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August 1, 2001

BY FEDERAL EXPRESS

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

D11005-TX

Re: Docket No. 991482-TX, Order No. PSC-99-2546-PAA-TX

Dear Ms. Bayo:

Pathnet, Inc. ("Pathnet") is certified to provide telecommunications services in Florida. However, Pathnet has not yet begun to offer intrastate services in Florida and so we have no customers in the state. On April 2, 2001, Pathnet filed for Chapter 11 bankruptcy protection. The decision to file the bankruptcy petitions was an extremely difficult one for us. We did so because, despite substantial efforts over the course of many months, we could not attract the financing we needed to fund our network and services roll out.

In the bankruptcy proceeding, it became clear that the only realistic alternative available to Pathnet was a sale of the company on a going concern basis or other disposition of all or substantially all of Pathnet's assets. Unfortunately, the negotiations with that potential purchaser broke down irretrievably on June 28, 2001. As a result, Pathnet has no choice but to shut down the company.

Because Pathnet is winding down its business, it will have no further use for its certification and asks that it be cancelled as soon as possible. You should contact James Williams by email at jwilliams@pathnet.net or by telephone at (703) 390-2436 you have any questions or need additional information.

Sincerely,

Mary MeDermott

Senior Vice President and General Counsel

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