

ORIGINAL NEW APPLICATION

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Arizona Corporation Commission
DOCKETED

OCT 04 2006

AZ CORP COMMISSION
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2006 OCT -4 11 A 8:16

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September 27, 2006

Via Overnight Mail

DOCKETED BY *NLL*

Brian C. McNeil
Executive Secretary
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, AZ 85007-2927

T-03727A-06-0634

Re: Notification of the Transfer of Control of DSLnet Communications, LLC to MDS Acquisition, Inc.

Dear Mr. McNeil:

DSLnet Communications, LLC ("DSLnet"), and MDS Acquisition, Inc. ("MDSAI" and, together with DSLnet, the "Parties"), through their undersigned counsel, notify the Arizona Corporation Commission (the "Commission") of proposed transactions whereby MDSAI will acquire control of DSLnet, which holds authority from the Commission to provide telecommunications services in Arizona.

It is the Parties' understanding that Commission approval is not required in connection with the transfer of control described herein. Accordingly, this letter is filed for informational purposes only to ensure the continuing accuracy of the Commission's records.

I. The Parties

A. DSLnet Communications, LLC

DSLnet is a Delaware limited liability company with principal offices located at 50 Barnes Park North, Suite 104, Wallingford, Connecticut 06492. DSLnet's sole member and managing entity is DSL.net, Inc., a Delaware corporation ("Parent"). DSLnet is authorized to provide intrastate telecommunications services in forty-seven (47) states and the District of Columbia, and DSLnet's affiliate, DSLnet Communications VA, Inc., is authorized to provide intrastate telecommunications services in Virginia. DSLnet also is authorized by the Federal Communications Commission ("FCC") to provide international and domestic interstate telecommunications services as a non-dominant carrier.

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In Arizona, DSLnet was authorized to provide resold and facilities-based local exchange, interexchange, and exchange access pursuant to Decision No. 62409 issued in Docket No. T-03727A-99-0193 on April 3, 2000.

Further information concerning DSLnet's legal, technical, managerial and financial qualifications to provide service was submitted with its application for certification with the Commission as noted above and is, therefore, a matter of public record. DSLnet respectfully requests that the Commission take official notice of that information and incorporate it herein by reference.

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B. MDS Acquisition, Inc.

MDSAI, a privately held Delaware corporation with principal offices at 555 Anton Boulevard, Suite 200, Costa Mesa, California 92626, is a wholly owned subsidiary of MegaPath Inc. ("MegaPath") that has been formed for the purpose of acquiring Parent and its subsidiaries. MegaPath is a provider of a variety of managed Internet Protocol ("IP") services including cable and satellite system broadband Internet access, mobility services such as digital certificates, global remote access, personal firewalls, and remote access virtual private networks ("VPN"), and security services. Neither MegaPath nor MDSAI currently offer any regulated telecommunications services and therefore do not hold any telecommunications authorizations from the FCC or any state regulatory authority.

II. Description of the Transaction

Pursuant to the Purchase Agreement, dated as of August 22, 2006, by and among Parent, MDSAI and MegaPath, on August 28, 2006, MDSAI purchased certain convertible promissory notes of Parent (the "Convertible Notes") which, by their terms, will allow MDSAI, subject to the receipt of requisite regulatory and shareholder approvals, to acquire control of DSLnet through the conversion of the Convertible Notes into common stock of Parent. Following these conversions, MegaPath intends to merge Parent with and into MDSAI, with MDSAI surviving. For the Commission's convenience, charts of the pre- and post-transaction ownership structure for DSLnet are provided as Exhibit 1.

Specifically, upon conversion of the Convertible Notes into common stock of Parent (which may only be converted after obtaining requisite regulatory and shareholder approvals), MDSAI will hold approximately 92.4% of the aggregate voting power in Parent. At that time, or as soon as practicable thereafter, MegaPath intends to merge Parent with and into MDSAI with (1) MDSAI surviving and (2) stockholders of Parent other than MDSAI receiving a cash payment for their shares of Parent's stock. As a result of these conversions and the merger, MDSAI will have direct control of DSLnet and DSLnet will become a wholly owned indirect subsidiary of MegaPath.

The Parties emphasize that the transfer of control described herein (namely, the conversion of the Convertible Notes into a controlling voting equity interest in Parent and the subsequent merger of Parent with and into MDSAI) will not involve a change in the name under which DSLnet currently operates nor a change in the manner in which

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DSLnet currently offers service in Arizona. Immediately following the transfer of control, DSLnet will continue to offer the services it currently offers with no change in the rates or terms and conditions of service. The transfer of control of DSLnet, therefore, will be seamless and transparent to consumers in Arizona. Should Parent or its successor decide to change DSLnet's name in the future, it will make appropriate notices and filings to advise its customers and the Commission.

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III. Public Interest Statement

The Parties submit that the transactions described herein will serve the public interest. The transactions are being undertaken to provide critical financial and corporate resources to DSLnet that will allow it to continue to provide high quality services to its customers. In addition to the fact that it is anticipated that substantially all current DSLnet and Parent operational, technical and managerial personnel will remain with the companies or their successors following the conversion of the Convertible Notes and the closing of the merger, it is anticipated that a commercial relationship by and among the Parties will allow DSLnet to have access to MegaPath's substantial technical and management expertise and complementary suite of services. These benefits are expected to strengthen the companies' ability to expand DSLnet's offerings and provide more advanced services to a broader customer base in Arizona. The Parties expect that the transactions will enable the companies to strengthen their competitive positions in Arizona to the benefit of consumers.

Further, the transactions will be conducted in a manner that will be transparent to consumers. Following consummation of the proposed transactions, DSLnet will continue to provide high-quality communications services, and no interruption of service or any change in rates, terms or conditions of service to DSLnet's customers will result from these transactions.

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An original and thirteen (13) copies of this filing are enclosed. Please date-stamp the enclosed extra copy of this filing and return it in the attached self-addressed stamped envelope. Should you have any questions concerning this filing, please do not hesitate to contact us.

Respectfully submitted,



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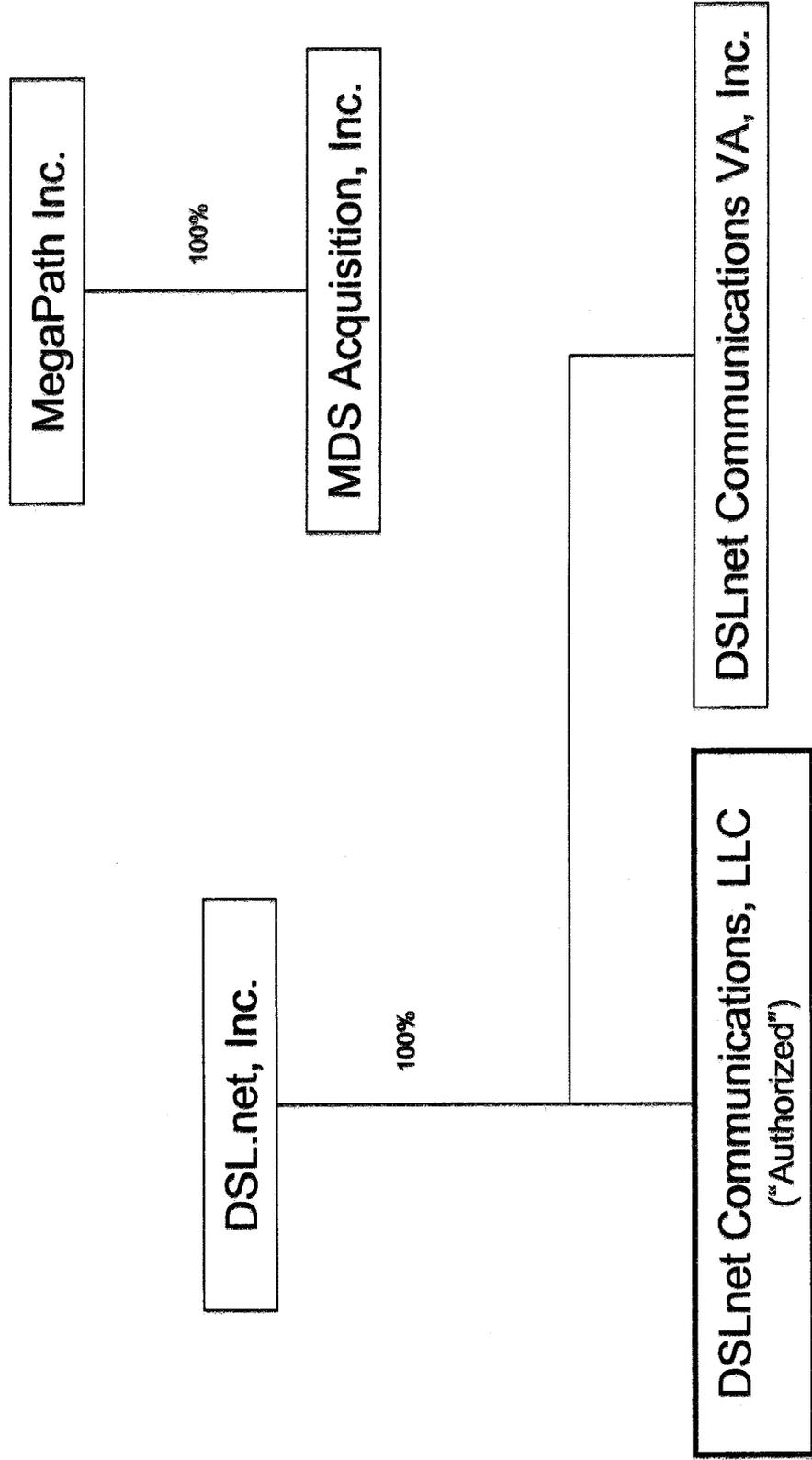
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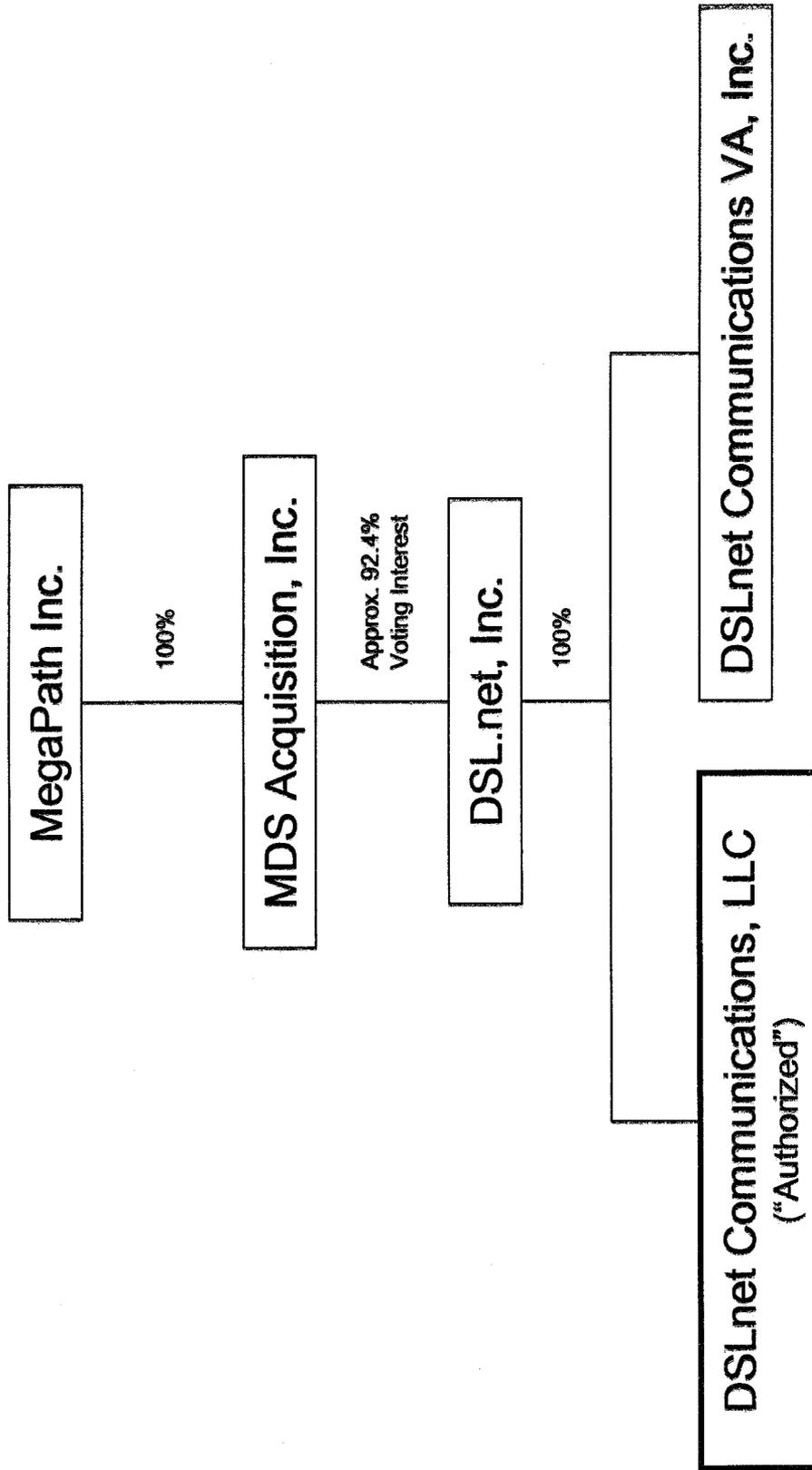
EXHIBIT 1

Pre- and Post-Transaction Ownership Charts

Pre-Transaction Ownership



Post-Conversion Ownership



Post-Merger Ownership

