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August 10, 2001

To whom it may concern:

The attached document is an Application submitted to the Federal Communications Commission ("FCC" or "Commission") by Rhythms Links Inc. ("Rhythms Links") to discontinue its provision of DSL services.

Per the Commission's Rule 63.71(a), 47 U.S.C. § 63.71(a), carriers that are discontinuing service are required to "notify and submit a copy of its application to the public utility commission and to the Governor of the State in which the discontinuance. . . is proposed."

Please note that all Rhythms' customers nationwide have been provided with 31 days notice of discontinuance of service. Rhythms is attempting to assist its customers in making a transition to other service providers.

Should you have any questions, please feel free to contact Doug Hsiao of Rhythms at 303-876-2704.

Sincerely,


Larry Blosser

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AUG 10 2001

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

August 10, 2001

VIA HAND DELIVERY

Magalie Roman Salas
Secretary
Federal Communications Commission
445 Twelfth Street, SW., TW-A325
Washington, DC 20554

RE: Section 63.71 Application of Rhythms Links Inc.
Holder of Section 214 Authority (CCB/NSD File No. _____)

Dear Ms. Salas,

Enclosed please find an original and six (6) copies of the Section 63.71 Application of Rhythms Links Inc., holder of Section 214 Authority.

As discussed in the Application, file-stamped copies will be served upon the necessary parties.

Please do not hesitate to contact me should you have any questions.

Respectfully submitted,


Brian Farley
Vice President
Rhythms Links Inc.

cc: Jon Minkoff
ITS
Enclosures

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of the)
)
Section 63.71 Application of)
) CCB/NSD File No. _____
Rhythms Links Inc.)
)

SECTION 63.71 APPLICATION

Rhythms Links Inc. (“Rhythms Links”), by its undersigned counsel, hereby requests authority to discontinue service pursuant to Section 214(a) of the Communications Act of 1934, as amended (the “Act”), 47 U.S.C. § 214(a), and Section 63.71 of the Commission’s Rules, 47 C.F.R. § 63.71. Specifically, Rhythms Links requests the authority to discontinue services in all geographic areas throughout the United States in which Rhythms Links provides service. In support of this request, Rhythms Links provides the following:

I. Background

The Telecommunications Act of 1996 sought to facilitate competitive entry into the monopoly local exchange market. Beginning in the mid-90’s, the demand among consumers and businesses for high-speed data services, including broadband Internet access, grew rapidly. These two factors led to the establishment of numerous competitive local exchange carriers (“CLECs”), including CLECs specializing in the provision of broadband data services.

Rhythms NetConnections Inc. (“Rhythms”) emerged as a leading competitive provider of high-speed broadband services, primarily using Digital Subscriber Line (“DSL”) technology. Telecommunications services for Rhythms are provided by Rhythms Links, a wholly-owned CLEC subsidiary of Rhythms NetConnections Inc. Rhythms Links is certified as a facilities-

based and resale telecommunications provider nationwide. Based in Englewood, Colorado, Rhythms NetConnections Inc. (OTCBB: RTHMQ.OB) provides broadband services to both businesses and consumers using data transfer rates ranging from 128 kbps to 8.0 Mbps.

In early 2000, the capital markets began to falter. Due in large part to the reduced access to capital, Rhythms' ability to provide service became strained. Rhythms diligently pursued alternative means to develop long-term business solutions so as to continue to provide service. Indeed, throughout 2001 Rhythms has endeavored to restructure its business to respond to the ongoing decline in the telecommunications sector.

Despite these efforts, Rhythms has become incapable of continuing upon its current course. On August 1, 2001, Rhythms NetConnections Inc. and all of its wholly-owned U.S. subsidiaries, including Rhythms Links, voluntarily filed for reorganization under Chapter 11 of the U.S. Bankruptcy Code in the Southern District of New York.

Rhythms' current cash burn is between \$765,000 and \$895,000 *per day*, and the majority of this cash burn is associated with network operations. It has become imperative that Rhythms cease providing service in order to reduce its cash burn. Accordingly, customers in Rhythms' service areas will not continue to receive service from Rhythms after September 10, 2001. Rhythms Links therefore respectfully submits the following application for authority to discontinue service.

II. Section 63.71(a) Information

Pursuant to Section 63.71(a) of the Commission's rules, Rhythms Links provides the following:

1. Name and Address of Carrier:

Rhythms Links Inc.
9100 East Mineral Circle
Englewood, CO 80112

2. Date of Planned Service Discontinuance, Reduction or Impairment:

September 10, 2001.

3. Points of Geographic Areas of Service Affected:

All 50 states.

4. Brief Description of Type of Service Affected:

Rhythms' high speed data services will be affected by the present discontinuance. The discontinuance of the underlying telecommunications service by Rhythms Links will result in the discontinuance of all high speed data services, including Internet access services, to all of Rhythms' current customers.

III. Notification Requirement

Rhythms Links has provided its affected customers with 31 days notice of discontinuance of service. On August 2, 2001, Rhythms publicly announced that it filed for reorganization under Chapter 11 of the U.S. Bankruptcy Code in the Southern District of New York.¹ In a press release published nationwide, and posted on the Rhythm's website, Rhythms clearly outlined its intent to discontinue service in the event that a reorganization was not possible.² The press release states "The Company has agreed to send a 31-day advance service termination notice to its customers on or before August 10, 2001, if (1) holders of at least two-thirds of the principal amount of the Company's notes become parties to the Voting Agreement, and (2) the Company has not received an acceptable 'going concern' bid."³

¹ Press Release, "Rhythms NetConnections Files for Chapter Chapter 11 Protection," (August 2, 2001) ("*Press Release*").

² *Id.* See also <http://www.rhythms.net/ch11.cfm>

³ *Press Release.*

It has become clear to Rhythms that such a reorganization would not be possible, and that discontinuance of service would be necessary. On August 9, 2001, Rhythms Links sent, via overnight delivery, a notice of proposed discontinuance to its affected customers so that these individuals and businesses would have ample opportunity to seek alternative service providers. In the notice, Rhythms Links advised its customers of the need to arrange for the transfer of service to an alternative service provider and listed the FCC contact information per Rule 63.71(e)(i), 47 C.F.R. § 63.71(e)(i). Finally, in a second nationwide press release issued on August 10, 2001, Rhythms notified the public that service would be terminated in 31 days.

Rule 63.71(c), 47 C.F.R. § 63.71(c), states that unless notified by the Commission, a non-dominant carrier's application to discontinue service is automatically granted 31 days from the date filed, unless the Commission notifies the applicant that the grant will not be automatically effected. The rule specifies that an application is deemed filed on the date the Commission releases public notice of this filing.

Per Rule 63.71 (a), 47 C.F.R. § 63.71(a), Rhythms Links will send a date-stamped copy of this Application, including a copy of its customer notice attached as Attachment I, to state Commissions and to the Governors in all fifty states, as well as to the Department of Defense.

IV. Regulatory Status

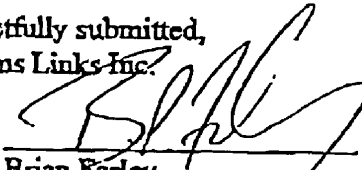
Rhythms Links is considered a non-dominant carrier with respect to each domestic telecommunications service it seeks to discontinue in this Application per Section 63.71 of the Commission's Rules.

V. Conclusion

For the foregoing reasons, Rhythms Links respectfully requests, pursuant to Section 214 of the Act, 47 U.S.C. § 214(a), and Section 63.71 of the Commission's rules, 47 C.F.R. § 63.71, that the Commission approve this Application.

Respectfully submitted,
Rhythms Links Inc.

By:



Brian Farley
Vice President
Rhythms Links Inc.
9100 East Mineral Circle
Englewood, CO 80112
303.476.4200
303.476.2272 facsimile
bfarley@rhythms.net

Dated: August 10, 2001

RHYTHMS™

VIA FEDERAL EXPRESS

August 9, 2001

«Company»
«Address 1»
«Address 2»
«City», «State» «ZIP»

Re: Discontinuance of Service and Letter of Authorization ("LOA")

To Whom It May Concern:

As you are likely aware, on August 1, 2001, Rhythms voluntarily filed for reorganization under Chapter 11 of the U.S. Bankruptcy Code in the Southern District of New York. For many months Rhythms has been exploring ways to restructure the company in order to continue to provide you with DSL solutions. It has unfortunately become clear that such a restructuring is not possible at this time. Accordingly, and in order to satisfy the Company's federal bankruptcy and corporate law obligations, we must discontinue service to our customers.

Please treat this letter as your company's formal notice that Rhythms plans to cease to provide all service nationwide as of September 10, 2001.

In order for you to find alternative broadband solutions, this letter grants full and complete authority and authorization for: (a) you or your designee to arrange for each and every unbundled loop identified on Attachment A ("Identified Loops") to be transferred to the broadband service provider of your choice ("Alternative Service Provider"), and (b) the Incumbent Local Exchange Carrier ("ILEC") from whom Rhythms is currently leasing the Identified Loops to cooperate, initiate, and expeditiously complete the migration of such loops to the Alternative Service Provider's network.

The Identified Loops are described by ILEC circuit ID, and include CFA and cable and pair assignments. If the Alternative Service Provider requires any additional information from the ILEC regarding the Identified Loops, this letter hereby grants the ILEC the right to provide the Alternative Service Provider all such information.

The FCC will normally authorize this proposed discontinuance of service unless it is shown that customers would be unable to receive service, find a reasonable substitute from another carrier, or that the public convenience and necessity is otherwise adversely affected. If you wish to object, you should file your comments within 15 days after receipt of this notification. Address them to the Federal Communications Commission, Washington, DC 20554, referencing the Sec. 63.71 application of Rhythms Links Inc. Comments should include specific information about the impact of this proposed discontinuance upon you or your company, including any inability to acquire reasonable substitute service. We regret having to take these steps.

Sincerely,
RHYTHMS
Enclosures

Rhythms • 9100 E. Mineral Circle • Englewood, CO 80112
(303) 876-6500 • Fax: (303) 476-2272 • www.rhythms.com

CERTIFICATE OF SERVICE

I, Leslie LaRose hereby certify that on this 10th day of August, 2001, I have served a copy of the foregoing document via hand delivery and U.S. Mail, postage pre-paid, to the following:


Leslie LaRose

Secretary of Defense
Attn. Special Assistant for Telecommunications
Pentagon
Washington, DC 20301

Jon Minkoff
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Walter Thomas
Alabama Public Service Commission
100 North Union Street, Suite 850
Montgomery, AL 36101

Joyce McGowan
Regulatory Commission of Alaska
701 West 8th Avenue, Suite 300
Anchorage, AK 99501

Christina Rosales
Arizona Corporation Commission
1200 West Washington
Phoenix, AZ 85007

Diana Wilson
Arkansas Public Service Commission
1000 Center Street
Little Rock, AR 72203

Docketing Clerk
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

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Colorado Public Utilities Commission
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Denver, CO 80203

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Connecticut Dept. of Public Utility Control
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Delaware Public Service Commission
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Florida Public Service Commission
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Honolulu, HI 96813

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Idaho Public Utilities Commission
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Boise, ID 83702

Donna Caton
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Springfield, IL 62701

Joseph Sutherland
Indiana Utility Regulatory Commission
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Indianapolis, IN 46204

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Iowa Utilities Board
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Des Moines, IA 50319

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Lawrence St.Blanc
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Frances Smith
New Jersey Board of Public Utilities
Two Gateway Center
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Pam Payne
New Mexico Public Regulation Commission
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Santa Fe, NM 87501

Janet Hand Deixler
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Luly Massero
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Tennessee Regulatory Authority
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112 State Street, Drawer 20
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