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UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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**In re**

**Chapter 11**

**ALLEGIANCE TELECOM, INC., ET AL.,**

**Case No. 03-13057 (RDD)  
(Jointly Administered)**

**Debtor**

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**RESPONSE OF XO COMMUNICATIONS, INC. TO MOTION OF THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS OF ALLEGIANCE TELECOM, INC., ET AL. FOR AN ORDER UNDER 11 U.S.C. § 105(a) COMPELLING THE DEBTORS TO TERMINATE CERTAIN SENIOR EXECUTIVES**

XO Communications, Inc. (“XO”), the purchaser under that certain Asset Purchase Agreement dated February 18, 2004 by and among the above-captioned debtors (the “Debtors”) and XO or its designee and approved by order of this Court entered on February 20, 2004 (as amended, the “APA”), hereby submits this response to the motion (the “Motion”) filed by the Official Committee of Unsecured Creditors appointed in these cases (the “Committee”)

dated April 27, 2004 to compel the Debtors to terminate the employment of certain of the Debtors' executives.

At Paragraph 5 of the Motion, the Committee states that pursuant to the APA "[a]ll liabilities with respect to the Transferred Employees passed to XO at the Soft Closing." The Committee is well aware that there exists a dispute regarding which of such liabilities XO agreed to assume pursuant to the APA. In fact, the nature of that dispute has been the subject of a proceeding before this Court. While XO does not intend to get directly involved in the dispute that is the subject of the Motion, XO simply wants to clarify the record regarding this statement.

Dated: New York, New York  
April 30, 2004

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