

ORIGINAL

XO Communications, Inc.



11111 Sunset Hills Road
Reston, VA 20190
USA

February 3, 2003

VIA FEDERAL EXPRESS

Ms. Blanca S. Bayo, Director
Division of Public Records and Reporting
Florida Public Service Commission
2540 Shummard Oak Blvd.
Tallahassee, FL 32399

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Re: Notice of Consummation of the Corporate Reorganization of XO Communications, Inc., Parent Company of XO Long Distance Services, Inc. and XO Florida, Inc. and Notice of the Emergence of XO Communications, Inc. from Chapter 11 Bankruptcy Status

Docket No. 021117-TP

Dear Ms. Bayo:

This letter constitutes formal notice that the reorganization of XO Communications, Inc. ("XO") was consummated effective January 16, 2003 (the "Effective Date"), and as a consequence, XO has emerged from its Chapter 11 bankruptcy status. This reorganization was approved by the Florida Public Service Commission ("Commission") in the above-referenced docket.

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Specifically, on the Effective Date, the "Stand-Alone Plan" for XO, as confirmed by the U.S. Bankruptcy Court for the Southern District of New York, was effectuated, and the outstanding equity of XO was extinguished. On the Effective Date, \$1 billion in senior secured loans (the "Senior Secured Debt") was converted on a *pro rata* basis into 95 percent of the new common stock of XO and \$500 million principal amount of junior secured debt pursuant to an amended and restated debt facility (the "Junior Loan"). XO is the borrower under the Junior Loan, and all current and future subsidiaries of XO have or will guarantee payment under the facility and provide a security interest in their assets. The remaining five percent of XO common stock is being issued under the Stand-Alone Plan to the holders of senior notes and other general unsecured claims divided *pro rata* according to the amount of their claims.

Due to its holdings of Senior Secured Debt, on the Effective Date, approximately 80 percent of the new common stock of XO was issued to High River Limited Partnership ("High River"), an entity ultimately controlled by Carl C. Icahn. The application in the above-referenced docket noted that, as a potential additional step, High River, as well as Meadow Walk Limited Partnership (which is also ultimately controlled by Carl C. Icahn and which is to be

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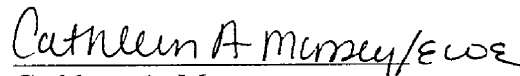
issued approximately two percent of XO common stock on the Effective Date), might transfer their stock in XO so that such stock would be held by Cardiff Holding LLC ("Cardiff"). Cardiff is a Delaware limited liability company which is ultimately controlled by Carl C. Icahn. In fact, on the Effective Date, High River transferred its XO stock, so that currently Cardiff holds a majority of the outstanding common stock of XO.

XO is the parent company of XO Long Distance Services, Inc. and XO Florida, Inc., which hold certificates from the Commission to provide competitive telecommunications services.¹ As the reorganization was solely at the parent company level, there is no change in the certificated entities, their certificates or their tariffs. The contact for customer and Commission inquiries relating to the XO certificated entities continues to be:

Cathleen A. Massey
Vice President – External Affairs
Assistant General Counsel
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11111 Sunset Hills Road
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Fifteen (15) copies of this letter, in addition to the original, are enclosed. Please return a date-stamped copy of this letter (additional copy and self-addressed, postage pre-paid envelope provided). Please contact the undersigned with any communications concerning this notification.

Respectfully submitted,



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¹ XO Long Distance Services, Inc. was authorized to provide interexchange services in Docket No. PSC-99-2449-PAA-TI. XO Florida, Inc. was authorized to provide local exchange service in Docket No. 980470-TX, and interexchange service in Docket No. 980472-TI.