EXHIBIT E

Excerpts from Transcript of McLeodUSA 3rd Quarter Analyst Teleconference Call

MCLEODUSA INCORPORATED
October 26, 2000
10:00 a.m. CDT

Coordinator Thank you all for holding. I would like to remind everyone that you will be on listen-only until the question and answer portion of today's call. Today's call is being recorded on the behalf of McLeodUSA. If you have any objections, please disconnect at this time. I would like to introduce our first speaker for today, Mr. Bryce Nemitz. Mr. Nemitz, you may go ahead.

B. Nemitz Thank you, Kevin. Good morning, everyone, and thank you so much for joining us this morning for our third quarter conference call. This morning's call, for everyone's benefit, is being broadcast via our usual telephone conference call and we've also included at this time our webcast version of this via the McLeodUSA Knowledge portal Webcasting services.

Joining me this morning is Clark McLeod, Chairman and CEO; Steve Gray, our President and COO; and Lyle Patrick, our CFO. Steve will begin our call this morning with highlights from the quarter and Lyle will highlight our financials. We will then open the call for about 20-30 minutes of Q&A. Clark will conclude our call after we have completed Q&A.

There are risks and uncertainties that may cause results to differ materially from anticipated results and expectations expressed in the form of forward-looking statements contained in our conference call today. For our complete Safe Harbor statement, please refer to our third quarter press release. And for a complete document detailing our risk factors, please refer to the Company's Form 10-K dated December 31, 1999 on file with the SEC. With that, I'll turn the call over to Steve.

S. Gray

Thank you, Bryce. Good morning, everyone.

Well, I think I'd like to start out with an overall comment and that comment is that we had a very, if not extremely, strong quarter by every fundamental measure. Now I'd like to highlight what we believe are the three key areas supporting that statement.

First of all, we continue to drive and execute the business, and this, quite frankly, is a function of the breadth and the depth of this management team. With what we've been able to do on the Wilkens team and the addition of people in our Network Group on the data side and then the continued development of our CLEC operations, we continue to outperform market expectations. A few of those highlights include: 1) lines sold, increasing from 80,000 the third quarter of 1999 to 117,000, a 46% year-over-year improvement. Our lines installed increased from 60,000 a year ago to 80,000 in the current quarter, a 33% increase. Our salespeople increased from 750 to 1,250, a 67% increase in our salespeople on the telco side. Infrastructure highlights include 242 collocations, 140 DSLAM's installed and greater than 400 ATM and voice gateways throughout the United States. And last but not least, 17,000 route miles of operational fiber, which include 3,000 metro miles, 8,000 regional miles and almost 6,000 miles that we have accepted from Level 3.

Second major point, we continue to aggressively focus on improving the fundamentals. Let me highlight what we mean there. Number one, the aggression" – building our franchise in market, after market, after market, continuing to capture market and mind share with our sales and customer focus groups.

Additionally, our opportunistic, incremental acquisition of CapRock. The four additional states that we added to our footprint, the almost 200 salespeople and then the 5,000 additional fiber miles that we will add upon closing will give us a further opportunity to leverage our successes in contiguous geographies.

Last but not least, we have a fairly significant thing that we would like to make our shareholders aware of and it is as follows. We have an agreement in principle with Qwest subject to a definitive agreement and approval by the McLeodUSA Board, which will provide McLeodUSA with a seamless transition to both unbundled loops, UNE-P and other opportunities, and we would expect that this agreement will provide us an economic proposition comparable to building the switches and collocations and migrating our lines, but with reduced capital expenditures, reduced execution risk and, most importantly, reduced risks to our customers associated with migration. Net/net, it is a multi-state, multi-service, multi-million, multi-year agreement with Qwest.

It's kind of strange for a CLEC to pay tribute to another company on a call, but I think this one is definitely a new agreement breaking new ground. We were able to accomplish with the new Qwest and Joe Nacchio in seven to eight months what we were unable to do in the previous seven to eight years with USWest.

J. Grubman — You talked about 80% for being larger customers, could you characterize that in terms of your line size or total spend? And of those larger customers, I imagine you're getting still a smaller, I would guess, a smaller share of their total spend then you have gotten from your original customer base. So how much penetration opportunity is there in these larger accounts?

S. Gray — Two part response. One, size is almost irrelevant in larger customers because they normally don't order lines, per se. As you well know, they order those big, fat pipes that you might be able to drive some type of line equivalent out of, but it's really a tough measurement. Second part of the answer is really there's both a wholesale and commercial component of our larger customers, and I would say right now it's about 60-70% wholesale and about 30-40% commercial. We think we have a real opportunity in both of those areas to do smart, strategic wholesale transactions, given the breadth of our product line. But also as you suggest, you're exactly right, I mean, our 20, 30, 40% market share is predominantly SME businesses. So moving up markets in our core ten states presents a real opportunity to capture further revenues and reduce our operating costs per unit in those markets as well.

Coordinator — Our next question comes from Mark Kastan of CS First Boston.

M. Kastan — Two questions. One, just some follow up and clarification. Question regarding your comments regarding this new Qwest agreement in that's in the works and secondly, regarding capex.

First, on the Qwest agreement, I'm a little confused by your comment, is it or is it not already baked into your 01 guidance? Secondly, can other CLEC's opt into this deal? And third, when it is going to start, does it start after your Centrex deals roll off or does it replace them? What's the length of this Qwest agreement?

Then on capex, it seemed much higher than we were looking for. Was there some weird timing thing going on or should we look to change our capex numbers?

S. Gray Let me attempt to answer the first component and then I'll turn it over to Lyle as far as the last piece of concern.

Number one, as far as Qwest is concerned, was it baked into our 2001 guidance, our response to that is yes, it is.

Number two, as far as the ability for anybody to opt in, I mean, that is probably, quite frankly, a better question to ask Qwest than it is McLeodUSA. So I would encourage, once the appropriate agreements are filed, then obviously they will be subject to whatever the appropriate laws and administrative guidelines are.

Three, as far as the timing or the length of this agreement, I think we can safely say that this is a three year agreement with opportunities to continue to extend the agreements. So, it is a multi-year agreement that extends past our current agreements.

M. Kastan So it replaces, not extends?