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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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| _____ | X | |
| In re | : | |
| | : | Chapter 11 Case No. |
| Allegiance Telecom, Inc., <u>et al.</u> , | : | 03-13057 (RDD) |
| | : | |
| Debtors. | : | Jointly Administered |
| _____ | X | |

**DECLARATION OF ALBERT TOGUT, ESQ.
PURSUANT TO RULE 9077-1 OF THE LOCAL BANKRUPTCY
RULES FOR THE SOUTHERN DISTRICT OF NEW YORK**

ALBERT TOGUT, a member of the law firm of Togut, Segal & Segal LLP, co-counsel for Allegiance Telecom, Inc. and its direct and indirect subsidiaries, as debtors and debtors in possession, hereby declare pursuant to section 1746 of title 28 of the United States Code:

1. I am an attorney at law admitted to practice before this Court and a member of the firm of Togut Segal & Segal LLP, attorneys for the above-captioned debtors and debtors in possession in connection with these chapter 11 cases.

2. I submit this declaration in support of the scheduling order (the "Scheduling Order"), a copy of which is annexed hereto as Exhibit "A," scheduling a hearing to consider the motion,¹ dated May 17, 2004, for an Order compelling Verizon Maryland, Inc., Verizon New

¹ All capitalized terms not defined herein shall have the same meaning as set forth in the Motion.

York, Inc., Verizon Washington D.C., Inc. and Verizon Pennsylvania, Inc. (collectively “Verizon”) to comply with 11 U.S.C. § 362(a)(6) and § 366 to execute certain interconnection agreements.

3. I am aware of the facts and circumstances relating to the Motion, and unless otherwise stated herein, I have personal knowledge of the facts set forth herein.

4. In the past few months, the Debtors notified Verizon that they wish to adopt four existing Verizon interconnection agreements under Section 252(i) of the Telecommunications Act (collectively, the “New Agreements”). Notwithstanding the requirement under Section 252(i) of the Telecommunications Act that a carrier be permitted to adopt such an existing agreement on **exactly the same terms and conditions as contained therein**, Verizon has refused to take the ministerial act of signing the New Agreements, and has taken the position that it will not agree to any such adoption of a New Agreement unless Allegiance guarantees that its pre-petition claim be treated as a cure which has to be paid in full as a condition to the Debtors’ assumption of the Agreement.

5. In refusing to allow the Debtors to adopt the New Agreements unless it pays a cure on an alleged debt arising under the Expired Agreement, Verizon, a utility with which the Debtors have to deal in order to stay in business, has discriminated against the Debtors in violation of § 366 of the Bankruptcy Code. Verizon has also violated § 366 of the Bankruptcy Code by refusing to provide the Debtors with service, absent payment of a pre-petition cure. Verizon has also violated the automatic stay, § 362(a)(6) of the Bankruptcy Code, by seeking to collect a pre-petition debt. This Court should not allow Verizon to hold up the Debtors’ cases and time is of the essence. Verizon should be ordered to execute the New Agreements or, if

Verizon fails to sign, the New Agreements should be deemed adopted. Accordingly, the Debtors have filed the Motion.

6. To permit the confirmation hearing on the Debtors' Second Amended Joint Plan of Reorganization Pursuant to Chapter 11 of Bankruptcy Code to proceed as scheduled on June 7, 2004, the Debtor Movants are seeking the relief set forth in the Scheduling Order. Such a schedule will permit an expedited hearing to consider the Motion, and the relief requested therein, without interrupting the Plan confirmation process.

7. Based on the foregoing, the Debtors and their estates will be prejudiced unless an expedited hearing schedule is set. Accordingly, the Debtors submit that good and sufficient cause exists for this Court to enter the Scheduling Order.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information and belief.

Dated: New York, New York
May 17, 2004



Albert Togut