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Creditors of Allegiance Telecom, Inc., et al.

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

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

THIRD SUPPLEMENTAL AFFIDAVIT OF IRA S. DIZENGOFF

STATE OF NEW YORK)
: ss.:
COUNTY OF NEW YORK)

Ira S. Dizengoff, being duly sworn, deposes and says:

1. I am an attorney at law admitted to practice in the State of New York and in the United States District Courts for the Southern and Eastern Districts of New York. I am a member of the firm of Akin Gump Strauss Hauer & Feld LLP (“Akin Gump”), which firm maintains offices at 590 Madison Avenue, New York, New York 10022.

2. I am familiar with the matters set forth herein and make this third supplemental affidavit in support of the application of the Official Committee of Unsecured Creditors (the “Creditors’ Committee”) of Allegiance Telecom, Inc. (“Allegiance”) and certain of its direct and indirect subsidiaries (collectively, the “Debtors”) seeking approval to retain and employ Akin

Gump, nunc pro tunc to May 28, 2003, as counsel to the Creditors' Committee (the "Application").

3. On July 11, 2003, I caused to be filed with this Court the Affidavit of Ira S. Dizengoff in Support of the Application of the Committee of Unsecured Creditors of Allegiance Telecom, Inc., et al., to retain Akin Gump Strauss Hauer & Feld LLP (the "Affidavit").

4. On July 28, 2003, I caused to be filed with this Court the First Supplemental Affidavit of Ira S. Dizengoff in Support of the Application of the Committee of Unsecured Creditors of Allegiance Telecom, Inc., et al., to retain Akin Gump Strauss Hauer & Feld LLP.

5. On August 28, 2003, I caused to be filed with this Court the Second Supplemental Affidavit of Ira S. Dizengoff in Support of the Application of the Committee of Unsecured Creditors of Allegiance Telecom, Inc., et al., to retain Akin Gump Strauss Hauer & Feld LLP.

A. Representations Related to the Telecommunications Industry

6. The Affidavit contained disclosures in paragraph 16 with respect to Akin Gump's representations related to the telecommunications industry. These disclosures included that as of the date of the Affidavit, Akin Gump was representing a creditor's committee in the Focal Communications, Inc. chapter 11 bankruptcy proceedings, and a group of preferred stockholders in an out-of-court restructuring for Broadwing Communications, Inc.

7. Subsequent to the filing of the Affidavit, the committees Akin Gump represented in the Focal Communications, Inc. case and the Broadwing Communications Inc. out-of court restructuring ceased to exist as a result of the confirmation and effectiveness of a chapter 11 plan of reorganization and the successful recapitalization of the preferred stock interests, respectively. Accordingly, as of the date hereof, Akin Gump has no actual or apparent conflict with either of: (a) Focal Communications, Inc.; or (b) Broadwing Communications, Inc., and may represent the

Committee in any matter in these cases in which the Committee is an adverse party to either of the two companies.

B. General Electric Capital Services Waiver

8. The Affidavit contained disclosures with respect to Akin Gump's current representation of General Electric Capital Services ("GECS"), an affiliate of General Electric Capital Corporation, the agent (the "Agent") for the Debtors' pre-petition lenders (the "Lenders") on matters wholly unrelated to the Debtors' chapter 11 cases.

9. In accordance with the disclosures contained in paragraph 20 of the Affidavit, Akin Gump sought a waiver from GECS (the "Waiver"), which would allow Akin Gump to commence causes of action, other than for fraud or misrepresentation, against the Agent and the Lenders. Representatives of GECS orally agreed in principal to the terms of the Waiver, but a written agreement documenting the terms of the Waiver has not yet been finalized. Given the terms of the proposed Waiver, and the fact that documentation has not been finalized, the Committee has decided that any direct causes of action that it may bring against the Agent or the Lenders will be brought by special counsel other than Akin Gump.

C. Rule 5002 Disclosure

10. On October 29, 2003, the Attorney General of the United States appointed Deirdre A. Martini as the United States Trustee for Region 2 which includes all of the judicial districts in New York, Connecticut and Vermont. Daniel H. Golden, a senior partner in Akin Gump's Financial Restructuring section, has been involved in a close personal relationship with Ms. Martini for the past several years. The Office of the United States Trustee has, therefore, implemented a recusal protocol for matters within Region 2 involving Akin Gump. Accordingly, I believe that Mr. Golden's relationship with the United States Trustee does not render Akin Gump's employment by the Committee improper under the circumstances of these cases.

s/ Ira S. Dizengoff _____
Ira S. Dizengoff (ID-9980)

Sworn to before me this
2nd day of December, 2003

s/ Mildred Andino _____
Notary Public, State of New York
No. 41-4857026
Commission Expires April 28, 2006