

BEFORE THE WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

vs.

ADVANCED TELECOM GROUP, INC.;
ALLEGIANCE TELECOM, INC.; AT&T
CORP; COVAD COMMUNICATIONS
COMPANY; ELECTRIC LIGHTWAVE INC.,
ESCHELON TELECOM, INC. f/k/a
ADVANCED TELECOMMUNICATIONS,
INC.; FAIRPOINT COMMUNICATIONS
SOLUTIONS, INC.; GLOBAL CROSSING
LOCAL SERVICES, INC.; INTEGRA
TELECOM, INC.; MCI WORLDCOM, INC.;
McLEODUSA, INC.; SBC TELECOM, INC.;
QWEST CORPORATION; XO
COMMUNICATIONS, INC. f/k/a
NEXTLINK COMMUNICATIONS, INC.,

Respondents.

) Docket No. UT-033011

) DECLARATION OF DENNIS AHLERS IN
) SUPPORT OF MOTION FOR
) PROTECTIVE ORDER

Dennis Ahlers states and declares as follows:

1. I am Director-Senior Counsel for Eschelon Telecom of Washington, Inc. My business address is 730 2nd Ave. South, Suite 900, Minneapolis, Minnesota.

2. On Monday, October 18, 2004 I was advised by our local counsel, Judy Endejan, that Qwest had inquired into the availability of our President and CEO, Rick Smith, for a

deposition in the next few weeks. I have checked Mr. Smith's schedule and was advised that he is virtually unavailable until at least November 18, 2004. On October 19, 2004, Eschelon Telecom, Inc., announced that it had signed a definitive agreement to acquire Advanced TelCom, Inc., (ATI), a Competitive Local Exchange Carrier (CLEC) that provides services primarily in Washington, California, Nevada, and Oregon. The transaction is expected to close by the end of 2004. Attached hereto is the Eschelon press release describing this acquisition. Over the next three weeks Mr. Smith has an intensive schedule of travel and meetings concerning this transaction. Specifically, on October 26 and 27 he has meetings concerning this transaction in California and Nevada. He is scheduled to return to Minneapolis on the evening of October 27. On October 28, the date on which Qwest requested the deposition take place, he has important meetings with Eschelon's primary investors in the morning and with Eschelon's Executive Council in the afternoon. On Friday, October 29, he has a full day of meetings scheduled including a crucial meeting with Eschelon's Board of Directors. Thereafter, on Sunday, October 31st, Mr. Smith will leave Minneapolis and will be traveling to meetings regarding the ATI transaction for much of the time through at least November 17. In between he will return briefly to Minneapolis for meetings with the Eschelon Executive Council and other meetings related to the acquisition.

3. Mr. Smith's deposition was taken by Qwest's attorneys in the case of *Eschelon Telecom of Washington, Inc. et al. v. Qwest Corporation*, Civil File No. C0-1296L, United States District Court, Western District of Washington at Seattle. The agreements at issue in this Commission proceeding have been discussed during Mr. Smith's deposition. Qwest has a copy of this deposition in its possession.

4. In addition, Mr. Smith was also deposed about the agreements at issue in the Arizona Corporation Commission's investigation of unfiled agreements. **In the Matter of Qwest Corporation's Compliance with Section 252(e) of the Telecommunications Act of 1966**, Docket No. RT-00000F-02-0271, a deposition attended by Mr. Nazarian, on behalf of Qwest. That deposition transcript is also within Qwest's possession.

5. Mr. Smith's scheduling availability would be maximized if the deposition were to be conducted in Minneapolis, where Eschelon is headquartered. This greatly increases flexibility of scheduling due to the elimination of substantial travel time and limits the cost and inconvenience for the deponent. For example, the depositions referred to above were taken in Minneapolis despite the fact that the proceedings were in Arizona and Washington.

I DECLARE UNDER PENALTY OF PERJURY UNDER THE LAWS FOR THE STATE OF MINNESOTA THAT THE FOREGOING IS TRUE AND CORRECT.

DATED this 21st day of October, 2004 at Minneapolis, Minnesota.


Dennis Ahlers

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For Immediate Release

**Eschelon Telecom, Inc. Announces Agreement To
Acquire Advanced TelCom, Inc.
Acquisition Will Create Premier Regional Competitive Local Exchange
Carrier in Key Western States**

Minneapolis, MN – October 19, 2004: Eschelon Telecom, Inc., a provider of voice, data, Internet services and business telephone systems, announced that it has signed a definitive agreement to acquire Advanced TelCom, Inc., (ATI), a Competitive Local Exchange Carrier (CLEC) based in Santa Rosa, California. ATI is an affiliate of General Electric Capital Corporation (GECC). ATI provides services primarily in California, Nevada, Oregon and Washington to over 18,000 customers that have approximately 118,000 access lines.

With the completion of this transaction, Eschelon will have a leading market position among CLECs operating in the Pacific Northwest. Eschelon will pay \$45.5 million in cash to acquire Advanced TelCom. Eschelon has also agreed to repurchase 6.8 million shares of Eschelon Series A Preferred Stock currently owned by an affiliate of GECC. Including synergies, Eschelon expects to add approximately \$14 - \$18 million of annualized EBITDA in 12-18 months after the transaction closes. The transaction is expected to close by the end of 2004.

"This transaction combines the strengths and market presence of both companies to create a premier regional CLEC operating in the western United States," stated Richard A. Smith, President and Chief Executive Officer of Eschelon Telecom, Inc. "We look forward to welcoming the talented team of ATI associates and recognize the contributions they've made toward building a solid organization. The combined entity creates a leading regional CLEC that customers can rely on for greater resources, continued solid customer service, more innovative products and an even better value for their voice and data services. ATI met our acquisition criteria, i.e., they are focused on the medium and small business segment, they exist primarily in our current markets, they are EBITDA positive, and we forecast them to be cash flow accretive within 24 months," said Smith.

"Strategically, this is an excellent opportunity for ATI, its employees and customers," said Dave O'Neill, President of Advanced TelCom, Inc. "By joining Eschelon, ATI will become part of a leading competitive local exchange carrier. This will allow Eschelon and ATI to do what they do

best, which is providing voice and data telecommunications solutions. This is a winning transaction for all involved, " said O'Neill.

"The transaction provides Eschelon with increased market share in existing markets while adding two new facilities-based markets," explained Smith. "After the completion of the transaction, Eschelon will be a larger organization with deeper market coverage. This, along with our strong balance sheet, positions us well for future market consolidation opportunities."

Investor Conference Call

Eschelon will host a conference call for investors Wednesday, October 20, 2004, at 9 a.m. (CDT).

Conference call number: (800) 366-3908

Confirmation code: none needed

Replay number: (800) 405-2236 (the replay will be available between October 20, 2004 at 11:30 a.m. and October 27, 2004 at 11:59 p.m. CDT)

Replay: 11012114#

About Eschelon Telecom, Inc.

Eschelon Telecom, Inc. was founded in 1996 and is a rapidly growing provider of integrated voice, data and Internet services. Headquartered in Minneapolis, Minnesota, the company offers small and medium sized businesses a comprehensive line of telecommunications and Internet products including local lines, long distance, business telephone systems, DSL, Dedicated T-1 access, network solutions and Web hosting. Eschelon employs approximately 900 telecommunications/Internet professionals, serves approximately 38,000 business customers, and has more than 225,000 access lines in service throughout its markets in Minnesota, Arizona, Utah, Washington, Oregon, Colorado and Nevada. For more information, please visit our web site at www.eschelon.com.

About Advanced TelCom, Inc.

Advanced TelCom, Inc. was founded in 1998. ATI is an affiliate of General Electric Capital Corporation. Headquartered in Santa Rosa, California, ATI owns and operates its own digital network to provide local, long distance, broadband and voice messaging services to over 18,000 customers in California, Nevada, Oregon and Washington.

Forward Looking Statements

This announcement contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The forward-looking statements are based on Eschelon Telecom's current intent, belief and expectations. These statements are not guarantees of future performance and are subject to certain risks and uncertainties that are difficult to predict. Actual results may differ

materially from these forward-looking statements because of the company's history of losses, ability to maintain relationships with ILECs, substantial indebtedness, intense competition, dependence on key management, changes in government regulations, and other risks that may be described in the company's filings with the Securities and Exchange Commission. Existing and prospective investors are cautioned not to place undue reliance on these forward-looking statements, which speak only as of today's date. Eschelon Telecom undertakes no obligation to update or revise the information contained in this announcement, whether as a result of new information, future events or circumstances or otherwise.

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