

EXHIBIT "2"

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Date: June 4, 2003

From: Philip D. Anker

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COMMENTS:

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June 4, 2003

**FOR SETTLEMENT DISCUSSION PURPOSES ONLY--
NOT ADMISSIBLE IN LITIGATION UNDER F.R.E. 408**

BY FACSIMILE

Gerry DiConza
Togut, Segal & Segal LLP
One Penn Plaza, Suite 3335
New York, NY 10119

Re: Allegiance Telecom, et al., Case No. 03-13057 (RDD) (Jointly Administered)

Dear Gerry:

I am writing on behalf of my clients, Verizon Communications Inc. and its operating telephone company subsidiaries (collectively, "Verizon"). This will confirm that, pursuant to the Order Deeming Utilities Adequately Assured of Future Performance and Establishing Procedures for Determining Requests for Additional Adequate Assurance, Verizon requests the following additional adequate assurance:

1. Allegiance Telecom and its affiliates would prepay on Monday of each week an amount equal to the average weekly Verizon billing during the three-month period prior to the Petition Date. I understand that the average monthly billing was just under \$8 million. Accordingly, the prepayments would be slightly less than \$2 million per week.
2. Allegiance would provide Verizon with a deposit in the amount equal to one-half of one month's average monthly billing -- i.e. slightly under \$4 million.
3. Allegiance would immediately make payment, based on the average monthly billings of just under \$8 million per month, to cover the period from the Petition Date through the date of the provision of adequate assurance.

4. All of the prepayments would be subject to periodic true-ups pursuant to a stipulation, on mutually agreeable terms, to be approved by the Court.^{1/}

As we discussed, this request for adequate assurance, and in particular the request for a deposit of only one-half of one month's average billing, is considerably less than Verizon normally requests and has obtained in numerous other cases (including in cases in this district) with debtors with a financial and payment record equal to or even better than that of Allegiance.

I look forward to hearing from you promptly. Obviously we would like to resolve the adequate assurance issue consensually, but, if we are unable to, Verizon is prepared to litigate the matter. This letter will also confirm that we have an agreed hearing date of June 13 on Verizon's request for adequate assurance.

Best regards.

Sincerely,



Philip D. Anker

cc: Jack H. White
William G. Cummings
Hayden Kepner

^{1/} To the extent that there are undisputed prepetition claims and debts between Verizon and Allegiance, Verizon would be agreeable, as part of the stipulation, to permitting the setoff of such mutual prepetition claims and debts.