

**IN THE UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

In Re:
MCLEODUSA INCORPORATED,
et. al.

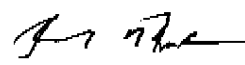
Debtors.

Case No. 05-63230
Jointly Administered
Chapter 11
Honorable John H. Squires

NOTICE OF APPLICATION

PLEASE TAKE NOTICE that on February 3, 2006, Swidler Berlin LLP ("Swidler"), as Ordinary Course Professionals to the Debtors, filed with the United States Bankruptcy Court, Northern District Illinois, Eastern Division, Swidler's First and Final Fee Application for Services Rendered from October 28, 2005 through and including January 6, 2006 (the "Case Period"), seeking Allowance and Payment of Final Compensation and Reimbursement of Expenses Under §§ 330 and 331 of the Bankruptcy Code. A true and complete copy of this application has been served upon the Notice Parties in accordance with the Order Authorizing Retention and Payment of Professionals Utilized by Debtors in Ordinary Course of Business (the "OCP Order") dated October 31, 2005.

Respectfully submitted,

By: 

FILED
UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
FEB 6 2006
KENNETH S. GARDNER, CLERK
PS REP. - JA

Richard M. Rindler
Swidler Berlin LLP
3000 K Street, N.W.
Suite 300
Washington, Dc 20007
Telephone: (202) 424-7530
Facsimile : (202) 424-7645

Dated: February 3, 2006

CERTIFICATE OF SERVICE

I, M. Renee Britt, hereby certify that on the 3rd day of February 2006, I caused a copy of the attached First and Final Fee Application of Swidler Berlin LLP as Ordinary Course Professionals to the Debtors for Services Rendered during the Case Period, to be served via Overnight Federal Express Delivery, to the notice parties as indicated thereon:

Office United States Trustee
227 West Monroe Street, Suite 3350
Chicago, Illinois 60606
Attention: Ira Bodenstein

Davis Polk & Wardell
450 Lexington Avenue
New York NY 10017
Attn: Donald S. Bernstein, Esq.

Brian P. Karpuk
Skadden, Arps, Slate, Meagher & Flom LLP
333 W. Wacker Drive
Chicago, IL 60606
Counsel to the Debtors



M. Renee Britt
Swidler Berlin LLP
3000 K Street, N.W., Suite 300
Washington, D.C. 20007-5116

disbursements incurred by Swidler in rendering the required professional services on behalf of the Debtors. In support of this Final Application, Swidler represents as follows:

BACKGROUND

1. On October 28, 2005 (the "Petition Date"), the Debtors each filed a voluntary petition in this Court for reorganization relief under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. §§ 101-1330, as amended (the "Bankruptcy Code"). The Debtors operated their businesses and managed their properties as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code until they emerged from Chapter 11 on January 6, 2006.

2. On the Petition Date, the Debtors also filed the Joint Prepackaged Plan of Reorganization of McLeodUSA Incorporated and its Affiliate Debtors (the "Plan") and the Disclosure Statement with Respect to Joint Prepackaged Plan of Reorganization of McLeodUSA Incorporated and its Affiliate Debtors (the "Disclosure Statement"). The Debtors solicited votes on the Plan prior to the Petition Date and obtained acceptances from over 90% of each class of creditors entitled to vote on the Plan.

3. Also on the Petition Date, the Debtors filed a Motion Under 11 U.S.C. §§ 105, 1125, 1126 and 1129 and Fed. R. Bankr. P. 2002, 3017, 3018 and 3020 (I) for Order (A) Scheduling Combined Hearing on Disclosure Statement and Confirmation of Plan and Establishing Procedures for Objecting to Disclosure Statement and Plan, (B) Approving Form and Manner of Notice of Combined Hearing on Disclosure Statement and Confirmation of Plan and (C) Finding that the Debtors Not Required to Solicit Votes from Class 6, and (II) for Order (A) Approving Adequacy of the Disclosure Statement, (B) Approving the Solicitation Procedures and (C) Confirming the Plan of Reorganization. On October 31, 2005, the Court approved the form and manner of notice, found that the Debtors were not required to solicit votes

from Holders of Claims in Class 6 and scheduled a hearing on December 15, 2005 to consider the adequacy of the Disclosure Statement and confirmation of the Plan.

4. On December 16, 2005, forty-nine days after the commencement of these cases, this Court entered an order confirming the Plan (the "Confirmation Order").

5. The Effective Date of the Plan occurred on January 6, 2006.

6. This Court has jurisdiction over this Application pursuant to 28 U.S.C. §§ 157 and 1334. Venue of these cases in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

7. The statutory predicates for the relief requested herein are §§ 330 and 331 of the Bankruptcy Code and Rule 2016 of the Federal Rules of Bankruptcy Procedure.

RETENTION OF SWIDLER BERLIN LLP

8. On October 31, 2005, the Court entered an Order Under 11 U.S.C. §§ 327, 330, and 331 Authorizing Retention and Payment of Professionals Utilized by Debtors in Ordinary Course of Business (the "OCP Order") approving the retention of the Debtors' Ordinary Course Professionals. On December 1, 2005, in accordance with the terms of the OCP Order, Swidler filed the Affidavit of Richard M. Rindler setting forth the services to be performed by Swidler during the Reorganization Cases, including among others, the following professional services to the Debtors:

- (a) advising the Debtor on federal and state telecommunications regulatory requirements arising from a filing under the Bankruptcy Code;
- (b) representing Debtors as needed before federal and state telecommunications regulatory agencies;
- (c) advising Debtors of various telecommunications regulatory requirements.

9. Swidler has a well-established relationship with the Debtors existing prior to the Petition Date and has represented the Debtors in regulatory matters since 1994. Swidler has been the Debtors' primary telecommunications counsel in the United States on various FCC and state telecommunications regulatory and licensing matters arising from the Debtor's construction, installation, operation, and acquisition of telecommunications equipment and companies and their provision of telecommunications services. Swidler's representation of the Debtors on such matters is ongoing and Swidler has extensive and thorough knowledge of the Debtors' history and business operations.

STANDING AT THE BAR AND EXPERIENCE

10. Swidler assembled a highly qualified team of professionals to service the Debtors. Attorneys within the Telecommunications and Media Technology Practice Group and the General Litigation Practice Group of Swidler's Washington, D.C. office have performed Swidler's services on behalf of the Debtors. The supervisory responsibility has been borne by Richard M. Rindler, a Partner. Where appropriate, work has been delegated to senior and junior-level associates. In addition, Swidler has utilized paralegals to handle certain matters. Swidler's efforts to allocate specific areas of responsibilities and to utilize associates and paralegals have resulted in efficient and lower cost services to the Debtor than would otherwise have been the case.

11. Swidler has extensive experience in the area of state and federal telecommunications regulatory matters including the coordination of state and federal regulatory filings.

FEE PROCEDURES AND MONTHLY FEE STATEMENTS

12. Due to the short duration of these cases, and pursuant to the Retention Order, Swidler did not submit an interim fee application during the Case Period. Instead, Swidler is submitting this single Final Application. Swidler now seeks final allowance of \$178,063.20 in fees calculated at the applicable guideline hourly billing rates of the firm's personnel who have worked on the Reorganization Cases and \$7,781.15 in expenses and disbursements actually and necessarily incurred by Swidler while providing services to the Debtors during the Case Period.

SERVICES RENDERED BY SWIDLER DURING THE CASE PERIOD

13. At the commencement of the Reorganization Cases, Swidler instructed its professionals of the specific billing requirements for all matters that were to be handled by Swidler during the bankruptcy reorganization. All Swidler professionals kept a contemporaneous record of the time spent rendering such services and, consistent with guidelines of the Office of the United States Trustee, separated tasks in billing increments of one-tenth of an hour.

14. The matter categories to which the Swidler professionals assigned their tasks are as follows:

- A. General Regulatory Work (Matter 0001)
- B. Corporate (Matter 0005)
- C. Regulatory Policy (Matter 0006)
- D. Access Charge Litigation (Matter 0024)
- E. SBC v Global Crossing (Matter 0025)
- F. FCC/TRO General Regulatory (Matter 2004)
- G. Pathnet, Inc. Bankruptcy (Matter 0026)

A. General Regulatory (Matter 0001)

15. During the Case Period, Swidler devoted a portion of it's time to General regulatory matters.

16. In connection with the foregoing services, Swidler professionals expended 1.70 hours for which Swidler seeks compensation of \$697.00. An itemized breakdown of services rendered during the Case Period is attached as Exhibit A-1. A general breakdown of these services is as follows:

Name	Total Hours	Total Value
Patrick Donovan	1.70	\$697.00
Total	1.70	\$697.00

B. Corporate (Matter 0005)

17. During the Case Period, Swidler devoted an extensive amount of time to the preparation and filing of applications and notices with the Federal Communications Commission ("FCC") and with 48 State Public Utility Commissions ("PUC") in order to obtain necessary approvals of the proposed reorganization. Swidler professionals participated in numerous conference calls with FCC and PUC staff personnel to gain timely, and in many cases expedited, approval of the reorganization applications and to provide additional information, such as responding to data requests, as requested or warranted. This matter category also included a firm-wide inquiry for the disclosure of possible conflicts, with the Debtors' creditors or other interested parties, in connection with Swidler's retention as an Ordinary Course Professional and a review of numerous reports generated by Swidler's Conflicts Review staff, and the preparation and filing of the affidavit of Richard M. Rindler.

18. In connection with the foregoing services, Swidler professionals expended 214.80 hours for which Swidler seeks compensation of \$81,213.00. An itemized breakdown of services rendered during the Case Period is attached as Exhibit A-2. A general breakdown of these services is as follows:

Name	Total Hours	Total Value
Jean L. Kiddoo	55.60	\$30,156.00
Andrew Lipman	11.80	6,924.00
Richard M. Rindler	14.30	6528.00
Catherine Wang	1.00	535.00
Eliot Greenwald	7.50	3,096.00
Brian M. McDermott	49.10	17,520.50
Brett Ferenchak	0.10	35.50
Danielle C. Burt	26.40	6,844.00
Scott D. Woods	0.40	94.00
M. Renee Britt	48.60	9,480.00
Totals	214.80	\$81,213.00

C. Regulatory Policy (Matter 0006)

19. During the Case Period, Swidler devoted a significant amount of time in the review of FCC proceedings relating to broadband regulation, slamming, VoIP regulation, special access pricing, forbearance petitions, and the preparation and filing of comments and other submissions on these matters outlining McLeodUSA's views in relation to future affects of these regulatory policies on the continuing operations of the Debtor's, post bankruptcy.

20. In connection with the foregoing services, Swidler professionals expended 126.25 hours for which Swidler seeks compensation of \$50,478.20. An itemized breakdown of services rendered during the Case Period is attached as Exhibit A-3. A general breakdown of these services is as follows:

Name	Total Hours	Total Value
Russell M. Blau	0.50	\$265.00
Andrew Lipman	5.20	3,016.00
Richard M. Rindler	3.07	1,444.50
Catherine Wang	1.40	749.00
Paul Gagnier	0.90	373.00
William Wilhelm	0.50	212.50
Patrick Donovan	87.72	36,817.00
Joshua Bobeck	0.45	173.25
Douglas Orvis	0.20	77.00
Paul Hudson	0.13	48.75
Philip Macres	5.74	2,037.70
Brett Ferenchak	1.90	674.50
Wendy Creedon	2.80	924.00
Jeffrey Strenkowski	5.50	1,402.50
Scott Woods	3.15	740.25
M. Renee Britt	1.07	208.65
Christine Johnson	0.92	133.40

John Fries	0.70	105.00
Totals	126.25	\$50,478.20

D. Access Charge Litigation (Matter 0024)

21. During the Case Period, Swidler devoted a significant amount of time advising the client with respect to a complaint filed against McLcodUSA by Qwest Communications Corporation and Qwest Corporation, an Incumbent Local Exchange Carrier and an Interexchange Carrier, relating to multi-million dollar claims that McLcodUSA allegedly owe the plaintiffs. This category includes review and analysis of interested party filings, response to requests for production of documents and participation in settlement negotiation conferences and the preparation of Settlement Agreements.

22. In connection with the foregoing services, Swidler professionals expended 109.90 hours for which Swidler seeks compensation of \$39,062.50. An itemized breakdown of services rendered during the Case Period is attached as Exhibit A-4. A general breakdown of these services is as follows:

Name	Total Hours	Total Value
Richard M. Rindler	17.90	\$8,088.00
Ky Kirby	11.00	5,927.00
Jonathan Frankel	38.10	14,340.00
Anitra D. Goodman	19.30	4,921.50
L. Misha Preheim	7.50	2,062.50
Scott D. Woods	14.60	3,431.00

M. Renee Britt	0.50	97.50
Deborah Raichelson	1.00	195.00
Totals	109.90	\$39,062.50

E. SBC v Global Crossing (Matter 0025)

23. During the Case Period, Swidler devoted time to staying this litigation in which McLeodUSA is a named defendant, analyzing related case developments, and exploring settlement possibilities.

24. In connection with the foregoing services, Swidler professionals expended 11.50 hours for which Swidler seeks compensation of \$4,687.50. An itemized breakdown of services rendered during the Case Period is attached as Exhibit A-5. A general breakdown of these services is as follows:

Name	Total Hours	Total Value
Richard M. Rindler	5.00	\$2,250.00
Jonathan Frankel	6.50	2,437.50
Totals	11.50	\$4,687.50

F. FCC/TRO General Regulatory (Matter 2004)

25. During the Case Period, Swidler monitored, advised the Debtor and participated in conferences relating to arbitration proceedings resulting from federal and state Orders issued on the subject of the availability of unbundled network elements essential to McLeodUSA's provision of services.

26. In connection with the foregoing services, Swidler professionals expended 2.80 hours for which Swidler seeks compensation of \$1,055.00. An itemized breakdown of services rendered during the Case Period is attached as Exhibit A-6. A general breakdown of these services is as follows:

Name	Total Hours	Total Value
Patrick Donovan	0.20	\$82.00
Joshua M. Bobeck	1.20	462.00
Paul Hudson	0.70	262.50
Philip J. Macres	0.70	248.50
Totals	2.80	\$1,055.00

G. Pathnet, Inc. Bankruptcy (Matter 0026)

27. During the Case Period, Swidler devoted time to advising the Debtor with respect to a claim previously filed by the Debtor, in the Debtor's capacity as successor by merger to CapRock Corporation, in the bankruptcy proceeding of Pathnet, Inc. Swidler also assisted in the preparation and filing of a response to the Trustee's objection to the Debtor's claim and attended a January 3, 2006 scheduling hearing in the Pathnet proceeding.

28. In connection with the foregoing services, Swidler professionals expended 1.60 hours for which Swidler seeks compensation of \$870.00. An itemized breakdown of services rendered during the Case Period is attached as Exhibit A-7. A general breakdown of these services is as follows:

Name	Total Hours	Total Value
Ky Kirby	1.60	\$870.00
Totals	1.60	\$870.00

29. An itemized breakdown of services rendered during the Reorganization Cases with respect to the above categories is attached collectively as Exhibit B.

RELIEF REQUESTED

30. All services for which compensation is requested were performed for and on behalf of the Debtors and not on behalf of any other entity or party in interest. Based on the nature of the services rendered, the time required, the value of the services to the Debtors and their estates, and the cost of comparable services other than in a case under the Bankruptcy Code, the compensation for these services should not be less than a total of \$178,063.20. By this Final Application, Swidler now seeks final allowance of \$178,063.20 in fees calculated at the applicable guideline hourly billing rates of the firm's personnel who have worked on the Reorganization Cases during the Case Period and \$7,781.15 in expenses and disbursements actually and necessarily incurred by Swidler while providing services to the Debtors during the Case Period.

31. Allowance of Professional Fees. During the Case Period, attorneys and paraprofessionals at Swidler billed an aggregate of 468.55 hours reflected in this Final

Application working on matters concerning the Debtors' Reorganization Cases. Of the aggregate time spent, 226.89 hours were spent by partners and counsel, 188.87 hours were spent by associates and 52.79 hours were spent by paraprofessionals. The average billable rate for all attorneys and paraprofessionals that worked on the Reorganization Cases is \$380.03. A summary showing the name and position of each such partner, counsel, associate and paraprofessional, together with that person's date of admission to the bar (as applicable), net hours during the Case Period and hourly billing rate, is attached as Exhibit C hereto.

32. Reimbursement of Charges and Disbursements. As disclosed in the Affidavit of Richard M. Rindler filed with the Court, it is Swidler's standard policy to charge its clients in all areas of practice for certain charges and disbursements incurred in connection with such clients' cases. It is Swidler's policy to charge its clients in all areas of practice for identifiable non-overhead expenses incurred in connection with the client's case that would not have been incurred except for representation of that particular client. It is Swidler's policy to charge its clients only the amount actually incurred by Swidler in connection with such items. Examples of such expenses include, among others, charges for reproduction, courier services (hand delivery and overnight express), postage, long distance telephone calls, business meals, travel and filing fees and legal notices necessitated by various federal and state regulatory filings. Swidler expended a total of \$7,781.15 for reasonable and necessary expenses in connection with its representation of the Debtors from October 28, 2005 through January 6, 2006.

33. During the Case Period, Swidler disbursed the following sums for actual and necessary charges and disbursements in the rendition of professional services in the Reorganization Cases, and requests that it be reimbursed therefor:

CHARGES AND DISBURSEMENTS INCURRED

Category	Amount Owed
Computerized Legal Research	\$ 5,486.90
Overnight Delivery Service	532.90
Filing Fees	400.00
Legal Notices	375.83
Travel Related Expenses	(338.40)
Reproduction (Photocopying and Printing)	505.69
Professional Services	102.00
Local Counsel Fees	159.00
Long Distance Telephone Charges	97.37
Draftman's Preparation of Drawings (Elko Daily Free Press)	95.71
Messenger Delivery Service	93.04
Travel Related Expenses	75.00
Ground Transportation	60.00
Outside Photocopying	60.54
Secretarial Services	42.00
U.S. Postage	13.39
Meal Charges	17.00
Parking Fees	3.18
Totals	\$7,781.15

34. Reproduction. It is Swidler's practice to charge all clients of the Firm for duplicating at the in-house rate of 20¢ per page, while photocopying by outside vendors is billed to the Debtors at the actual invoice amount. This charge includes the cost of maintaining the duplicating facilities and the actual cost involved with respect to the duplication.

35. Delivery Services (Courier/Express/Postage). It is Swidler's practice to use Federal Express or similar express mail delivery and third-party messenger services only in exigent circumstances (i.e., when needed to meet a deadline or when a next-day response from the recipient was necessary or beneficial to the Debtor's estate) and only when less costly than other available alternatives. Swidler charges clients for outgoing first class mail packages forwarded to Debtors for the dissemination of information and in conjunction with filings submitted to state and/or federal agencies on behalf of the Debtor.

36. Telecommunications -- It is Swidler's practice to charge clients for long distance telephone calls, including facsimile transmissions based on the applicable telephone rates. Swidler does not charge its client for local telephone calls.

37. Business Travel and Meals Expenses -- It is Swidler's practice to charge clients for out-of-town travel expenses at the actual cost and include air/rail travel, lodging, meals, taxi services and other reasonable miscellaneous items associated with travel. Local travel charges include taxis and parking fees.

38. Computerized Legal Research -- It is Swidler's practice to use computer-assisted legal research such as Westlaw, Lexis and PACER, when time pressure has reduced it impracticable to conduct such research manually. It is also Swidler's practice to use computer-assisted research to assist its clients and to reduce the amount of time spent by attorneys and

paraprofessionals in manual research when it was anticipated that the resulting manual research would have resulted in greater cost to the client.

39. Filing Fees and Publication Costs. In order to expedite processing of necessary state and FCC approvals Swidler often advances costs and fees required by the FCC and the state PUC's in connection with the filing and processing of applications and for the publication, in the appropriate newspapers, of legal notices to the public alerting them of certain transactions.

40. Exhibit B attached hereto, in addition to providing detail with respect to the fees billed in each Matter Category, also provides documentation regarding charges and disbursements incurred during the Case Period. The above charges and disbursements are reasonable and are consistent with those incurred by other practitioners in other large, complex Chapter 11 reorganization cases in this and other districts.

REASONABLENESS OF FEES, CHARGES AND DISBURSEMENTS

41. Section 330 of the Bankruptcy Code governs compensation of professionals in a bankruptcy case and provides that, when determining the amount of reasonable compensation to award to a professional, the Court should consider the nature, extent and value of the services to the bankrupt estate and all other relevant factors. 11 U.S.C. § 330(a)(3).

42. This Court has stated that "[i]n reviewing fee applications, the bankruptcy court must address three issues: were the services that are the subject of the application properly compensable; if so, were they actual and necessary; if so, how will they be valued?" In re Lifschultz Fast Freight, 140 B.R. 482, 485 (Bankr. N.D. Ill. 1992) citing In re Wildman, 72 Bankr. 700, 704 (Bankr. N.D. Ill. 1987).

43. This Final Application meets these requirements. First, Swidler's services are properly compensable. The Court entered the OCP Order pursuant to 11 U.S.C. § § 327(a), 330

and 331 authorizing the retention of Swidler in the capacity of an Ordinary Course Professional for the Debtors. Further, this Final Application is being properly filed pursuant to 11 U.S.C. § 330. Therefore, Swidler's services are properly compensable. See In re Lifschultz, 140 B.R. 482, 485 (Court found that where law firm was properly retained and law firm filed appropriate fee application, law firm's services were "properly compensable").

44. Second, compensation is proper for services that are actual and necessary. The Court found that "[s]ervices necessary under section 330 are those services that aid the professional's client in fulfilling its duties under the Code." Id. Further, "[n]ecessary services have always included services that aid in the administration of the case and help the client fulfill duties under bankruptcy law, whether or not those services result in a monetary benefit to the estate." Id. The services provided by Swidler were actual and necessary. As set forth in this Final Application, Swidler's services have assisted the Debtors in obtaining FCC and state PUC approval of the Reorganization in a timely manner, has represented the Debtors interest in numerous regulatory proceedings important to the current and future operations of the Debtors.

45. Third, "[o]nce the court has determined that the services for which compensation is sought were properly compensable and actual and necessary, it must determine the value of those services." Id. at 488. That is, "the court must evaluate what the 'actual, necessary services' were worth to the client, based upon the five criteria listed in section 330(a)(1)." Id. at 488. In accordance with the factors enumerated in 11 U.S.C. § 330, the amount requested herein by Swidler is fair and reasonable, and fairly represents the value the Debtors received from Swidler's services, given: (i) the nature of the bankruptcy cases, (ii) the novelty and complexity of the bankruptcy cases, (iii) the time and labor required to represent the Debtors effectively, (iv) the time limitations imposed by the bankruptcy cases, (v) the nature and extent of the services

rendered, (vi) Swidler's experience, reputation and ability, (vii) the value of Swidler's services, and (viii) the cost of comparable services other than in a case under title 11 of the United States Code.

46. Nature, complexity and limited expediency of the case. To maximize the value of these estates, the Debtors and their professionals pursued confirmation via a prepackaged plan of reorganization resulting in the Debtors' emergence from Chapter 11 within 49 days of the Petition Date.

47. The highly aggressive timetable pursuant to which the Reorganization Cases proceeded required Swidler and the other professionals involved to use every effort to seek to work quickly and efficiently.

48. Comparable services. Swidler's rates are consistent with rates charged to other clients in non-bankruptcy matters. Moreover, its rate structure was disclosed clearly in its Retention Application, which the Court approved and as to which no constituents objected

49. The amounts sought by Swidler are consistent with the fees, charges and disbursements incurred by other Chapter 11 debtors in cases of similar size, complexity and duration. Accordingly, the cost of comparable services supports the Final Application, and the services performed during the Case Period more than warrant the allowance of compensation, particularly in view of the results achieved.

50. Compliance with Guidelines. Swidler believes that this Final Application, together with the attachments hereto, substantially complies in all material respects with the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. §330 issued January 30, 1996. To the extent

this Final Application does not comply in every respect with the requirements of such guidelines, Swidler respectfully requests a waiver for any such technical non-compliance.

DISCLOSURES OF SWIDLER

51. There is no agreement or understanding between Swidler and any other person, other than the members, associates, and employees of Swidler, for the sharing of compensation received or to be received for services rendered in connection with this proceeding, except that fees will be shared with other partners of Swidler as permitted by Bankruptcy Rule 2016(b) and section 504 to the Bankruptcy Code.

NOTICE

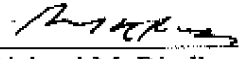
52. Notice of this Application has been given in accordance with the OCP Order. Swidler submits that such notice is adequate and sufficient. All parties in interest shall have thirty (30) days from the date of service of the notice of this first and final fee application as set forth on the certificate of service to object or otherwise respond to the relief sought in this application.

WHEREFORE, Swidler respectfully requests that the Court (a) grant it final allowance of \$178,063.20 as compensation for professional services rendered as attorneys for the Debtors during the Case Period plus reimbursement of actual and necessary charges and disbursements incurred during the Case Period in the amount of \$7,781.15; and (b) grant it such other and further relief as is just.

Dated: February 3, 2006

Respectfully submitted,

SWIDLER BERLIN LLP

By: 
Richard M. Rindler, Esq.

3000 K Street, N.W., Suite 300
Washington, D.C. 20007-5116
Telephone: (202) 424-7500
Facsimile: (202) 424-7647

EXHIBIT A

EXHIBIT A-1

General Regulatory Work

SWIDLER BERLIN LLP

FEDERAL IDENTIFICATION
No. 13-2679676

WASHINGTON, DC OFFICE
THE WASHINGTON HARBOUR
3000 K STREET, NW, SUITE 300
WASHINGTON, D.C. 20007-5116
TELEPHONE (202) 424-7500
FACSIMILE (202) 424-7647

NEW YORK OFFICE
THE CHRYSLER BUILDING
405 LEXINGTON AVENUE
NEW YORK, NY 10174
TELEPHONE (212) 973-0111
FACSIMILE (212) 891-9598

McLeodUSA Incorporated
McLeodUSA Technology Park
6400 C Street, SW
P.O. Box 3177
Cedar Rapids, IA 52406-3177
Attn: William A. Haas

CLIENT/CASE: 13995.0001

INVOICE DATE: 12/20/05
INVOICE NUMBER: 296291

RE: General

FOR PROFESSIONAL SERVICES RENDERED THROUGH NOVEMBER, 2005

DATE	ATTORNEY	PROFESSIONAL SERVICES	HOURS
11/01/05	Patrick Donovan	Respond to questions re merger conditions.	0.20
11/29/05	Patrick Donovan	Prepare comments re Anchorage forbearance; broadband service; Qwest forbearance.	1.50

SERVICES PERFORMED BY:	RATE	HOURS	AMOUNT
Patrick Donovan	\$410.00	1.70	\$697.00
TOTAL HOURS & FEES		1.70	\$697.00

OTHER CHARGES	AMOUNT
TOTAL OTHER CHARGES	\$0.00

CURRENT INVOICE DUE.....\$697.00

PREVIOUS BALANCE (Breakdown attached if applicable).....\$0.00

SWIDLER BERLIN LLP

McLeodUSA Incorporated
12/20/05
Page 2

CLIENT: 13995
MATTER: .0001
INVOICE: 296291

TOTAL AMOUNT DUE.....\$697.00

EXHIBIT A-2

Corporate

SWIDLER BERLIN LLP

FEDERAL IDENTIFICATION
NO. 13-2679676

WASHINGTON, DC OFFICE
THE WASHINGTON HARBOUR
3000 K STREET, NW, SUITE 300
WASHINGTON, D.C. 20007-5116
TELEPHONE (202) 424-7500
FACSIMILE (202) 424-7647

NEW YORK OFFICE
THE CHRYSLER BUILDING
405 LEXINGTON AVENUE
NEW YORK, NY 10174
TELEPHONE (212) 973-0111
FACSIMILE (212) 891-9598

McLeodUSA Incorporated
McLeodUSA Technology Park
6400 C Street, SW
P.O. Box 3177
Cedar Rapids, IA 52406-3177
Attn: Willliam A. Haas

CLIENT/CASE: 13995.0005

INVOICE DATE: 12/20/05
INVOICE NUMBER: 296292

RE: Corporate

FOR PROFESSIONAL SERVICES RENDERED THROUGH NOVEMBER, 2005

DATE	ATTORNEY	PROFESSIONAL SERVICES	HOURS
10/30/05	Eliot J. Greenwald	Check on ULS status of FCC Form 603 to assign LMDS licenses from McLeodUSA DIP to McLeodUSA (post-bankruptcy); memo to Mary Shultz at FCC.	0.40
10/31/05	Eliot J. Greenwald	Prepare and file FCC Form 605 to cancel McLeodUSA (pre-bankruptcy) aircraft radio license; update FCC Form 602 ownership report for McLeodUSA DIP.	0.80
10/31/05	Brian M. McDermott	Update status of state filings and update status matrix.	0.90
10/31/05	Danielle C. Burt	Call CA staff re advice letter filing containing CD-ROM (.3); prepare letter and send additional CD-ROM to CA staff of advice letter 14 (.7); prepare and file NH notice letter and forms (1).	2.00
10/31/05	Jean L. Kiddoo	Review press release re Chapter 11 filing and follow up re radio license transfers; correspondence with J. Mellvain (CA PUC) re Advice Letter; revise status chart; prepare memorandum to P. Carroll and J. Thompson re ATS/Mediacom transaction, applicability of Section 652.	4.70

SWIDLER BERLIN LLP

McLeodUSA Incorporated
12/20/05
Page 2

CLIENT: 13995
MATTER: .0005
INVOICE: 296292

DATE	ATTORNEY	PROFESSIONAL SERVICES	HOURS
11/01/05	Danielle C. Burt	Conference call to discuss status of FCC and state applications (1); calls to PA PUC staff re docketing of application and draft email to PA PUC staff re docketing and timing for approval (.7); check TX docket via PUC website and call staff (.5); send copy of NY application to B. McDermott (.1).	2.30
11/01/05	Brian M. McDermott	Prepare for status conference (.7); conference call re status (1.0); update status of state and FCC filings and follow-up with local counsels and staff (2.8).	4.50
11/01/05	M. Renee Britt	Research and obtain copy of McLeodUSA reorganization petition and first day motions and orders; review of conflicts reports and summary of disclosure of connections to creditors.	3.50
11/01/05	Jean L. Kiddoo	Review and revise memorandum re ATIS/Mediacom acquisition, applicability of Section 652 and correspondence/telephone calls with A. Bresnahan and B. Haas re same (4.9); conference call with McLeod, local counsel re status of state proceedings (1.7); update status chart (.6); telephone call with D. Beebe (PA PUC) re expedition of application and follow up memorandum to D. Kirkwood, J. McNulty and D. Trout re same (1.0).	8.20
11/02/05	Jean L. Kiddoo	Review FCC radio license submissions and related correspondence (.6); telephone call with A. Bresnahan re Section 652 issues and fax copy of memorandum to Bresnahan (.8).	1.40
11/02/05	M. Renee Britt	Review conflicts reports and summary of disclosure of connections to creditors.	1.50
11/02/05	Richard M. Rindler	Work on OCP affidavit.	1.00
11/02/05	Brian M. McDermott	Update status of state applications for transfer and update matrix on status of state filings.	2.60
11/02/05	Andrew D. Lipman	Review McLeod reorganization issues.	0.50
11/02/05	Eliot J. Greenwald	Work on application for aircraft license post-bankruptcy; review FCC public notices re LMDS licenses and follow-up.	1.20
11/03/05	Brian M. McDermott	Review and transmit MD approval (.3); teleconferences with FCC and TX staff re pending applications (.5).	0.80

SWIDLER BERLIN LLP

McLeodUSA Incorporated
12/20/05
Page 3

CLIENT: 13995
MATTER: .0005
INVOICE: 296292

DATE	ATTORNEY	PROFESSIONAL SERVICES	HOURS
11/03/05	Eliot J. Greenwald	Work on aircraft radio license application (post-bankruptcy); follow-up on FCC processing of application to assign LMDS licenses from McLeodUSA DIP to McLeodUSA (post-bankruptcy).	0.80
11/03/05	M. Renee Britt	Review conflicts reports and summary of disclosure of connections to creditors.	2.50
11/03/05	Jean L. Kiddoo	Telephone calls with A. Bresnahan and B. Haas re Section 652 memorandum and revise memorandum per B. Haas and J. Thompson comments (3.3).	3.30
11/04/05	Jean L. Kiddoo	Revise Section 652 memorandum re ATS/Mediacom transaction and telephone calls and correspondence with B. Haas and J. Thompson re same (2.9); review PA PUC docket order and approval of securities certificate and send same to J. Thompson, B. Haas, B. Courter and A. Bresnahan (.7); revise status chart (.7).	4.30
11/04/05	M. Renee Britt	Review conflicts reports and summary of disclosure of connections to creditors.	4.00
11/04/05	Eliot J. Greenwald	Add LMDS licenses to regulatory status chart on bankruptcy.	0.60
11/04/05	Andrew D. Lipman	Follow up on McLeod restructuring issues.	0.50
11/04/05	Brian M. McDermott	Update status of state filings and revise matrix.	0.40
11/04/05	Danielle C. Burt	Update status chart and send to client.	0.50
11/07/05	Danielle C. Burt	Call PA PUC to inquire about staff assigned to review application.	0.20
11/07/05	Brian M. McDermott	Draft and file responses to FCC international Bureau (1.5); update status of pending state applications and revise matrix (1.1).	2.60
11/07/05	Eliot J. Greenwald	Update status chart; follow-up on ownership information post bankruptcy.	0.60
11/07/05	M. Renee Britt	Review conflicts reports and summary of disclosure of connections to creditors.	6.70
11/07/05	Richard M. Rindler	Work on OCP affidavit.	2.50

SWIDLER BERLIN LLP

McLeodUSA Incorporated
12/20/05
Page 4

CLIENT: 13995
MATTER: .0005
INVOICE: 296292

DATE	ATTORNEY	PROFESSIONAL SERVICES	HOURS
11/07/05	Jean L. Kiddoo	Respond to FCC data requests re investor ownership (.7); review VT Staff recommendation and related correspondence (.3); review options for FCC order issuance (.7).	1.70
11/08/05	Jean L. Kiddoo	Review and revise draft FCC pro forma notification, research re same, and correspondence to/from J. Thompson re FCC notice.	1.20
11/08/05	Richard M. Rindler	Preparation of OCP Affidavit (1.2); determine status of disclosure (.2).	1.40
11/08/05	M. Renee Britt	Review conflicts reports and summary of disclosure of connections to creditors.	3.00
11/08/05	Brian M. McDermott	Draft and revise FCC Dip filing (.8); update status of state filings and matrix (.7).	1.50
11/08/05	Danielle C. Burt	Draft and revise FCC notice of pro forma assignment of 214 to DIP entity.	1.80
11/09/05	Danielle C. Burt	Prepare and file FCC notice re pro forma assignment (.3); call PA PUC to inquire about staff assigned to review application (.2).	0.50
11/09/05	Brian M. McDermott	File Dip notice (.8); update status of state filings and update matrix (3.4); attention to resolving TN name issue (.6).	4.80
11/09/05	Jean L. Kiddoo	Review FCC and state filings, orders and correspondence re same.	0.90
11/10/05	Jean L. Kiddoo	Review correspondence re state applications; review and revise draft TN order.	0.60
11/10/05	M. Renee Britt	Review conflicts reports and summary of disclosure of connections to creditors.	4.00
11/10/05	Richard M. Rindler	Review J. Thompson message re SBC withholding.	0.10
11/10/05	Brian M. McDermott	Review proposed TN order (.3); review and transmit NC order approving transaction (.3); update status and matrix of state filings (1.2).	1.80
11/10/05	Danielle C. Burt	Call with PA PUC staff re application questions (.5); email to PA PUC staff to transmit modified corporate charts and other requested information (.3).	0.80

SWIDLER BERLIN LLP

McLeodUSA Incorporated
12/20/05
Page 5

CLIENT: 13995
MATTER: .0005
INVOICE: 296292

DATE	ATTORNEY	PROFESSIONAL SERVICES	HOURS
11/11/05	Danielle C. Burt	Conference call to discuss status (.5); call PA PUC staff to discuss agenda dates (.2).	0.70
11/11/05	Brian M. McDermott	Conference re status of state filings (1.0); response to FCC request for additional information concerning creditor votes (.3); update status and revise status chart (.9).	2.20
11/11/05	M. Renee Britt	Review conflicts reports and summary of disclosure of connections to creditors.	2.70
11/11/05	Jean L. Kiddoo	Update and review status chart and conference call with J. Thompson, B. Courter, B. Haas, A. Bresnahan re same.	1.30
11/14/05	Andrew D. Lipman	Review and comment on McLeod reorganization issues.	0.50
11/14/05	Brian M. McDermott	Update status of state and FCC filings (.4); coordinate for FCC conference call re restructuring (.5).	0.90
11/14/05	Danielle C. Burt	Retrieve date-stamp copies of state notices and send electronically to B. McDermott.	0.50
11/15/05	Danielle C. Burt	Call with PA PUC staff (.2) and email copy of reorganization plan to PA PUC staff (.4).	0.40
11/15/05	Brian M. McDermott	Conference and summary of conference with FCC re treatment of restructuring (1.5); review WV and WY orders approving transactions(.5); update status of state proceedings and update matrix (1.0).	3.00
11/15/05	M. Renee Britt	Review conflicts reports and summary of disclosure of connections to creditors.	2.50
11/15/05	Richard M. Rindler	Telephone call from S. Skinner; FCC re: international 214.	0.80
11/16/05	M. Renee Britt	Review conflicts reports and summary of disclosure of connections to creditors.	2.00
11/16/05	Brian M. McDermott	Conferences with FCC re status and streamlined treatment (.5); update matrix for status in various states (.5).	1.00
11/17/05	Brian M. McDermott	Update and transmit status matrix (.4); teleconference with FCC re Public Notice (.1).	0.50
11/17/05	Danielle C. Burt	Discuss PA approval timing with B. McDermott.	0.10

SWIDLER BERLIN LLP

McLeodUSA Incorporated
 12/20/05
 Page 6

CLIENT: 13995
 MATTER: .0005
 INVOICE: 296292

DATE	ATTORNEY	PROFESSIONAL SERVICES	HOURS
11/17/05	M. Rence Britt	Review conflicts reports and summary of disclosure of connections to creditors.	1.00
11/18/05	Richard M. Rindler	Consider and research FCC inquiry re 2002 Caprock 214.	0.30
11/18/05	M. Renee Britt	Review conflicts reports and summary of disclosure of connections to creditors.	3.00
11/18/05	Danielle C. Burt	Call PA PUC staff re status of application for 12/1 agenda (.2); discuss third supplement to FCC with B. McDermott (.1).	0.30
11/18/05	Brian M. McDermott	Review VT approval (.2); update status of state filings and update matrix (.7); prepare FCC 3rd supplement (.4); research status of Caprock licenses in response to FCC inquiry (1.0).	2.30
11/18/05	Catherine Wang	Brief consult with R. Rindler re McLeod regulatory issues.	0.20
11/21/05	Brett P. Ferenczak	Review Caprock surrender of certificate.	0.10
11/21/05	Brian M. McDermott	Update status of restructuring filings and revise matrix.	0.90
11/21/05	Danielle C. Burt	Prepare and file FCC third supplement (.7); send copy via email to FCC staff (.2); call PA PUC staff re agenda timing (.1).	1.00
11/21/05	Andrew D. Lipman	Teleconference with C. Taylor; restructuring points.	0.70
11/21/05	Jean L. Kiddoo	Review correspondence, approvals.	0.60
11/21/05	M. Renee Britt	Review conflicts reports and summary of disclosure of connections to creditors.	3.50
11/22/05	M. Renee Britt	Review conflicts reports and summary of disclosure of connections to creditors.	1.50
11/22/05	Richard M. Rindler	Review conflict analysis and docket sheets.	0.50
11/22/05	Jean L. Kiddoo	Review issues raised by FCC and research status of Caprock certificates (.9); telephone call to L. Ray (FCC) re wireless license transfers, approval timing and follow up re same (.6); review correspondence/status of approvals, TX questions (.3).	1.80
11/22/05	Danielle C. Burt	Review FCC notice to remove domestic application from streamlining.	0.10

SWIDLER BERLIN LLP

McLeodUSA Incorporated
 12/20/05
 Page 7

CLIENT: 13995
 MATTER: .0005
 INVOICE: 296292

DATE	ATTORNEY	PROFESSIONAL SERVICES	HOURS
11/22/05	Brian M. McDermott	Review TX and AZ staff recommendations (.5); teleconference with FCC staff re non-streamlined treatment and coordinate approval on 12/16 (.7); update status of state filings and updating matrix (1.2).	2.40
11/22/05	Catherine Wang	Confer with J. Kiddoo re status of FCC Section 214 authority of CapRock; review 2003 filings to determine status.	0.30
11/23/05	Brian M. McDermott	Confer re NY timing.	0.10
11/23/05	Andrew D. Lipman	Follow up with McLeod; teleconference re restructuring issues.	0.50
11/23/05	M. Renee Britt	Research and obtain filings from reorganization Docket 05-63230 relating to ordinary course professionals and claims in the ordinary course of business.	0.50
11/28/05	Jean L. Kiddoo	Follow up with L. Ray (FCC) re wireless licenses.	0.60
11/28/05	Jean L. Kiddoo	Review correspondence re approvals, status of remaining states.	0.30
11/28/05	Eliot J. Greenwald	Follow-up with Pat Mastel on transfer of control of satellite earth stations to PrairieWave; check IBFS database; follow-up with Bill Courter.	0.40
11/28/05	Danielle C. Burt	Call PA PUC staff to check whether application is on 12/1 agenda.	0.10
11/28/05	Brian M. McDermott	Update status of state filings and transmit approval materials in TX and DE.	1.50
11/28/05	Catherine Wang	Brief consults on VoIP E911 compliance filing.	0.50
11/29/05	Brian M. McDermott	Update and transmit state matrix.	1.40
11/29/05	Jean L. Kiddoo	Review and respond to local counsel correspondence re state approvals.	0.30
11/29/05	Richard M. Rindler	Work on OCP affidavit.	1.00
11/29/05	M. Renee Britt	Confer with R. Rindler re ordinary course affidavit; obtain information for supplemental conflicts inquiry.	2.00

SWIDLER BERLIN LLP

McLeodUSA Incorporated
12/20/05
Page 8

CLIENT: 13995
MATTER: .0005
INVOICE: 296292

DATE	ATTORNEY	PROFESSIONAL SERVICES	HOURS
11/30/05	M. Renee Britt	Finalize Exhibit A to accompany retention affidavit and file affidavit; confirm procedures for filing with Court; prepare transmittal letter and notice of filing; prepare service list and facilitate servicing of affidavit.	4.00
11/30/05	Scott D. Woods	Research procedural requirements in Northern District of Illinois Bankruptcy Court - Electronic Filing System.	0.40
11/30/05	Richard M. Rindler	Finalize OCP affidavit.	1.50
11/30/05	Jean L. Kiddoo	Review and respond to correspondence re state and FCC approvals, status chart.	0.80
11/30/05	Brian M. McDermott	Conference with FCC staff re Caprock surrender issue and coordinate surrender filing (.9); update status matrix (.5).	1.40
11/30/05	Danielle C. Burt	Check PA PUC 12/1 agenda (.3); draft letter to FCC re surrender of CapRock 214 license (1.2).	1.50
11/30/05	Eliot J. Greenwald	Check FCC public notice for status of LMDS assignment application and follow-up; update status sheet.	0.40

SERVICES PERFORMED BY:	RATE	HOURS	AMOUNT
Jean L. Kiddoo	\$540.00	32.00	\$17,280.00
Andrew D. Lipman	\$580.00	2.70	\$1,566.00
Richard M. Rindler	\$450.00	9.10	\$4,095.00
Catherine Wang	\$535.00	1.00	\$535.00
Eliot J. Greenwald	\$410.00	5.20	\$2,132.00
Danielle C. Burt	\$255.00	12.80	\$3,264.00
Brett Ferencak	\$355.00	0.10	\$35.50
Brian M. McDermott	\$355.00	37.50	\$13,312.50
Scott D. Woods	\$235.00	0.40	\$94.00
M. Renee Britt	\$195.00	47.90	\$9,340.50
TOTAL HOURS & FEES		148.70	\$51,654.50

SWIDLER BERLIN LLP

McLeodUSA Incorporated
12/20/05
Page 9

CLIENT: 13995
MATTER: .0005
INVOICE: 296292

OTHER CHARGES	AMOUNT
Photocopy & Printing	78.00
Telephone	5.26
Postage	3.92
Secretarial Services	16.00
Westlaw Legal Research	28.39
Delivery Service	46.52
Federal Express	448.85
Filing Fees	150.00
Professional Services	102.00
Legal Notice	204.13
Draftsman's Preparation of Drawings	95.71
Telephone	79.28
TOTAL OTHER CHARGES	\$1,258.06

CURRENT INVOICE DUE.....\$52,912.56

PREVIOUS BALANCE (Breakdown attached if applicable).....\$74,339.62

TOTAL AMOUNT DUE.....\$127,252.18

SWIDLER BERLIN LLP

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P.O. Box 3177
Cedar Rapids, IA 52406-3177
Attn: William A. Haas

CLIENT/CASE: 13995.0005

INVOICE DATE: 01/25/06
INVOICE NUMBER: 297758

RE: Corporate

FOR PROFESSIONAL SERVICES RENDERED THROUGH JANUARY, 2006

DATE	ATTORNEY	PROFESSIONAL SERVICES	HOURS
12/01/05	Eliot J. Greenwald	Follow-up on FCC processing issues for application to emerge from bankruptcy.	0.10
12/01/05	Brian M. McDermott	Revise surrender letter for CapRock certificate.	0.50
12/01/05	Danielle C. Burt	Check PA PUC agenda decisions.	0.20
12/01/05	Jean L. Kiddoo	Research and advise re operator services obligations at aggregator locations (hotels) (.4); review state approvals and related correspondence (.3).	0.70
12/02/05	Jean L. Kiddoo	Review state approvals, related correspondence (.4); review and revise status chart (.3).	0.70
12/02/05	Richard M. Rindler	Confer with J. Frankel re Qwest document request re wireless claims (.2); review document request (.3); meeting re response to request (.2); review documents (.4).	1.10
12/02/05	Danielle C. Burt	Prepare and file FCC notice letter re surrender of CapRock 214 license (.5), call PA PUC staff for information on when order will be released (.2).	0.70

SWIDLER BERLIN LLP

McLeodUSA Incorporated
01/25/06
Page 2

CLIENT: 13995
MATTER: .0005
INVOICE: 297758

DATE	ATTORNEY	PROFESSIONAL SERVICES	HOURS
12/02/05	Brian M. McDermott	Update status of state filings and update matrix (1.4); conference with staff re CapRock surrender (.4).	1.80
12/05/05	Brian M. McDermott	Update state filing matrix.	0.40
12/05/05	Jean L. Kiddoo	Correspondence with M. Patten re AZ CC questions and advise re responses.	0.60
12/06/05	Jean L. Kiddoo	Review state approvals and related correspondence (.4); prepare summary of regulatory status (.3).	0.70
12/06/05	Andrew D. Lipman	Teleconference re McLeod reorganization.	0.70
12/06/05	Brian M. McDermott	Compile restructuring approvals for bank disclosure.	0.90
12/06/05	Danielle C. Burt	Check PA PUC website for copy of approval order.	0.30
12/07/05	Danielle C. Burt	Prepare electronic document of all state and federal approvals (4.2) and email copy of PA approval (.3).	4.50
12/07/05	Brian M. McDermott	Compile approval materials for closing binder.	0.80
12/07/05	Andrew D. Lipman	Address McLeod reorganization issues.	0.50
12/07/05	Jean L. Kiddoo	Review state approval and related correspondence.	0.30
12/08/05	Jean L. Kiddoo	Correspondence and telephone call with A. Bresnahan re FCC approval.	0.40
12/08/05	M. Renee Britt	Follow-up call to Reno Gazette re payment for publication of NV notice.	0.10
12/09/05	Jean L. Kiddoo	Review and research B. Haas question re wireless licenses (1.1); prepare ownership disclosure for federal court filings and correspondence with A. Bresnahan re same (.9); telephonic call with F. Perlman re SBC objections, request for deposit and research re same (3.3); review state order (.2).	5.50
12/09/05	Andrew D. Lipman	Review and follow up on cable, reorganization issues.	0.50
12/09/05	Eliot J. Greenwald	Review LMDS licenses for frequency assignments.	0.30
12/09/05	Danielle C. Burt	Review LDMS license frequencies (1.1) and send public notice of surrender of CapRock 214 authority to B. McDermott (.2).	1.30
12/10/05	Andrew D. Lipman	Follow up on re-organization/restructure issues.	0.70

SWIDLER BERLIN LLP

McLeodUSA Incorporated
01/25/06
Page 3

CLIENT: 13995
MATTER: .0005
INVOICE: 297758

DATE	ATTORNEY	PROFESSIONAL SERVICES	HOURS
12/12/05	Brian M. McDermott	Update state and FCC matrix for status of restructuring filings.	1.20
12/12/05	Danielle C. Burt	Contact agency to set up Internet connection for NY PSC agenda scheduled for December 14.	0.40
12/12/05	Jean L. Kiddoo	Review correspondence and revise draft disclosure statement for federal court filing.	0.50
12/12/05	Andrew D. Lipman	Teleconference re McLeod reorganization issues(.4); teleconference with FTI (.3); answer inquiries(.3).	1.00
12/13/05	M. Renee Britt	Follow-up with Tanna of the Reno Gazette re payment for publication of NV notice.	0.20
12/13/05	Jean L. Kiddoo	Follow up with J. Thompson and F. Perlman re SBC issue and research re same.	2.80
12/13/05	Brian M. McDermott	Teleconference with FCC re timing of restructuring transaction.	0.20
12/14/05	Danielle C. Burt	Listen to NY PSC agenda meeting for approval.	0.40
12/14/05	Jean L. Kiddoo	Telephone call with FCC Wireline Bureau re issuance of order approving transfer and follow up with M. Murphy (Skadden) re same (.9); telephone call with B. Haas re SBC deposit issue and follow up correspondence re same (.8); review state approval (.2).	1.90
12/14/05	Brian M. McDermott	Teleconference with FCC staff re Bankruptcy Court approval and timing of FCC approval (.5); attention to NY approval and revise matrix (.3).	0.80
12/14/05	Eliot J. Greenwald	Check on status of LMDS assignment application.	0.10
12/15/05	Eliot J. Greenwald	Conference with Linda Ray re FCC process for granting wireless applications from DIP to restructured McLeod.	0.20
12/15/05	Jean L. Kiddoo	Review status of bankruptcy court order and note and telephone calls with Skadden, various FCC staff re same.	1.60
12/15/05	Brian M. McDermott	Teleconference with FCC re timing of approvals (.5); update filings tracking matrix (.8).	1.30
12/16/05	Danielle C. Burt	Calls with M. Murphy re providing court order approving reorganization plan to the FCC.	0.40

SWIDLER BERLIN LLP

McLeodUSA Incorporated
01/25/06
Page 4

CLIENT: 13995
MATTER: .0005
INVOICE: 297758

DATE	ATTORNEY	PROFESSIONAL SERVICES	HOURS
12/16/05	Brian M. McDermott	Confer re Bankruptcy Court Order (.5); transmit same to FCC (.2); review NY approval (.3).	1.00
12/16/05	Jean L. Kiddoo	Follow up with FCC re confirmation order, approvals.	0.90
12/16/05	Andrew D. Lipman	McLeod restructuring issues.	0.50
12/19/05	Richard M. Rindler	Review confirmation order and first day orders (.5) telephone call to B. Haas re SBC and Qwest settlement (.3); review SBC settlement (.2).	1.00
12/19/05	Jean L. Kiddoo	Telephone call with L. Ray (FCC) re wireless licenses, approval status and follow up with client re same (.7); review state approval (.2).	0.90
12/19/05	Brian M. McDermott	Update status of FCC approvals.	0.30
12/20/05	Danielle C. Burt	Send copy of FCC domestic public notice to client (.4), discuss wireless and international approval timeframe with J. Kiddoo (.2), and email client re international and wireless approvals (.4).	0.80
12/20/05	Andrew D. Lipman	Follow up on McLeod bankruptcy issues (.3); confer with R. Rindler (.2).	0.50
12/20/05	Andrew D. Lipman	Follow up on McLeod bankruptcy issues; confer with R. Rindler.	0.50
12/20/05	Jean L. Kiddoo	Review FCC, state approvals, status and correspondence re same.	0.40
12/20/05	Eliot J. Greenwald	Follow-up on status of FCC processing of wireless applications to emerge from DIP.	0.20
12/21/05	Jean L. Kiddoo	Telephone call with L. Ray (FCC) re wireless applications, status of grant and advise re same (.6); telephone call with M. Murphy re schedule for closing (.3); follow up with FCC re wireless licenses, domestic approval (.9); send print out of FCC wireless approval to Skadden and client (.3); review state approval (.1).	2.20
12/21/05	Andrew D. Lipman	Teleconference with R. Lipman (.2); answer McLeod issues (.3); review reorganization issues (.2).	0.70
12/21/05	Danielle C. Burt	Update status chart.	1.50
12/21/05	Brian M. McDermott	Review correspondence re FCC approvals.	0.30

SWIDLER BERLIN LLP

McLeodUSA Incorporated
01/25/06
Page 5

CLIENT: 13995
MATTER: .0005
INVOICE: 297758

DATE	ATTORNEY	PROFESSIONAL SERVICES	HOURS
12/21/05	Eliot J. Greenwald	Memorandum to and conference with Linda Ray re status of LMDS assignment application and follow-up.	0.70
12/22/05	Brian M. McDermott	Review FCC international order.	0.10
12/22/05	Andrew D. Lipman	Review and address reorganization issues (.3); teleconference with R. Lipman (.2).	0.50
12/22/05	Danielle C. Burt	Email copy of FCC public notice re international application approval to client.	0.30
12/22/05	Jean L. Kiddoo	Review FCC approval.	0.20
12/22/05	M. Renee Britt	Research and obtain Reorganization confirmation Order (.1); obtain notice confirming grant of international transfer application (.1).	0.20
12/23/05	Andrew D. Lipman	Follow up on McLeod reorganization issues (.2); teleconference with R. Lipman (.1); confer with R. Rindler (.2).	0.50
12/29/05	Andrew D. Lipman	Teleconference re McLeod reorganization issues (.2); McLeod filings (.1); teleconference with R. Lipman (.2).	0.50
01/03/06	M. Renee Britt	Confirm entry date of confirmation Order for determining deadline for final fee applications.	0.10
01/03/06	Andrew D. Lipman	Follow up on McLeod inquiry, reorganization issues.	0.50
01/03/06	Eliot J. Greenwald	Review public notice on grant of LMDS assignment application and follow-up.	0.20
01/03/06	Jean L. Kiddoo	Review closing materials and respond to status inquiries.	1.20
01/04/06	Jean L. Kiddoo	Correspondence with J. Thompson, A. Bresnahan re schedule for emergence, post closing consummation notices to FCC and state PUCs.	0.20
01/04/06	Richard M. Rindler	Search for authorization data.	0.30
01/04/06	M. Renee Britt	Review invoices in preparation for drafting final fee application.	0.10
01/04/06	Danielle C. Burt	Prepare chart of company's state authorizations.	2.50
01/04/06	Brian M. McDermott	Compile Restructuring and state certification materials for advice letter exhibit.	2.00
01/04/06	Andrew D. Lipman	Review and comment on McLeod/R. Holland issues.	0.50

SWIDLER BERLIN LLP

McLeodUSA Incorporated
01/25/06
Page 6

CLIENT: 13995
MATTER: .0005
INVOICE: 297758

DATE	ATTORNEY	PROFESSIONAL SERVICES	HOURS
01/05/06	Andrew D. Lipman	Discuss McLeod's restructuring issues.	0.50
01/05/06	Danielle C. Burt	Revise chart of company's state authorizations to add FCC 214 authority.	0.30
01/05/06	Eliot J. Greenwald	Update FCC authorization chart and follow-up.	0.50
01/06/06	Richard M. Rindler	Telephone call with A. Bresnahan re existing financing opinion letter (.3); work on draft (2.0); telephone call with A. Bresnahan (.2); telephone call with Bresnahan and Thompson (.3).	2.80
01/06/06	Jean L. Kiddoo	Review issues for legal opinion and officer's certificate for exit financing and memorandum to A. Bresnahan and M. Murphy re same (1.2); review form of opinion provided by JP Morgan and review license list for same (.7).	1.90
01/07/06	Andrew D. Lipman	McLeod reorganization; follow up on inquiries.	0.50

SERVICES PERFORMED BY:	RATE	HOURS	AMOUNT
Jean L. Kiddoo	\$580.00	3.30	\$1,914.00
Jean L. Kiddoo	\$540.00	20.30	\$10,962.00
Andrew D. Lipman	\$620.00	2.00	\$1,240.00
Andrew D. Lipman	\$580.00	7.10	\$4,118.00
Richard M. Rindler	\$480.00	3.10	\$1,488.00
Richard M. Rindler	\$450.00	2.10	\$945.00
Eliot J. Greenwald	\$440.00	0.70	\$308.00
Eliot J. Greenwald	\$410.00	1.60	\$656.00
Danielle C. Burt	\$295.00	2.80	\$826.00
Danielle C. Burt	\$255.00	10.80	\$2,754.00
Brian M. McDermott	\$400.00	2.00	\$800.00
Brian M. McDermott	\$355.00	9.60	\$3,408.00
M. Renee Britt	\$210.00	0.20	\$42.00

SWIDLER BERLIN LLP

McLeodUSA Incorporated
 01/25/06
 Page 7

CLIENT: 13995
 MATTER: .0005
 INVOICE: 297758

SERVICES PERFORMED BY:	RATE	HOURS	AMOUNT
M. Renee Britt	\$195.00	0.50	\$97.50
TOTAL HOURS & FEES		66.10	\$29,558.50

OTHER CHARGES	AMOUNT
Photocopy & Printing	1.40
Telephone	0.89
Calling Card Charges	3.61
Delivery Service	31.72
Federal Express	66.06
Legal Notice	0.00
TOTAL OTHER CHARGES	\$103.68

CURRENT INVOICE DUE.....\$29,662.18

PREVIOUS BALANCE (Breakdown attached if applicable).....\$0.00

TOTAL AMOUNT DUE.....\$29,662.18

EXHIBIT A-3

Regulatory Policy

SWIDLER BERLIN LLP

FEDERAL IDENTIFICATION
NO. 13-2679676

WASHINGTON, DC OFFICE
THE WASHINGTON HARBOUR
3000 K STREET, NW, SUITE 300
WASHINGTON, D.C. 20007-5116
TELEPHONE (202) 424-7500
FACSIMILE (202) 424-7647

NEW YORK OFFICE
THE CHRYSLER BUILDING
405 LEXINGTON AVENUE
NEW YORK, NY 10174
TELEPHONE (212) 973-0111
FACSIMILE (212) 891-9598

McLeodUSA Incorporated
McLeodUSA Technology Park
6400 C Street, SW
P.O. Box 3177
Cedar Rapids, IA 52406-3177
Attn: William A. Haas

CLIENT/CASE: 13995.0006

INVOICE DATE: 12/20/05
INVOICE NUMBER: 296293

RE: Policy

FOR PROFESSIONAL SERVICES RENDERED THROUGH NOVEMBER, 2005

DATE	ATTORNEY	PROFESSIONAL SERVICES	HOURS
10/30/05	Andrew D. Lipman	Follow up on regulatory memorandum.	0.50
10/31/05	Philip J. Macres	Attend FCC open meeting that voted on the SBC/AT&T merger; discuss how and why certain the FCC imposed certain conditions with legal advisors to the Commissioners; prepare and finalize advisory to clients re the FCC and DOJ decisions approving the mergers; discuss conditions imposed on the mergers.	0.80
10/31/05	Patrick Donovan	Advise re FCC merger conditions; prepare memorandum re same.	1.00
10/31/05	Richard M. Rindler	Discuss DOJ sale provisions with A. Lipman; discuss same with W. Quill.	0.10
10/31/05	M. Renee Britt	Facilitate and coordinate viewing of FCC open meeting discussing approval of merger application; obtain news released and Commissioner statements, research and obtain recent submissions in merger Docket 05-65.	0.30
11/01/05	M. Renee Britt	Review Federal Register for publication of DOJ consent decrees and final judgment.	0.10

SWIDLER BERLIN LLP

McLeodUSA Incorporated
 12/20/05
 Page 2

CLIENT: 13995
 MATTER: .0006
 INVOICE: 296293

DATE	ATTORNEY	PROFESSIONAL SERVICES	HOURS
11/01/05	M. Renee Britt	Review Federal Register for publication of DOJ consent decrees and final judgment.	0.10
11/01/05	Philip J. Macres	Address issues associated with conditions the FCC and DOJ imposed on the SBC/AT&T merger.	0.10
11/01/05	Patrick Donovan	Analysis and advise re merger conditions.	0.20
11/02/05	Philip J. Macres	Discuss issues associated with conditions the FCC and DOJ imposed on the SBC/AT&T merger.	0.10
11/02/05	Philip J. Macres	Discuss issues associated with conditions the FCC and DOJ imposed on the Verizon/MCI merger.	0.10
11/03/05	Brett P. Ferenczak	Correspond with B. Haas re new ND registration requirements and FCC discontinuance filing.	0.10
11/04/05	Catherine Wang	Follow up on VoIP issues.	0.30
11/04/05	M. Renee Britt	Daily monitoring of Federal Register for publication of DOJ consent decrees and final judgment.	0.10
11/04/05	Patrick Donovan	Prepare memorandum re DOJ merger divestiture process.	0.10
11/04/05	Patrick Donovan	Prepare comments re Qwest "circuit flipping" petition.	0.40
11/08/05	William B. Wilhelm	Advise client re VoIP E911 advisory and marketing and sales restriction.	0.50
11/11/05	M. Renee Britt	Daily monitoring of federal register for publication of DOJ consent decrees and final judgment.	0.10
11/11/05	Christine Johnson	Monitor FCC Posting orders and monitor Federal Register posting mergers DOJ Consent Decree.	0.20
11/15/05	Patrick Donovan	Prepare comments re Anchorage forbearance.	0.10
11/15/05	Patrick Donovan	Prepare comments re Qwest forbearance.	0.40
11/15/05	Patrick Donovan	Telephone call with W. Courter; research re caller ID rules; prepare comments re Anchorage forbearance; Qwest forbearance.	1.50
11/16/05	Patrick Donovan	Telephone call with W. Haas re wireless carrier charges; research same; telephone call with W. Courter; research re access lines.	1.50
11/16/05	Andrew D. Lipman	McLeod regulatory inquiries.	0.50

SWIDLER BERLIN LLP

McLeodUSA Incorporated
 12/20/05
 Page 3

CLIENT: 13995
 MATTER: .0006
 INVOICE: 296293

DATE	ATTORNEY	PROFESSIONAL SERVICES	HOURS
11/16/05	Catherine Wang	Prepare and revise template for compliance letter on VoIP E911 (.2); revise client certification (.1).	0.30
11/16/05	Scott D. Woods	Teleconference with VoIP working group re E-911 Extension/Waiver Petition; begin drafting Waiver Petition; review E-911 Order (6/3/05); review VoIP working group documents.	0.70
11/17/05	Wendy M. Creeden	Review and respond to correspondence from B. Haas re information needed for VoIP E911 compliance report.	0.50
11/17/05	Catherine Wang	Review template questionnaire for VoIP E911 compliance and waiver/extension of time.	0.30
11/17/05	Paul O. Gagnier	Research in connection with preparation of compliance reports and waiver petitions re VoIP E911; review and revise draft petition; teleconferences and correspondence re same.	0.70
11/17/05	Andrew D. Lipman	Review McLeod inquiry.	0.50
11/18/05	Andrew D. Lipman	Review and comment on McLeod regulatory issues.	0.50
11/18/05	Brett P. Ferenchak	Teleconference and correspond with B. Haas re DSL discontinuance (.2); prepare transmittal letter for FCC application (.4); revise and file FCC application for DSL discontinuance (.4).	1.00
11/18/05	Patrick Donovan	Analysis of released merger orders.	1.00
11/18/05	Christine Johnson	Monitor Federal Register posting of DOJ consent decree re merger; obtain cx partes filed in Docket 05-65 (MCI/Verizon); obtain FCC orders re mergers.	0.20
11/18/05	M. Rence Britt		0.10
11/21/05	Patrick Donovan	Prepare comments re Anchorage forbearance.	0.30
11/21/05	Brett P. Ferenchak	Correspond with B. Haas re DSL discontinuance application (.2); correspond with FCC staff re DSL discontinuance application (.3).	0.50
11/21/05	Patrick Donovan	Prepare comments re Anchorage forbearance.	1.00
11/22/05	Patrick Donovan	Prepare comments re Anchorage forbearance; broadband service; Qwest forbearance.	1.50

SWIDLER BERLIN LLP

McLeodUSA Incorporated
12/20/05
Page 4

CLIENT: 13995
MATTER: .0006
INVOICE: 296293

DATE	ATTORNEY	PROFESSIONAL SERVICES	HOURS
11/22/05	Jeffrey R. Strenkowski	Draft and edit FCC VoIP E911 compliance report for W. Creeden and R. Blau.	2.50
11/22/05	Wendy M. Creeden	Teleconference with B. Haas re issues related to VoIP E911 compliance report.	0.20
11/22/05	Andrew D. Lipman	Teleconference with FTI; address reorganization; related regulatory issues.	0.70
11/22/05	Patrick Donovan	Prepare comments re Anchorage forbearance.	0.30
11/22/05	Philip J. Mactres	Review NY-PSC's decision approving the Verizon/MCI merger.	0.10
11/22/05	Patrick Donovan	Prepare opposition re Verizon broadband reconsideration.	1.00
11/23/05	Patrick Donovan	Prepare comments re Qwest forbearance.	0.40
11/23/05	M. Renee Britt		0.10
11/23/05	Patrick Donovan	Provide update re Omaha; telephone call with FCC staff.	0.20
11/23/05	Patrick Donovan	Prepare comments re Anchorage forbearance; broadband service; Qwest forbearance.	1.00
11/24/05	Patrick Donovan	Prepare comments re Anchorage forbearance; broadband service; Qwest forbearance.	1.50
11/24/05	Paul O. Gagnier	Follow-up re status of VoIP E911 waiver petition and compliance report.	0.20
11/28/05	Andrew D. Lipman	McLeod 911 VoIP issues; follow up.	0.50
11/28/05	Wendy M. Creeden	Teleconferences and correspondence with B. Haas re issues related to VoIP E911 compliance report; review and revise draft of same; finalize and file same with FCC.	1.70
11/28/05	Patrick Donovan	Prepare comments re Anchorage forbearance; broadband service; Qwest forbearance.	1.50
11/28/05	Russell M. Blau	Review and revise FCC 911 compliance report.	0.50
11/28/05	Jeffrey R. Strenkowski	Draft, edit, revise, and file FCC compliance report for R. Blau.	3.00
11/28/05	Christine Johnson	Research and obtain notices filed in Docket 05-75 (MCI/Verizon).	0.10
11/28/05	Patrick Donovan	Prepare comments re Anchorage.	0.30

SWIDLER BERLIN LLP

McLeodUSA Incorporated
12/20/05
Page 5

CLIENT: 13995
MATTER: .0006
INVOICE: 296293

DATE	ATTORNEY	PROFESSIONAL SERVICES	HOURS
11/29/05	Patrick Donovan	Prepare comments re Anchorage forbearance.	0.60
11/29/05	Andrew D. Lipman	Address McLeod VoIP issues.	0.50
11/29/05	Wendy M. Creeden	Forward copy of VoIP E911 compliance report to B. Haas.	0.20

SERVICES PERFORMED BY:	RATE	HOURS	AMOUNT
Russell M. Blau	\$530.00	0.50	\$265.00
Paul Gagnier	\$415.00	0.90	\$373.50
Andrew D. Lipman	\$580.00	3.70	\$2,146.00
Richard M. Rindler	\$450.00	0.10	\$45.00
Catherine Wang	\$535.00	0.90	\$481.50
William B. Wilhelm, Jr.	\$425.00	0.50	\$212.50
Patrick Donovan	\$410.00	15.80	\$6,478.00
Wendy M. Creeden	\$330.00	2.60	\$858.00
Brett Ferencak	\$355.00	1.60	\$568.00
Philip J. Macres	\$355.00	1.20	\$426.00
Jeffrey R. Strenkowski	\$255.00	5.50	\$1,402.50
Scott D. Woods	\$235.00	0.70	\$164.50
M. Renee Britt	\$195.00	0.90	\$175.50
Christine Johnson	\$145.00	0.50	\$72.50
TOTAL HOURS & FEES		35.40	\$13,668.50

OTHER CHARGES	AMOUNT
Photocopy & Printing	67.00
Telephone	2.18
Postage	6.32
Secretarial Services	26.00

SWIDLER BERLIN LLP

McLeodUSA Incorporated
12/20/05
Page 6

CLIENT: 13995
MATTER: .0006
INVOICE: 296293

OTHER CHARGES	AMOUNT
Westlaw Legal Research	630.51
Lexis Legal Research	4,821.81
Federal Express	17.99
Ground Transportation	12.00
Outside Photocopying	60.54
Parking	3.18
Legal Notice	171.70
Telephone	2.42
TOTAL OTHER CHARGES	\$5,821.65

CURRENT INVOICE DUE.....\$19,490.15

PREVIOUS BALANCE (Breakdown attached if applicable).....\$8,668.16

TOTAL AMOUNT DUE.....\$28,158.31