

January 17, 2001

Blanca S. Bayo, Director
Florida Public Service Commission
Division of Records & Reporting
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: NorthPoint Communications

010000-PU

Dear Ms. Bayo,

I am writing to inform you that yesterday, NorthPoint Communicationsⁱ filed for federal bankruptcy protection in United States Bankruptcy Court in San Francisco, California. NorthPoint is pursuing a plan under chapter 11 of the United States bankruptcy code in order to reorganize and preserve the ongoing operations of NorthPoint. This action was necessitated by the company's difficult cash position in the wake of Verizon's surprising and, we believe, unjustified termination of our binding merger agreement.

While NorthPoint pursues the chapter 11 cases, we will remain in close contact with you as we approach approval of a final reorganization.ⁱⁱ

We understand that your primary concern is service to consumers. Service to existing NorthPoint customers nationwide will not be interrupted as a result of this bankruptcy filing. Furthermore, we expect to continue to offer broadband services to new customers through our retail partners, even as we work through the reorganization.

Because we have added the Florida Public Service Commission to the list of parties authorized to receive notice of the bankruptcy filing, you can expect a copy of the formal notice of the filing of the chapter 11 cases under separate cover, as well as additional information directly from the federal bankruptcy court. (We understand that this distribution may take several weeks.)

Please contact us if you desire additional information or require any formal filings. In addition, if you would like to designate someone in particular from your agency to be a direct contact for this issue please let us know. In either case, you may reach me directly by dialing (415) 365-6013 or by emailing me at molsen@northpoint.net.

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Thank you for your time and attention to this matter. NorthPoint appreciates your ongoing support of its continuing effort to bring affordable high-speed DSL lines into homes and businesses nationwide, and looks forward to the speedy resolution of this issue.

Very truly yours,



Michael E. Olsen
Vice President and Deputy
General Counsel, Government and
Industry Affairs

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- i NorthPoint Communications Group, Inc. and all of its domestic subsidiaries (collectively, "NorthPoint") filed for bankruptcy protection simultaneously.
 - ii NorthPoint's current plan involves the federal bankruptcy court approving a restructuring of existing debt with NorthPoint's existing lenders. If the situation changes and the federal bankruptcy court approves a package that requires new debt to be issued on an emergency basis, we will contact you promptly with the details and obtain any consents or approvals necessary for this action.