intrastate local exchange and interexchange service in 47 jurisdictions, including Florida and the District of Columbia. Currently, KMC Data provides Port Wholesale service to its ISP customers.]

KMC Data Holdco, LLC: Data Holdco is a privately-held Delaware limited liability company located at 1545 Route 206, Suite 300, Bedminster, New Jersey 07921. Data Holdco operates as a holding company and holds all of the ownership interests in KMC Data and KMC Data Holdco Sub, LLC.

KMC Data Holdco Sub LLC: KMC Data Holdco Sub LLC is a Delaware limited liability company also located at 1545 Route 206, Suite 300, Bedminster, New Jersey 07921. A copy of KMC Data Holdco Sub LLC's certificate of formation is attached hereto as *Exhibit B*. All of KMC Data Holdco Sub LLC's membership interest is owned by Data Holdco. KMC Data Holdco Sub LLC holds all of the membership interest in KMC Data Sub Holdings IV LLC.

KMC Data Sub Holdings IV LLC: KMC Data Sub Holdings IV LLC is a Delaware limited liability company located at 1545 Route 206, Suite 300, Bedminster, New Jersey 07921. A copy of KMC Data Sub Holdings IV LLC's certificate of formation is attached hereto as *Exhibit C*. All of [KMC Data Sub Holdings IV LLC/KMC Data Sub Holdings I LLC]'s membership interest is owned by KMC Data Holdco Sub LLC. KMC Data Sub Holdings IV LLC will hold all of the membership interest of KMC Data currently held by Data Holdco.

KMC Data Holdco Sub LLC and KMC Data Sub Holdings IV LLC each have the same officers as listed on *Exhibit D*.

As is evident, the insertion of KMC Data Holdco Sub LLC and KMC Data Sub Holdings IV LLC as new intermediate holding companies does not affect the ultimate ownership and control of KMC Data by KMC Holdings.

As holding companies, KMC Data Holdco Sub LLC and KMC Data Sub Holdings IV LLC are not expected to be actively engaged in business in the State of Florida and, therefore they have not qualified to do business within the state.

II. DESIGNATED CONTACTS

The designated contacts for questions regarding this Application are:

Brad Mutschelknaus
Eric Jenkins
KELLEY, DRYE & WARREN LLP
Suite 500
1200 19th Street, N.W.
Washington, D.C. 20036
Tel: (202) 955-9785
Fax: (202) 955-9792

Copies of correspondence should also be sent to:

Riley Murphy
Senior Vice President
KMC TELECOM HOLDINGS, INC.
1545 Route 206
Suite 300
Bedminster, New Jersey 07921
Telephone (908) 470-2100
Facsimile (908) 719-8775

III. DESCRIPTION OF THE TRANSACTION

This internal corporate restructuring permits KMC Holdings to do business under a more desirable structure. It merely inserts two new holding companies into their corporate ownership chain. To effect the restructuring, Data Holdco contributes its membership interest in KMC Data to KMC Data Holdco Sub LLC, which, in turn, contributes the membership interest in KMC Data to KMC Data Sub Holdings IV LLC. In this way the new companies become the indirect and direct parent of KMC Data. While the *pro forma* intra-corporate transfers involved in the reorganization of the companies will meet important business requirements, the transactions are transparent to KMC's customers and will have no impact on them or the service provided by KMC Data.

IV. PUBLIC INTEREST ANALYSIS

This minor restructuring will not adversely effect the public interest; it involves no change in the entity with authority to provide service to customers, nor does it change the proposed terms and conditions of such service. The restructuring does not affect the technical or managerial qualifications of KMC Data, as all technical and managerial personnel previously available to KMC Data will continue to be available. The existing officers and directors will remain the same, as will the customer and regulatory contacts for KMC Data, although, of course, changes may occur with the passage of time as they might even if there were no change in ownership. Thus, this transaction will be completely transparent to customers.

KMC Data competes with numerous other competitive local exchange carriers and enhanced network providers, as well as the incumbent local exchange carriers and other interexchange carriers. Because the public interest is best served by assuring the presence of numerous telecommunications competitors, it is important to provide such competitors with the

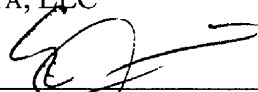
flexibility to arrange their ownership in the manner they deem most appropriate to carry on their business, so long as there is no adverse impact on the public. To deny such flexibility would discourage new competitors from entering the state, and would encourage existing competitors to seek a more favorable regulatory environment elsewhere, neither of which would enhance the public interest.

Wherefore, the Applicants hereto respectfully request that the Commission approve, to the extent any approval may be necessary, the *pro forma* internal restructuring described herein and for such other and further relief as the Commission may deem appropriate..

Respectfully submitted,

KMC TELECOM HOLDINGS, INC.
KMC DATA HOLDCO, LLC
KMC DATA HOLDCO SUB LLC
KMC DATA SUB HOLDINGS IV LLC
KMC DATA, LLC

By:



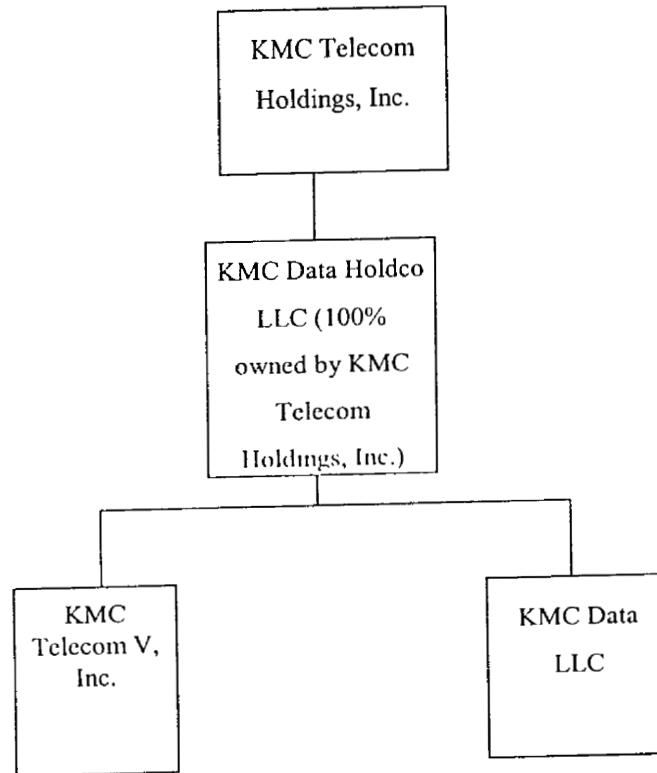
Brad Mutschelknaus
Eric D. Jenkins
KELLEY, DRYE & WARREN LLP
Suite 500
1200 19th Street, N.W.
Washington, D.C. 20036
(202) 955-9785

Their Attorneys

Date: April 1, 2003

Exhibit A

KMC's Corporate Structure



KMC's Corporate Structure

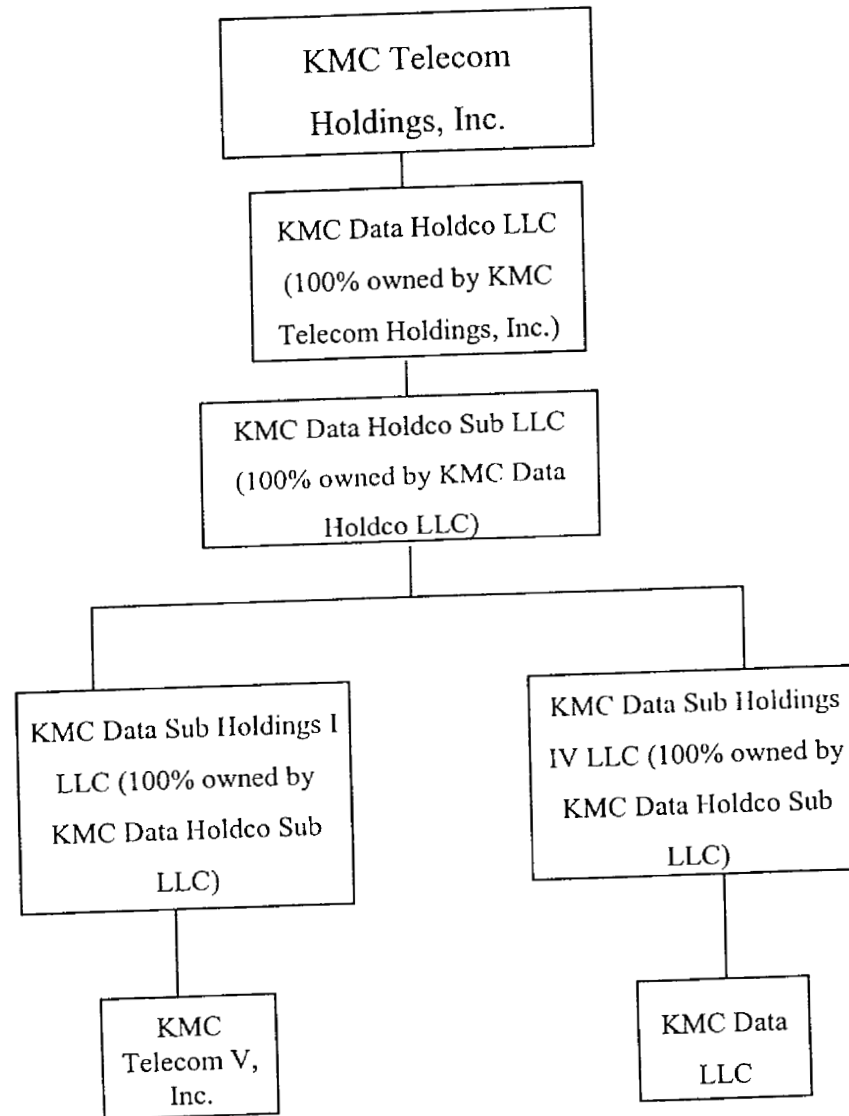


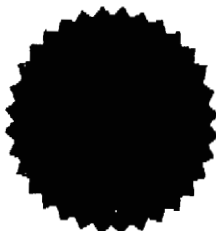
Exhibit B

Delaware

PAGE 1

The First State

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF FORMATION OF "KMC DATA HOLDCO SUB LLC", FILED IN THIS OFFICE ON THE TWENTY-FIFTH DAY OF MARCH, A.D. 2003, AT 12:30 O'CLOCK P.M.



Harriet Smith Windsor
Harriet Smith Windsor, Secretary of State

3640038 8100

030197499

AUTHENTICATION: 2328919

DATE: 03-25-03

STATE OF DELAWARE
SECRETARY OF STATE
DIVISION OF CORPORATIONS
FILED 12:30 PM 03/25/2003
030197499 - 3640038

**CERTIFICATE OF FORMATION
OF
KMC DATA HOLDCO SUB LLC**

The undersigned, an authorized natural person, for the purpose of forming a limited liability company under the provisions of and subject to the requirements of the State of Delaware (particularly Chapter 18, Title 6 of the Delaware Code and the acts amendatory thereof and supplemental thereto, and known, identified and referred to as the "Delaware Limited Liability Company Act"), hereby certifies that:

FIRST: The name of the limited liability company is KMC Data Holdco Sub LLC (the "Company").

SECOND: The address of the registered office of the Company in the State of Delaware is The Corporation Trust Center, 1209 Orange Street, in the City of Wilmington, County New Castle, DE 19801. The name of its registered agent at such address is The Corporation Trust Company.

THIRD: The sole member of the Company (the "Sole Member") shall be responsible for the management of the Company. The Sole Member shall have the right, power and authority to manage, direct and control all of the business and affairs of the Company, to transact on behalf of the Company, to sign for the Company or on behalf of the Company or otherwise bind the Company.

FOURTH: The Sole Member shall have full, exclusive, and complete discretion, power and authority, subject in all cases to the other provisions of the this Certificate of Formation and the requirements of applicable law, to delegate to one or more persons the management, control, administration, and operation of the business and affairs of the Company. Such delegation shall be as provided in such documentation as the Sole Member shall determine. Any such delegation shall not cause the Sole Member to cease to be the sole member of the Company.

FIFTH: The Sole Member may appoint individuals with or without such titles as it may elect, including the titles of President, Vice President, Treasurer, and Secretary, to act on behalf of the Company with such power and authority as the Sole Member may delegate in writing to any such persons.

SIXTH: To the fullest extent permitted by applicable law, the Company shall indemnify and hold harmless the Sole Member of the Company and directors, officers, employees and agents of the Sole Member of the Company from and against any and all claims and demands whatsoever.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Formation on this 25th day of March, 2003.

/s/ Haeyeon Yoon

Haeyeon Yoon, Authorized Person

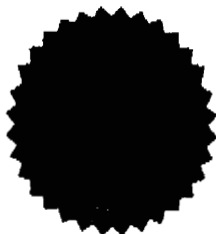
Exhibit C

Delaware

PAGE 1

The First State

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF FORMATION OF "KMC DATA SUB HOLDINGS IV LLC", FILED IN THIS OFFICE ON THE TWENTY-FIFTH DAY OF MARCH, A.D. 2003, AT 12:30 O'CLOCK P.M.



Harriet Smith Windsor
Harriet Smith Windsor, Secretary of State

3640036 8100

030197485

AUTHENTICATION: 2328843

DATE: 03-25-03

STATE OF DELAWARE
SECRETARY OF STATE
DIVISION OF CORPORATIONS
FILED 12:30 PM 03/25/2003
030197485 - 3640036

**CERTIFICATE OF FORMATION
OF
KMC DATA SUB HOLDINGS IV LLC**

The undersigned, an authorized natural person, for the purpose of forming a limited liability company under the provisions of and subject to the requirements of the State of Delaware (particularly Chapter 18, Title 6 of the Delaware Code and the acts amendatory thereof and supplemental thereto, and known, identified and referred to as the "Delaware Limited Liability Company Act"), hereby certifies that:

FIRST: The name of the limited liability company is KMC Data Sub Holdings IV LLC (the "Company").

SECOND: The address of the registered office of the Company in the State of Delaware is The Corporation Trust Center, 1209 Orange Street, in the City of Wilmington, County New Castle, DE 19801. The name of its registered agent at such address is The Corporation Trust Company.

THIRD: The sole member of the Company (the "Sole Member") shall be responsible for the management of the Company. The Sole Member shall have the right, power and authority to manage, direct and control all of the business and affairs of the Company, to transact on behalf of the Company, to sign for the Company or on behalf of the Company or otherwise bind the Company.

FOURTH: The Sole Member shall have full, exclusive, and complete discretion, power and authority, subject in all cases to the other provisions of this Certificate of Formation and the requirements of applicable law, to delegate to one or more persons the management, control, administration, and operation of the business and affairs of the Company. Such delegation shall be as provided in such documentation as the Sole Member shall determine. Any such delegation shall not cause the Sole Member to cease to be the sole member of the Company.

FIFTH: The Sole Member may appoint individuals with or without such titles as it may elect, including the titles of President, Vice President, Treasurer, and Secretary, to act on behalf of the Company with such power and authority as the Sole Member may delegate in writing to any such persons.

SIXTH: To the fullest extent permitted by applicable law, the Company shall indemnify and hold harmless the Sole Member of the Company and directors, officers, employees and agents of the Sole Member of the Company from and against any and all claims and demands whatsoever.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Formation on the 25th day of March, 2003.

/s/ Haeyeon Yoon
Haeyeon Yoon, Authorized Person

Exhibit D

KMC Telecom Holdings, Inc. management team:

William F. Lenahan	Chief Executive Officer
Roscoe C. Young II	Chief Executive Officer and Chief Operating Officer
William H. Stewart	Chief Financial Officer and Executive Vice President
Alan M. Epstein	General Counsel, Executive Vice President and Secretary
Riley M. Murphy	Senior Vice President/Legal and Assistant Secretary
Robert Hagan	Senior Vice President/Finance and Assistant Secretary
Constance Loosemore	Vice President, Treasurer and Assistant Secretary
Joseph P. Sheehan III	Vice President and Controller
Jessica Herr	Vice President/Finance and Assistant Secretary
Gary Wagner	Vice President/Tax and Regulatory Compliance
Julie DeSantis	Assistant Secretary

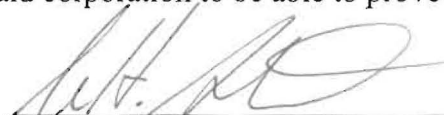
VERIFICATION

William H. Stewart, Affiant, being duly sworn according to law, deposes and says that:

He is the Chief Financial Officer and Executive Vice President of KMC Data, LLC

That he is authorized to and does make this affidavit for said limited liability company;

That the facts set forth in this Application are true and correct to the best of his knowledge, information, and belief and that he expects said corporation to be able to prove the same at any hearing hereof.



William H. Stewart
CFO and EVP
KMC Data, LLC

[Commonwealth/State] of NJ :

: **ss.**

County of Somerset :

Sworn and subscribed before me this 27 day of March , 20 03 .



Signature of official administering oath

My commission expires _____

DINA M. FERRANTE
Notary Public, State of New Jersey
My Commission Expires August 8, 2008