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allegiancetelecom, inc.



Qwest Spirit of Service™

January 19, 2004

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**VIA OVERNIGHT DELIVERY**

Ms. Blanca S. Bayo  
Commission Clerk and Administrative Services Director  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

**Re: Notification of Allegiance Telecom, Inc., Debtor-in-Possession and Qwest Communications International Inc. of Assignment of Assets**

Dear Ms. Bayo:

Allegiance Telecom, Inc., Debtor-in-Possession ("ATI") and Qwest Communications International Inc. ("QCII") hereby notify the Florida Public Service Commission (the "Commission") of their intent to assign from ATI's Florida operating subsidiary, Allegiance Telecom of Florida, Inc., Debtor-in-Possession ("Allegiance Florida"), to Qwest Communications Corporation ("QCC") substantially all of Allegiance Florida's assets used in the provision of intrastate telecommunications services (the "Transaction").<sup>1</sup> The Transaction is intended to facilitate the reorganization of Allegiance under Chapter 11 of the United States Bankruptcy Code (the "Bankruptcy Code").

Attached as Exhibit A hereto is a petition requesting a waiver of Rule 25-4.118, Florida Administrative Code, to allow Allegiance Florida to transfer its customers to QCC without first obtaining each subscriber's authorization and verification. The parties request expedited review and approval of the waiver petition. Based upon a review of Florida statutes and Commission rules, the parties understand that no other Commission action is required with respect to the Transaction.

<sup>1</sup> ATI, Allegiance Florida, and ATI's other operating subsidiaries are referred to collectively as "Allegiance." QCII and QCC are referred to collectively as "Qwest."

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## I. DESCRIPTION OF THE PARTIES

Alliance Florida is a corporation organized under the laws of the State of Delaware and is an indirectly wholly-owned subsidiary of ATI. ATI is a publicly-traded corporation organized under the laws of the State of Delaware. Through its operating subsidiaries, including Alliance Florida, ATI provides facilities-based telecommunications products and services to business customers, governmental entities, and other institutional users in 36 metropolitan areas in 24 states, including Florida, and the District of Columbia. Alliance offers its customers a variety of services, including, local, long distance and broadband services. Alliance Florida provides services in Florida pursuant to certificates (the "Certificates") issued by the Commission.<sup>2</sup>

QCC is a Delaware corporation. QCC is an indirect wholly-owned subsidiary of QCII, a Delaware corporation whose stock is publicly traded on the New York Stock Exchange. Qwest, through its affiliates, provides voice, video and data services throughout the United States. Qwest is authorized by the Federal Communications Commission ("FCC") to provide interstate and international telecommunications services and, through its affiliates, is authorized to provide telecommunications services in all 50 states and the District of Columbia. In Florida, QCC is authorized to provide Alternative Local Exchange Telecommunications and Interexchange Telecommunications pursuant to Commission authorization.<sup>3</sup>

## II. DESCRIPTION OF THE TRANSACTION

On May 14, 2003, ATI and its operating subsidiaries, including Alliance Florida, commenced cases under chapter 11 of the Bankruptcy Code.<sup>4</sup> In furtherance of Alliance's reorganization, on December 18, 2003, Alliance and Qwest executed an Asset Purchase Agreement pursuant to which Qwest has agreed to acquire the relevant assets and operation of Alliance Florida, including the majority of Alliance Florida's existing customers.<sup>5</sup>

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<sup>2</sup> Certificate No. 7143, issued in Docket No. 990883-TX (Sept. 2, 1999), authorizes Alliance Florida to provide alternative local exchange telecommunications services and Certificate No. 7144, issued in Docket No. 990882-TI (Oct. 20, 1999), authorizes Alliance Florida to provide interexchange telecommunications services.

<sup>3</sup> See ALEC Certificate No. 5801; IXC Certificate No. 3534; see also Consummating Order in Docket No. 010617-TP, Order No. PSC-01-1661-CO-TP (Aug. 14, 2001).

<sup>4</sup> *In re Alliance Telecom, Inc., et al.*, Chap. 11 Case Nos. 03-13057-rdd, *et seq.* (Bankr. S.D.N.Y., filed May 14, 2003). The bankruptcy cases of ATI and its subsidiaries have been consolidated for procedural purposes and are being jointly administered pursuant to rule 1015(b) of the Federal Rules of Bankruptcy Procedure.

<sup>5</sup> Asset Purchase Agreement by and among Alliance Telecom, Inc. and the other sellers named herein, jointly and severally as Sellers, and Qwest Communications International, Inc. as Buyer, dated December 18, 2003 (the "Agreement"). A copy of the Agreement may be obtained at [http://www.algx.com/legal\\_info.jsp](http://www.algx.com/legal_info.jsp) or [www.qwest.com/about/policy/regulatoryDocs/allianceapa/index.html](http://www.qwest.com/about/policy/regulatoryDocs/allianceapa/index.html). The Agreement is a binding contract between the parties. Under procedures approved by the Bankruptcy Court, third parties may submit alternative proposals to acquire Alliance or its assets on February 9, 2004. If Alliance receives and accepts an alternative proposal, the Agreement would be terminated in accordance with its terms. Otherwise, the Agreement will continue in full force and effect and the Transaction will be consummated following final approval by the Bankruptcy Court, receipt of certain governmental approvals, and fulfillment of certain other conditions.

Specifically, Qwest proposes to acquire substantially all of Allegiance's local network facilities, such as switches, collocation, and transport equipment, personnel, and certain of Allegiance's customers, in the 36 local exchange markets served by Allegiance. Qwest also will acquire substantially all of Allegiance's customer contracts and assume Allegiance's obligation under them for their remaining terms. Assuming that the Transaction is consummated, Allegiance expects that substantially all of its telecommunications operations, including those of Allegiance Florida, will be transferred to Qwest and that Allegiance will no longer offer telecommunication services in Florida.<sup>6</sup>

In consideration for Allegiance's assets, Qwest will deliver to Allegiance \$300 million in cash and \$90 million in convertible notes and will assume certain preexisting liabilities of Allegiance.<sup>7</sup> Closing under the Agreement is contingent upon approval by the Bankruptcy Court, receipt of certain required governmental approvals, and satisfaction of certain other conditions.

### **III. THE TRANSFER OF THE FLORIDA ASSETS FROM ALLEGIANCE FLORIDA TO QCC IS IN THE PUBLIC INTEREST**

The Transaction would serve the public interest. Allegiance's chapter 11 cases and its current financial position effectively preclude Allegiance Florida from devoting the resources necessary to introduce new products and services and to expand its business in Florida. Qwest's acquisition of the Allegiance services assets and customers will permit the deployment of new products and services and the expansion of the existing Allegiance services while ensuring that Allegiance customers would continue to receive high-quality service without interruption.<sup>8</sup> The combination of Allegiance Florida's local exchange assets with Qwest's existing nationwide telecommunications network thus will promote competition in Florida in the provision of intrastate local and long distance telecommunications services and data services. Moreover, the Transaction will promote one of the fundamental objectives of the Telecommunications Act of 1996 and Florida telecommunications policy by aiding the competitive expansion of Qwest, an RBOC, into the local service territories of incumbent local exchange carriers such as BellSouth, Verizon, and Sprint. For these reasons, the parties submit that the Transaction is in the public interest.

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<sup>6</sup> Pursuant to the Agreement, Allegiance will retain its customer premises equipment sales and maintenance business and certain other assets, none of which are regulated by the Commission. Because QCC already holds the necessary authority to provide the Allegiance services in Florida, Qwest will not acquire the Certificates held by Allegiance Florida. Following the transfer of assets from Allegiance to Qwest, Allegiance Florida will make the appropriate filings to exit the regulated telecommunications market of Florida and to surrender its Certificates.

<sup>7</sup> The consideration to be paid by Qwest may be adjusted at closing as provided in the Agreement.

<sup>8</sup> Allegiance and Qwest will comply with applicable customer notice requirements of Florida and the FCC.

#### IV. CONCLUSION

An original and fifteen (15) copies of this letter are enclosed for filing. Please date-stamp the enclosed extra copy of this letter and return it in the attached self-addressed, stamped envelope. Please contact the undersigned if the Commission has any questions regarding this matter.

Respectfully submitted,

**QWEST COMMUNICATIONS  
INTERNATIONAL INC.**




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Its Attorneys

**ALLEGIANCE TELECOM, INC.,  
DEBTOR-IN-POSSESSION, AND  
ALLEGIANCE TELECOM OF FLORIDA,  
INC., DEBTOR-IN-POSSESSION**



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Its Attorneys

**EXHIBIT A**

**PETITION FOR WAIVER**

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

|  |   |                         |
|--|---|-------------------------|
| In re Petition of Allegiance Telecom of Florida, Inc., | ) |                         |
| Debtor-in-Possession for waiver of                     | ) |                         |
| Rule 25-4.118, F.A.C., Local, Local Toll               | ) |                         |
| or Toll Provider Selection in connection with          | ) | Docket No. _____        |
| Selection in connection with transfer of               | ) |                         |
| multi-service customers from Allegiance Telecom        | ) | Filed: January __, 2004 |
| of Florida, Inc., Debtor-in-Possession to              | ) |                         |
| Qwest Communications Corporation                       | ) |                         |
| _____  |   |                         |

**PETITION FOR WAIVER**

Allegiance Telecom, Inc., Debtor-in-Possession (“ATI”) and Qwest Communications International Inc. (“QCII”), hereby petition the Florida Public Service Commission (the “Commission”) for waiver of Rule 25-4.118, Florida Administrative Code, to allow them to transfer the multi-service customers of ATI’s Florida operating subsidiary, Allegiance Telecom of Florida, Inc., Debtor-in-Possession (“Allegiance Florida”) to Qwest Communications Corporation (“QCC” and, together with QCII, “Qwest”) without obtaining individual authorization and verification from each of Allegiance Florida’s customers.<sup>1/</sup> Allegiance Florida’s customers receive the services described in Section I.A. below.

Concurrent with this Petition, Petitioners have filed a letter with the Commission notifying it of the proposed sale of substantially all of the assets of Allegiance used in connection with the provision of telecommunications services to Qwest. The proposed transaction also is described in greater detail in Section IV below.

In support of this Petition, Petitioners state as follows:

<sup>1/</sup> ATI, Allegiance Florida, and ATI’s other operating subsidiaries are referred to collectively as “Allegiance.” Allegiance and Qwest are referred to collectively as “Petitioners.”

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## **I. DESCRIPTION OF PETITIONERS**

### **A. Allegiance**

Allegiance Florida is a corporation organized under the laws of the State of Delaware, with its principal business office located at 9201 North Central Expressway, Dallas, Texas 75231. Allegiance Florida is a wholly-owned subsidiary of Allegiance Telecom Company Worldwide, which, in turn, is a wholly-owned subsidiary of ATI. ATI is a publicly traded corporation organized under the laws of the State of Delaware. ATI's common stock is traded on the Over the Counter Bulletin Board under the symbol "ALGXQ.OB."

Through its operating subsidiaries, including Allegiance Florida, Allegiance, as of September 30, 2003, provides facilities-based telecommunications products and services to over 100,000 small and medium-sized business customers, large businesses (*i.e.*, national customers with multiple locations), governmental entities, wholesale customers, and other institutional users in 36 metropolitan areas in 24 states, including Florida, and the District of Columbia. Allegiance provides services primarily through the use of its own switches and routing equipment, leased transport facilities, fiber optic networks, and local loops obtained from incumbent local exchange carriers ("ILECs"). Allegiance offers its customers a variety of services, including:

- local, long distance and international voice services, including basic telephone services and advanced calling features;
- broadband and other Internet and data services, including high-speed Internet access, wide area network interconnection, domain name registration, web hosting, email and collocation services;
- integrated local/long distance/Internet access offerings, which provide customers with integrated voice and Internet access over a single broadband line; and
- wholesale services to other regional and national service providers, including equipment collocation, managed modem ports and Internet protocol traffic aggregation.

Allegiance Florida currently serves approximately 5,600 local and interexchange customers in Florida pursuant to Certificate Nos. 7143 and 7144.<sup>2/</sup> Although Allegiance Florida is authorized to provide services statewide, it operates primarily in the Fort Lauderdale, Miami, Tampa, and West Palm Beach/Boca Raton metropolitan areas.

No trustee or examiner has been appointed in the chapter 11 cases, and Allegiance Florida and its affiliates are authorized to operate their businesses and manage their properties as debtors-in-possession pursuant to Sections 1107 and 1108 of the Bankruptcy Code. As debtor-in-possession, Allegiance Florida has retained possession of its property and businesses during the reorganization process, and there have been no significant changes in its management as a result of the chapter 11 cases.

**B. Qwest**

QCC is a Delaware corporation whose principal office and place of business is located at 1801 California Street, Denver, Colorado 80202.<sup>3/</sup> QCC is an indirect wholly-owned subsidiary of QCII, a Delaware corporation whose stock is publicly traded on the New York Stock Exchange under the symbol “Q.”

Qwest, through one or more of its affiliates, provides voice, video and data services throughout the United States.<sup>4/</sup> Qwest’s broadband network spans more than 180,000 miles across the U.S. and globally. Qwest is authorized by the Federal Communications Commission

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<sup>2/</sup> See Docket Nos. 990883-TX and 990882-TI.

<sup>3/</sup> Copies of QCC’s Articles of Incorporation and certificate of authority to transact business in Florida were provided to the Commission in connection with QCC’s application for certification as a telecommunications carrier; thus, they are a matter of public record.

<sup>4/</sup> Qwest, through its affiliate, is an incumbent local exchange carrier in 14 states: Arizona, Colorado, Idaho, Iowa, Minnesota, Montana, Nebraska, New Mexico, North Dakota, Oregon, South Dakota, Utah, Washington and Wyoming. In these states, Qwest serves approximately 16.5 million residential and business access lines.



("FCC") to provide interstate and international telecommunications services and, through one or more of its affiliates, is authorized to provide various forms of telecommunications services in all 50 states and the District of Columbia. In Florida, QCC is authorized to provide Alternative Local Exchange Telecommunications and Interexchange Telecommunications pursuant to ALEC Certificate No. 5801 and IXC Certificate No. 3534.<sup>5/</sup> Thus, Qwest has been found by this Commission to possess the requisite financial, managerial, and technical qualifications to operate as a provider of intrastate telecommunications services in Florida.

## **II. CONTACTS**

The designated contacts for this Petition are:

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<sup>5/</sup> See also Consummating Order in Docket No. 010617-TP, Order No. PSC-01-1661-CO-TP (Aug. 14, 2001).

| <b>For Qwest:</b>   | <b>For Allegiance:</b>  |
|---|---|
| <p>Philip J. Roselli<br/>Associate General Counsel<br/>Qwest Services Corporation<br/>1801 California Street<br/>Denver, CO 80202<br/>Phone: (303) 896-6428<br/>Fax: (303) 295-7049<br/><a href="mailto:Philip.Roselli@qwest.com">Philip.Roselli@qwest.com</a></p> <p>Kristin Smith<br/>Senior Attorney<br/>Qwest Services Corporation<br/>1801 California Street<br/>Denver, CO 80202<br/>Phone: (303) 896-8143<br/>Fax: (303) 295-7049<br/><a href="mailto:Kristin.Smith@qwest.com">Kristin.Smith@qwest.com</a></p> | <p>Theresa Larkin<br/>Regional Vice President,<br/>Industry and State Regulatory Affairs<br/>Allegiance Telecom, Inc.<br/>700 East Butterfield Road, Suite 400<br/>Lombard, IL 60148/Dallas, TX 75231<br/>Phone: (630) 522-5463<br/>Fax: (630) 522-5250<br/><a href="mailto:Terry.Larken@algx.com">Terry.Larken@algx.com</a></p> <p>Mark A. Stachiw<br/>Senior Vice President and General Counsel<br/>- Allegiance Telecom Company Worldwide<br/>Allegiance Telecom, Inc.<br/>9201 North Central Expressway<br/>Dallas, Texas 75231<br/>Phone: (469) 259-2099<br/>Fax: (469) 259-9122<br/><a href="mailto:Mark.Stachiw@algx.com">Mark.Stachiw@algx.com</a></p> <p>Charles V. Gerkin, Jr.<br/>State Regulatory Counsel<br/>Allegiance Telecom, Inc.<br/>9201 North Central Expressway<br/>Dallas, Texas 75231<br/>Phone: (469) 259-4051<br/>Fax: (770) 234-5965<br/><a href="mailto:Charles.Gerkin@algx.com">Charles.Gerkin@algx.com</a></p> |
| <p>Peter A. Rohrbach<br/>Mace J. Rosenstein<br/>Yaron Dori<br/>Hogan &amp; Hartson L.L.P.<br/>555 13th Street NW<br/>Washington, D.C. 20004<br/>Phone: (202) 637-5600<br/>Fax: (202) 637-5910<br/><a href="mailto:PARohrbach@hhlaw.com">PARohrbach@hhlaw.com</a><br/><a href="mailto:MJRosenstein@hhlaw.com">MJRosenstein@hhlaw.com</a><br/><a href="mailto:YDori@hhlaw.com">YDori@hhlaw.com</a></p>  | <p>Jean L. Kiddoo<br/>Paul O. Gagnier<br/>Brian M. McDermott<br/>Swidler Berlin Shereff Friedman, LLP<br/>3000 K Street, NW, Suite 300<br/>Washington, DC 20007-5116<br/>Phone: (202) 424-7500<br/>Fax: (202) 295-8478<br/><a href="mailto:JLKiddoo@swidlaw.com">JLKiddoo@swidlaw.com</a><br/><a href="mailto:POGagnier@swidlaw.com">POGagnier@swidlaw.com</a><br/><a href="mailto:BMMcdermott@swidlaw.com">BMMcdermott@swidlaw.com</a></p>   |

### III. RULE TO BE WAIVED

Pursuant to Rule 25-4.118, Florida Administrative Code, a customer's presubscribed interexchange telecommunications services provider shall not be changed without the customer's

authorization. To make such a change, a carrier must (1) obtain a letter of agency from the customer requesting the change, (2) obtain confirmation from the subscriber via a customer-initiated call, or (3) utilize an independent third party to verify the subscriber's order. The requirements of Rules 25-4.118 are applicable to local exchange carriers through incorporation by reference in Rule 25-24.845. Petitioners respectfully request a waiver of Rule 25-4.118 so that they may consolidate the multi-service customer base of Allegiance Florida with the customer base of QCC. As explained more fully below, Allegiance customers will be notified in writing of the transfer of their service to QCC and of their rights under federal law pursuant to the applicable rule of the Federal Communications Commission, 47 C.F.R. § 74.1120(3).

#### **IV. DESCRIPTION OF TRANSACTION**

Pursuant to the Agreement, Qwest has agreed to acquire substantially all of the assets of Allegiance used in connection with the provision of local exchange and long distance voice services, broadband and other data services, and wholesale services (the "Allegiance Services").<sup>6/</sup> In Florida, QCC will acquire the relevant assets and operations of Allegiance Florida, including the majority of Allegiance Florida's existing customers. In addition, in the Agreement Qwest states that it intends to make offers of employment to substantially all of Allegiance's current employees whose duties pertain to the Allegiance Services assets and customers. Upon receipt of certain governmental approvals, satisfaction of various other conditions, and the consummation of the transaction, Qwest will integrate Allegiance's network assets with Qwest's existing network and assume responsibility for the provision of telecommunications services to Allegiance Services customers.

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<sup>6/</sup> Assets related to Allegiance's customer premises equipment sales and maintenance business, as well as certain other assets, are not being sold to Qwest. Those assets are described in the Agreement. To the extent there are any inconsistencies between the description of the Agreement herein and the actual terms and conditions of the Agreement, the terms of the Agreement control.

In consideration for Allegiance's assets, Qwest will deliver to Allegiance (1) \$300 million in cash; (2) convertible notes in the amount of \$90 million; and (3) the assumption by Qwest of certain preexisting liabilities of Allegiance.<sup>7/</sup> The boards of directors of Qwest and Allegiance have approved or ratified the Agreement, as appropriate, and Allegiance has requested approval of the Agreement from the Bankruptcy Court. Closing under the Agreement is contingent upon approval by the Bankruptcy Court, receipt of required governmental approvals, and satisfaction of certain other conditions.

The Agreement provides that ATI or Qwest may terminate the proposed transaction if it does not close by August 18, 2004.<sup>8/</sup> However, consummation of the transfer of the Allegiance Florida assets and customers to Qwest as soon as possible following the entry of the Bankruptcy Court's sale order is essential in order to eliminate the continuing uncertainty caused by Allegiance's bankruptcy and to ensure a smooth transition of Allegiance Florida customers to Qwest. Petitioners therefore respectfully request that the Commission approve this Petition promptly.

**V. THE PROPOSED TRANSACTION AND GRANT OF THIS PETITION ARE IN THE PUBLIC INTEREST**

For the reasons discussed in the notice letter filed concurrently with this Petition, the proposed transaction would serve the public interest. Allegiance's chapter 11 cases and its current financial position effectively preclude Allegiance Florida from devoting the resources necessary to introduce new products and services and to expand its business in Florida. Qwest's acquisition of the Allegiance services assets and customers will permit the deployment of new

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<sup>7/</sup> The consideration to be paid by Qwest may be adjusted at closing as provided in the Agreement.

<sup>8/</sup> Qwest has agreed, under certain conditions, to provide management and related services to Allegiance on an interim basis to ensure that Allegiance can provide continuous service to its customers until all required approvals and consents are received. Any such services would be provided by Qwest on behalf of Allegiance and subject to Allegiance's ultimate direction and control in a manner consistent with applicable law and regulation.

products and services and the expansion of the existing Allegiance services while ensuring that Allegiance customers would continue to receive high-quality service without interruption. The combination of Allegiance Florida's local exchange assets with Qwest's existing nationwide telecommunications network thus will promote competition in Florida in the provision of intrastate local and long distance telecommunications services and data services. Moreover, the Transaction will promote one of the fundamental objectives of the Telecommunications Act of 1996 and Florida telecommunications policy by aiding the competitive expansion of Qwest, an RBOC, into the local service territories of ILECs such as BellSouth, Verizon, and Sprint in Florida. For these reasons, the parties submit that the Transaction is in the public interest.

In addition, the grant of this Petition is in the public interest as it will obviate unnecessary slamming complaints. As discussed below, customers will receive ample notice of the proposed transfer. Pursuant to the Agreement, QCC has agreed that it will honor the current terms and conditions of Allegiance Florida's existing customer contracts during the terms of those agreements. QCC also will adopt Allegiance Florida's tariffs on file with the Commission with respect to those customers, subject to its right to revise those tariffs pursuant to Florida laws and regulations.

As required by Rule 64.1120(e) of the Federal Communications Commission, 47 C.F.R. § 64.1120(e), Allegiance Florida customers will be notified in writing of the proposed transfer of their service to QCC and of their rights under federal law. A copy of a customer notice letter substantially in the form to be provided to customers is attached as Attachment 1. Following consummation of the Transaction, QCC will comply with all state and federal regulations applicable to the services provided.

The Commission has granted petitions for waiver in similar circumstances in several prior cases, including Order No. PSC-03-0252-PAA-TP (Mpower Communications Corp/Florida Digital Network, Inc.) in Docket No. 030080; Order No. PSC-01-0812-PAA-TP (Verizon Florida, Inc./Select Services Inc.) in Docket No. 010030-TP; Order No. PSC-00-1520-PAA-TI (PNG Telecommunications/Broadwing) in Docket No. 000764-TI; and Order No. PSC-00-2198-PAA-TI (TTI National/Minimum Rate Pricing) in Docket No. 000825-TI.

WHEREFORE, Petitioners request that the Commission grant the Petition and waive the requirements of Rule 25-4.118, Florida Administrative Code, to permit Petitioners to consolidated the multi-service customer base of Allegiance Florida with the customer base of QCC as set forth above.

RESPECTFULLY SUBMITTED this 19<sup>th</sup> day of January, 2004.

Respectfully submitted,

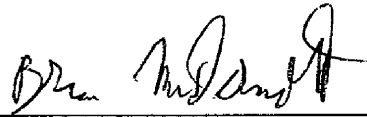
**QWEST COMMUNICATIONS  
INTERNATIONAL INC.**

**ALLEGIANCE TELECOM, INC.,  
DEBTOR-IN-POSSESSION, AND  
ALLEGIANCE OF FLORIDA, INC.,  
DEBTOR-IN-POSSESSION**



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**ATTACHMENT 1**

**FORM OF CUSTOMER NOTICE LETTER**

## DRAFT CUSTOMER NOTICE

Dear \_\_\_\_\_:

As you may be aware, Allegiance Telecom, your current telecommunications provider, is reorganizing pursuant to chapter 11 of the United States Bankruptcy Code. As part of its reorganization plan, Allegiance recently entered into an agreement whereby Qwest will purchase substantially all of Allegiance's assets, including your service agreement with Allegiance. As a result, Qwest will assume responsibility for handling all of the local, long distance, and other services currently provided to you by Allegiance upon closing of the transaction, which is expected on or about [date].

Qwest will pay any carrier change charges associated with the transfer of your service to Qwest. If you have selected a long distance carrier other than Allegiance, your long distance carrier selection will remain the same. Allegiance and Qwest are taking measures to ensure that the transfer process is smooth and transparent to you.

Qwest understands that you have a choice for your telecommunications services and we are dedicated to earning and keeping your business. Qwest is committed to continuing to provide you with service under the same rates, terms and conditions that you have enjoyed up to now with Allegiance. Should there be any changes to these rates, terms and conditions in the future, you will be notified in accordance with your service agreement and applicable law. Qwest is committed to providing you with an outstanding array of new products and services at competitive rates. Qwest is proud of the service it provides and looks forward to serving you.

Prior to closing, you have the right, subject to your contractual obligations to Allegiance, to select an alternative service provider. If you do not select an alternative provider by [date], Qwest will become your service provider. This is true even if you have placed a preferred carrier freeze on your account with Allegiance, unless you change local or long distance carriers prior to [date]. Also, if you have placed a preferred carrier freeze on your Allegiance account, you will need to arrange a new one after Qwest assumes responsibility for your service.

Any questions regarding Allegiance's service should be directed to Allegiance at 1-8XX-XXXX. If you have any questions about the content of this letter or any of Qwest's services, please contact us at 1-8XX-XXX-XXXX or visit our website at [www.qwest.com](http://www.qwest.com).