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Hearing Date: June 7, 2004
Time: 10:00 a.m.

ATTORNEYS FOR BROADWING COMMUNICATIONS, LLC

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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

**LIMITED OBJECTION OF BROADWING
COMMUNICATIONS, LLC TO THE CONFIRMATION OF
DEBTORS' SECOND AMENDED JOINT PLAN OF REORGANIZATION
PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE DATED APRIL 22, 2004**

Broadwing Communications, LLC, successor in interest to Broadwing Communications Services Inc., (“Broadwing”), objects to the confirmation of Debtors’ Second Amended Joint Plan of Reorganization to Chapter 11 of the Bankruptcy Code dated April 22, 2004, (the “Proposed Plan”) filed by Allegiance Telecom, Inc., Allegiance Telecom Company, Worldwide (“ATCW”), and ATCW’s direct and indirect subsidiaries (collectively, “Allegiance”, or, the “Debtors”). As grounds therefore and in support thereof, Broadwing respectfully shows the Court the following:

1. Broadwing, through its predecessor, and Allegiance are parties to various executory contracts and agreements, including, (1) the Master Capacity IRU and Maintenance Agreement dated July 31, 2001; (the “IRU Agreement”), and (2) The Master Service Agreement dated

December 19, 1997, as amended February 25, 1998 (“Amendment No. 1”), as amended August 31, 1998 (“Amendment No. 2”), as amended August 16, 1999 (“Amendment No. 3”), as amended October 9, 2000 (“Amendment No. 4”), and as amended July 31, 2001 (Amendment No. 7”) (collectively Amendment No. 1, Amendment No. 2, Amendment No. 3, Amendment No. 4 and Amendment No. 7 are referred to as the “Amendments to the MSA”).

2. Allegiance proposes to reject the Amendments to the MSA under Schedule 1 of the Plan with the rejection effective as of the Initial Effective Date while deferring the rejection of the MSA until at least 180 days after the initial Effective Date under Schedule 4 of the Plan. See Proposed Plan at VI. 6.1.a. The Amendments are integrated with and amend the MSA, and are not separate agreements subject to separate treatments under §365 of the Bankruptcy Code. Allegiance cannot defer rejection of the MSA while rejecting the Amendments to the MSA on an earlier date.

3. Disputes arising out of this matter are scheduled for a hearing on June 7, 2004 along with the hearing on confirmation of the Proposed Plan. Broadwing reserves all of its rights and remedies, including without limitation, its right to present evidence in support of this Limited Objection at the hearing on these matters.

4. Accordingly, for the reasons stated herein, Broadwing respectfully requests that this Court (a) sustain this Limited Objection, and deny confirmation of the Debtors’ Proposed Plan until the Schedules to the Proposed Plan are reconciled with provisions of the Bankruptcy Code and (b) grant to Broadwing such other and further relief as is just and appropriate.

Dated: June 2, 2004

Respectfully submitted,

JACKSON WALKER L.L.P.

By: /s/ Marvin E. Sprouse III

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ATTORNEYS FOR BROADWING
COMMUNICATIONS, LLC

CERTIFICATE OF SERVICE

This will certify that in conformance with the notice requirements, a copy of the foregoing was delivered to the following parties this 2nd day of June, 2004:

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/s/ Marvin E. Sprouse III
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