

March 25, 2002

To Whom It May Concern:

XO Communications is a company with a grand vision: To provide state of the art broadband communications to small and medium sized business together with technical support and software to make it all function seamlessly. Through the hard work and investment of many people, this vision was on the verge of becoming a reality. However, a group of individuals led by Theodore Forstmann, of Forstmann Little, have submitted an Application for Transfer of Control and Petition For A Declaratory Ruling, File No. ISP-PDR-20020221-00007, along with other cursory documents that request transfer of control from Craig O. McCaw and the current shareholders of XO to the new shareholders of XO, including Forstmann Little and Telmex.

This plan, if implemented, essentially allows one Class A shareholder together with another "investor" to effectively wipe out all other Class A Shareholders and retain the ownership of the company. The Applicant asserts that the transaction will produce significant public benefits, including greater competition in the provision of local telecommunications services. The Applicant also asserts that the proposed transaction and the debt restructuring associated with it will provide critical funding for XO and a substantial reduction in its debt that will preserve and strengthen the company.

Current stockholders believe if the company needs more capital there are many ways to accomplish this without wiping out the investments of all shareholders other than Forstmann Little. For one, a "rights" offering would allow all shareholders the right to put in additional capital if needed. The company instead has signed an agreement that will only allow one Class A shareholder to invest further and locks the door on all others. I fully believe this is wrong and believe no further consideration should be given to the applicant for transferring control from the current shareholders.

This plan was voted on and approved by the Board of Directors of the company. The Chairman of the Board is Dan Ackerson, a longtime Forstmann associate and formerly a partner in Forstmann Little. The individual who signed the "term sheet" on behalf of Forstmann Little (one Sandra Horbach) also sits on the board of XO Communications and is currently a general partner in Forstmann Little. According to the business press, the founder and controlling shareholder of the company, Craig O. McCaw, recused himself from voting on the proposal. This left the largest remaining shareholder, Forstmann Little, voting to wipe out all the other Class A shareholders by approving what is essentially a "rights" offering to itself. The conflicts are many and certainly warrant an investigation by the Justice Department, the Securities and Exchange Commission, and appropriate Congressional Committees.

In addition to avoiding sharing additional investment, this Forstmann Little proposal envisions a neat way to evade United States bankruptcy laws. They are proposing a "pre-packaged" bankruptcy. There will be no chance for the assets to be fairly valued by others who might want to buy them. The final result of the "bankruptcy" envisioned by the Forstmann Little-Telefonos de Mexico group is one where they own 78% of a company with no unsecured debt and one billion dollars in the bank. Forstmann Little gets to keep its investment, all the other current owners will be completely shut out and the bondholders left with pennies

on the dollar. Is this the way bankruptcy is supposed to work in the United States?

I am a previous employee of XO Communications, and have had my entire retirement savings (401K) wiped out. I also made additional purchases of stock through the (Nextlink Communications) stock purchase plan, and on the open market as well. There are over 20 lawsuits pending over the actions of XO management, Forstmann Little, and Craig McCaw based on press releases and Quarterly financial analysis. XO management had previously stated that they were well funded into 2003; however, within weeks after making such statements the company announced this "deal" and stated that new cash infusion was required to continue operations.

I ask for your help in preventing these actions of a greedy and desperate man. Theodore Forstmann over-invested in telecommunications. He wasn't alone -- many people and firms did. But Theodore Forstmann devised a scheme in which he gets his entire investment back at the expense of all the other investors and the employees of the company. This is wrong no matter how you look at it and deserves scrutiny. This whole plan raises numerous national issues. Just to list a few:

1. In a global economy should the basic law controlling the behavior of large corporations toward shareholders be mostly left to the states?
2. If companies can "pre-package" bankruptcies and count on routine court approval who will represent the interests of shareholders?
3. Who represents the interests of employees with 401 K investments and other stock purchases? (They certainly are in a difficult position to speak up.)
4. What will happen to the economy if large numbers of corporations take the same course? Will it lead to a "debt implosion"?
5. Many people are advocating greater public participation in the markets to provide for retirement, but who will protect small investors and employees from the likes of Theodore Forstmann and Enron executives?

If a plan like this is allowed to succeed it will forever alter the investment landscape in the United States and the result will not be a rose garden. Please do not approve the Application for Transfer of Control and Petition For A Declaratory Ruling, File No. ISP-PDR-20020221-00007.

Sincerely,

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