

XO Communications, Inc.



11111 Sunset Hills Road  
Reston, VA 20190  
USA

February 5, 2003

**VIA FEDERAL EXPRESS**

Ms. Stephanie Bell  
Executive Director  
Commonwealth of Kentucky  
Public Service Commission  
211 Sower Boulevard  
Frankfort, KY 40602

RECEIVED  
FEB 10 2003  
FEDERAL EXPRESS

Re: Notice of Consummation of the Corporate Reorganization of  
XO Communications, Inc., Parent Company of XO Long Distance  
Services, Inc. and Notice of the Emergence of XO Communications, Inc.  
from Chapter 11 Bankruptcy Status

Dear Ms. Bell:

This letter constitutes formal notice that the reorganization of  
XO Communications, Inc. ("XO") was consummated effective January 16, 2003 (the "Effective  
Date"), and as a consequence, XO has emerged from its Chapter 11 bankruptcy status. XO, by  
letter dated November 7, 2002, informed the Commission of the proposed reorganization of XO.

Specifically, on the Effective Date, the "Stand-Alone Plan" for XO, as confirmed  
by the U.S. Bankruptcy Court for the Southern District of New York, was effectuated, and the  
outstanding equity of XO was extinguished. On the Effective Date, \$1 billion in senior secured  
loans (the "Senior Secured Debt") was converted on a *pro rata* basis into 95 percent of the new  
common stock of XO and \$500 million principal amount of junior secured debt pursuant to an  
amended and restated debt facility (the "Junior Loan"). XO is the borrower under the Junior  
Loan, and all current and future subsidiaries of XO have or will guarantee payment under the  
facility and provide a security interest in their assets. The remaining five percent of XO common  
stock is being issued under the Stand-Alone Plan to the holders of senior notes and other general  
unsecured claims divided *pro rata* according to the amount of their claims.

Due to its holdings of Senior Secured Debt, on the Effective Date, approximately  
80 percent of the new common stock of XO was issued to High River Limited Partnership  
("High River"), an entity ultimately controlled by Carl C. Icahn. The notification letter to the  
Commission noted that, as a potential additional step, High River, as well as Meadow Walk  
Limited Partnership (which is also ultimately controlled by Carl C. Icahn and which is to be  
issued approximately two percent of XO common stock on the Effective Date), might transfer  
their stock in XO so that such stock would be held by Cardiff Holding LLC ("Cardiff"). Cardiff

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[www.xo.com](http://www.xo.com)

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is a Delaware limited liability company which is ultimately controlled by Carl C. Icahn. In fact, on the Effective Date, High River transferred its XO stock, so that currently Cardiff holds a majority of the outstanding common stock of XO.

XO is the parent company of XO Long Distance Services, Inc., which holds a certificate from the Commission to provide competitive telecommunications services.<sup>1</sup> As the reorganization was solely at the parent company level, there is no change in the certificated entity, its certificate or its tariff. The contact for customer and Commission inquiries relating to the XO certificated entity continues to be:

Cathleen A. Massey  
Vice President – External Affairs  
Assistant General Counsel  
XO COMMUNICATIONS, INC.  
11111 Sunset Hills Road  
Reston, VA 20190-5339  
Telephone: (703) 547-2361  
Fax: (703) 547-2881

Ten copies of this letter, in addition to the original, are enclosed. Please return a date-stamped copy of this letter (additional copy and self-addressed, postage pre-paid envelope provided). Please contact the undersigned with any communications concerning this notification.

Respectfully Submitted,



Cathleen A. Massey  
Vice President – External Affairs  
Assistant General Counsel  
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<sup>1</sup> XO Long Distance Services, Inc. is authorized to provide intrastate interexchange services in Kentucky. The company's tariff was effective of May 22, 1999.