

MEDIA STATEMENT

XO COMMUNICATIONS URGES CONGRESS TO INTERVENE IN FLAWED "FORBEARANCE PROCESS" THREATENING TELECOM COMPETITION AND CUSTOMER CHOICE

Washington, DC, October 2, 2007 – [BACKGROUND: At a House Energy Subcommittee hearing on the future of telecom competition today, competitive telecom providers warned that incumbent phone companies' forbearance petitions will effectively end consumer and business choice for telecommunications services.

The following statement is attributable to Heather B. Gold, senior vice president of external affairs at XO Communications:

"The incumbent phone companies were rocked back on their heels today. Members of Congress were clearly not satisfied with the incomplete answers and erroneous data the incumbents provided to questions on access and forbearance."

"Subcommittee Chairman Markey correctly observes that American ratepayers have paid for local network facilities used by competitors to provide advanced services to businesses and consumers. If approved, the incumbents' forbearance petitions will shut down access to this vital public asset that is critical to the future of competition, choice and broadband availability in America."

"We fully agree with Committee Chairman Dingell's view that all companies should provide valid market share data and would expect, accordingly, that Verizon would provide such valid data to support their arguments on the forbearance issue. The competitive industry has already done so."

"Independent research proves that the incumbent telephone monopolies control 98 percent of local network facilities that serve business customers. Until such time as markets become truly competitive, we ask Congress to step in and urge the Federal Communications Commission to look at the facts, dismiss the incumbents' premature petitions and fix the broken forbearance process."

"The current FCC forbearance process is 'unassailable' and 'unwritten,' as Chairman Dingell rightly characterized it today. As Representatives Pickering, Deal, and Stearns highlighted, we need to ensure a fair, deliberative process at the FCC in dealing with forbearance petitions."

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