

Hearing Date: undetermined
Objection Deadline: undetermined

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COUNSEL FOR BELLSOUTH
TELECOMMUNICATIONS, INC.

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re	:	
	:	Chapter 11
ALLEGIANCE TELECOM, INC., <u>et al.</u>	:	Case No. 03-13057 (RDD)
	:	
	:	(Jointly Administered)
Debtors.	:	

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**OBJECTION OF BELLSOUTH TELECOMMUNICATIONS, INC.
TO DEBTOR’S FIRST DAY MOTION DEEMING UTILITIES
ADEQUATELY ASSURED OF FUTURE PERFORMANCE**

BellSouth Telecommunications, Inc. (“BellSouth”) hereby objects to the Motion of the Debtors Pursuant to Sections 105(a) and 366 of the Bankruptcy Code for Order Deeming Utilities Adequately Assured of Future Performance and Establishing Procedures for Determining Requests for Additional Adequate Assurance (the “First Day Utility Motion”), filed by the above-captioned debtors and

debtors-in possession (collectively, the “Debtors”). In support of this Objection, BellSouth respectfully represents as follows:

1. The First Day Utility Motion was filed approximately 12 hours ago. BellSouth objects to both the procedural and substantive relief requested in the First Day Utility Motion. The procedural issues relate to granting the First Day Utility Motion on an ex parte basis and the procedures unilaterally established by the Debtors for BellSouth to request “additional” adequate assurance. The substantive issues relate to various provision in the proposed form of order that are contrary to the provisions of 11 U.S.C. § 366 (the injunctive provisions, the form of adequate assurance that was unilaterally selected by the Debtors, only the Debtors having the right to file a motion to determine adequate assurance, as well as other provisions, including the mischaracterization of the Caldor case as well as the form of adequate assurance provided in the recent telecom cases of WorldCom, Global Crossing and Adelphia).

2. BellSouth respectfully requests that the First Day Utility Motion not be granted at this time. Rather, BellSouth respectfully requests that the First Day Utility Motion be set for hearing within the first 20 days of this case, with such hearing on notice to BellSouth, providing BellSouth with an appropriate time to file a more substantive objection to both the procedural and substantive relief requested in the First Day Utility Motion.

3. As will be set forth in more detail in BellSouth’s subsequent objection, the First Day Utility Motion requests relief that (a) is contrary to 11 U.S.C.

§ 366; (b) is materially different from the relief granted in the recent cases of WorldCom, Global Crossing and Adelphia, all of which had full evidentiary hearings on adequate assurance issues within the first 20 days of the case; and (c) this case is materially different from Caldor in that it appears that the Debtors have no unencumbered assets and are operating out of its lenders' cash collateral.

4. BellSouth reserves the right to supplement this objection, and to object to any other relief sought by the Debtors in their other first day motions after BellSouth has had a sufficient opportunity to review the relief requested therein.

WHEREFORE, BellSouth respectfully requests that this Court deny the First Day Utility Motion, or alternatively set the First Day Utility Motion for hearing on notice to parties and schedule such hearing within the first 20 days of this case, and grant such other relief as the Court deems just.

Dated: May 15, 2003

/s/ Paul M. Rosenblatt

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on Thursday, May 15, 2003, I caused a copy of the attached pleading to be service by fax upon the parties listed below.

Dated: May 15, 2003

/s/ Paul M. Rosenblatt

Paul M. Rosenblatt

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