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August 10, 2001

To whom it may concern:

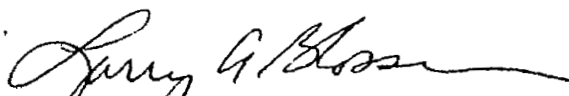
The attached document is an Application submitted to the Federal Communications Commission ("FCC" or "Commission") by Rhythms Links Inc. ("Rhythms Links") to discontinue its provision of DSL services.

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

APP \_\_\_\_\_  
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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.<sup>1</sup> 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.<sup>2</sup> 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."<sup>3</sup>

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

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

<sup>3</sup> *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 1, to state Commissions and to the Governors in all fifty states, as well as to the Department of Defense.

#### **IV. Regulatory Status**

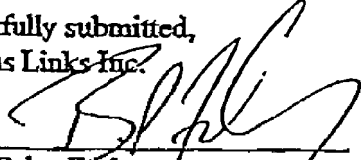
Rhythms Links is considered a non-dominant carrier with respect to each domestic telecommunications service it seeks to discontinue in this Application per Section 63.71 of the Commission's Rules.

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](mailto: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](http://www.rhythms.com)



CERTIFICATE OF SERVICE

I, Leslie LaRose hereby certify that on this 10<sup>th</sup> 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 12<sup>th</sup> 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 8<sup>th</sup> 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

Michele Gronewold  
Colorado Public Utilities Commission  
1580 Logan Street, Office Level 2  
Denver, CO 80203

Louise Rickard  
Connecticut Dept. of Public Utility Control  
10 Franklin Square  
New Britain, CT 06051

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Delaware Public Service Commission  
861 Silver Lake Boulevard, #100  
Dover, DE 19904

Jesse P. Clay, Jr.  
DC Public Service Commission  
1333 H Street, NW, 7<sup>th</sup> Floor  
Washington, DC 20005

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Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399

Reece McAlister.  
Georgia Public Service Commission  
244 Washington Street, SW  
Atlanta, GA 30334

Karen Higashi  
Hawaii Public Utilities Commission  
465 South King Street, Room 103  
Honolulu, HI 96813

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Idaho Public Utilities Commission  
472 W. Washington  
Boise, ID 83702

Donna Caton  
Illinois Commerce Commission  
527 E. Capitol Avenue  
Springfield, IL 62701

Joseph Sutherland  
Indiana Utility Regulatory Commission  
302 W. Washington Street, Rm. E306  
Indianapolis, IN 46204

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Iowa Utilities Board  
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Des Moines, IA 50319

Jeff Wagaman  
Kansas Corporation Commission  
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Topeka, KS 66604

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Kentucky Public Service Commission  
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Frankfort, KY 40602

Lawrence St.Blanc  
Louisiana Public Service Commission  
One American Place, Suite 1630  
Baton Rouge, LA 70821

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Maine Public Utilities Commission  
242 State Street, 18 State House Station  
Augusta, ME 04333

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Maryland Public Service Commission  
6 St. Paul Street, 16<sup>th</sup> Floor  
Baltimore, MD 21202

Mary Cottrell  
Massachusetts Dept. of Telecom & Energy  
One South Station  
Boston, MA 02110

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Michigan Public Service Commission  
6545 Mercantile Way, Suite 7  
Lansing, MI 48911

Burl Haar  
Minnesota Public Utilities Commission  
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St. Paul, MN 55101

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Mississippi Public Service Commission  
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Jackson, MS 39201

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Missouri Public Service Commission  
200 Madison Street  
Jefferson City, MO 65101

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Montana Public Service Commission  
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Andy Pollack  
Nebraska Public Service Commission  
1200 N Street, 300 The Atrium  
Lincoln, NE 68509

Crystal Jackson  
Nevada Public Utilities Commission  
1150 E. William Street  
Carson City, NV 89701

Thomas Getz  
New Hampshire Public Service Commission  
8 Old Suncook Road  
Concord, NH 03301

Frances Smith  
New Jersey Board of Public Utilities  
Two Gateway Center  
Newark, NJ 07102

Pam Payne  
New Mexico Public Regulation Commission  
224 East Palace Avenue  
Santa Fe, NM 87501

Janet Hand Deixler  
New York State Public Service Commission  
Three Empire State Plaza  
Albany, NY 12223

Geneva Thigpen  
North Carolina Utilities Commission  
430 North Salisbury Street  
Raleigh, NC 27603

Jon Mielke  
North Dakota Public Service Commission  
600 East Boulevard, Dept. 408  
Bismark, ND 58505

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Ohio Public Utility Commission  
180 E. Broad Street  
Columbus, OH 43215

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Oklahoma Corporation Commission  
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Oklahoma City, OK 73105

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Oregon Public Utility Commission  
550 Capitol Street, NE, Suite 215  
Salem, OR 97301

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400 North Street, 2<sup>nd</sup> Floor  
Harrisburg, PA 17120

Luly Massero  
Rhode Island Public Utilities Commission  
89 Jefferson Boulevard  
Warwick, RI 02886

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South Carolina Public Service Commission  
101 Executive Center Drive  
Columbia, SC 29210

Debra Elosson  
South Dakota Public Utility Commission  
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Tennessee Regulatory Authority  
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State Capitol  
Executive Chambers  
Honolulu, HI 96813

New Mexico Gov. Gary Johnson  
Office of the Governor  
State Capitol, 4<sup>th</sup> Floor  
Santa Fe, NM 87503

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1231 20<sup>th</sup> Street, NW  
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