allegiancetelecom,inc.

Qwest
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February 20, 2004

EX PARTE

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20054

Re: WC Docket No. 04-13 and IB File No. ITC-ASG-20040112-00012

Dear Secretary Dortch:

Allegiance Telecom, Inc., Debtor-in-Possession ("Allegiance"), and Qwest Communications International Inc. ("Qwest," and, together with Allegiance, the "Applicants"), by their attorneys, respectfully submit this letter to advise the Commission that the proposed transaction between the Applicants, whereby Qwest proposed to purchase substantially all of the regulated assets of Allegiance's operating subsidiaries (the "Transaction"), will be terminated.

The Transaction was in furtherance of the reorganization of Allegiance under Chapter 11 of the U.S. Bankruptcy Code. Pursuant to procedures adopted by the U.S. Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"), on February 12, 2004, Allegiance commenced an auction for the sale of its assets. On February 13th, Allegiance announced that XO Communications Inc. ("XO") had submitted the highest bid in the auction, and the Bankruptcy Court confirmed XO as the winner on February 19th.

Because Qwest was not confirmed as the winning bidder, Applicants intend to terminate the Transaction. Accordingly, Applicants respectfully request that the Commission dismiss without prejudice Applicants' Joint Application for Consent to Assignment of Assets, which was filed on December 31, 2003, in the above-referenced docket. Further, to the extent the Commission obtained confidential or proprietary information with respect to the Transaction from the Department of Justice, Applicants respectfully request that such information be treated in accordance with the HSR waiver letter sent to the Department of Justice on January 27, 2004, and filed with the Commission that same day.

Please contact the undersigned if you have any questions regarding this submission.

Respectfully submitted,

QWEST COMMUNICATIONS INTERNATIONAL INC.

Peter A. Rohrbach
Mace J. Rosenstein
Yaron Dori
Hogan & Hartson L.L.P.
555 13th Street NW
Washington, D.C. 20004
Tel: (202) 637-5600
Fax: (202) 637-5910
PARohrbach@hhlaw.com
MJRosenstein@hhlaw.com
YDori@hhlaw.com

Its Attorneys

ALLEGIANCE TELECOM, INC., DEBTOR-IN-POSSESSION AND ALLEGIANCE TELECOM OF NEVADA, INC., DEBTOR-IN-POSSESSION

Jean L. Kiddoo
Paul O. Gagnier
Swidler Berlin Shereff Friedman, LLP
3000 K Street, N.W., Suite 300
Washington, DC 20007-5116
Tel: (202) 424-7500
Fax: (202) 424-7645
JLKiddoo@swidlaw.com
POGagnier@swidlaw.com

Its Attorneys

cc: Cynthia Bryant
Ann Bushmiller
William Dever
Dennis Johnson
David Krech
Tracey Wilson