



PAETEC

NEWS RELEASE

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PAETEC Commends FCC Decision to Promote Competitive Choice in Phoenix

FAIRPORT, N.Y. – June 23, 2010 – PAETEC applauds yesterday’s decision by the Federal Communications Commission (FCC) denying Qwest’s request to be relieved of the obligation to provide competitors access to its legacy last mile infrastructure at reasonable prices in the Phoenix MSA. PAETEC is especially pleased to see that the decision recognized that the prior grant of relief to Qwest for a significant portion of the Omaha MSA in 2005 was based on a misguided analysis and unfounded prediction that competition would be enhanced by removing rules governing open access for end users.

The FCC’s decision yesterday, in contrast, was based on market-based empirical data. This type of thoughtful analysis is essential to ensuring forbearance decisions do not inhibit telecom competition, and thus adversely affect business and consumers in the market. PAETEC is hopeful that the new standards adopted by the FCC will prevent erroneous conclusions as with the Omaha forbearance decision in 2005.

Arunas Chesonis, chairman and CEO of PAETEC, stated, “It is clear from its order that this FCC embraces open and truly competitive markets. The real winners from the FCC’s order are business and residential consumers in the Phoenix MSA that will continue to benefit from a variety of competitors that are all striving to earn their broadband business.”

“The FCC’s adoption of a comprehensive analytical framework that separately evaluates an incumbent’s market power in retail and wholesale market segments will create a more stable market environment that will promote more competition,” said PAETEC Vice President of Public Policy, William Haas. “That will lead to innovation in services offered to business customers of all sizes and the job growth that results from the existence of robust competitive markets.”

PAETEC is grateful to both the FCC for its thorough analysis and the Arizona Corporation Commission for undertaking a comprehensive fact-gathering of critical market data on the state of competition in the Phoenix MSA.

About PAETEC

PAETEC (NASDAQ: PAET), a FORTUNE 1000 company, is personalizing business communications for medium and large businesses, enterprise organizations and institutions across the United States. We offer a comprehensive suite of IP, voice, data, and Internet services, as well as enterprise communications management software, network security solutions, CPE, and managed services. For more information, visit www.paetec.com.

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