



Qwest Corporation
1801 California Street
Suite 2400
Denver, CO 80202
Telephone: 303-896-4686
Facsimile: 303-896-8887

Larry Christensen
Director, Carrier Relations
Worldwide Wholesale Markets

April 13, 2005

Via Overnight Mail & Facsimile
James LeBlanc
Vendor Manager
McLeodUSA Telecom
First Place Tower
15 E. 5th St., Ste. 1500
Tulsa, Oklahoma 74103

Lauraine Harding
Sr. Manager, Interconnect Negotiation
McLeodUSA, Inc.
6400 C Street SW
P.O. Box 3177
Cedar Rapids, IA 52406-1377

RE: Notice of Withdrawal of ICA Security Deposit Demands

Dear Sir/Madam,

This letter is to notify you that, based on assurances by McLeod that it will remain current on its monthly payments under the ICAs, Qwest Corporation ("Qwest") is withdrawing its March 21, 2005 letters of demand for security deposit from McLeodUSA Telecommunications Services, Inc. and its CLEC affiliates (collectively, "McLeodUSA") under the Interconnection Agreements ("ICAs") between the parties. This withdrawal applies solely to the interconnection agreement demands noticed for the States of Arizona, Colorado, Idaho, Iowa, Minnesota, Montana, New Mexico, Oregon, Nebraska, North Dakota, South Dakota, Utah, Washington, and Wyoming. This withdrawal does *not* affect the letters of default and demands for security deposit in connection with Qwest tariffed services and Qwest Communications Corp. services (dated March 18, 2005) in litigation before the United States District Court for the District of Colorado. Qwest reserves all its legal rights with respect to the security deposit demanded under those disputes and all other rights in that litigation.

The withdrawal of the letters of demand for security under the Interconnection Agreements does not constitute an admission by Qwest of the truth, accuracy or merit of any fact or principle of law asserted by McLeod, including but not limited to any purported interpretation of any term or condition of any of the Interconnection Agreements. Qwest does not waive and expressly reserves any and all rights to take any action with respect to any other security deposit demand, any notice of default or default, or any conduct taken in the future under the Interconnection Agreements.

Sincerely,

A handwritten signature in black ink, appearing to read "Larry Christensen". The signature is written in a cursive, flowing style with a long horizontal stroke at the end.

Larry Christensen

Cc: Ken Burkhardt, CFO

MOSS & BARNETT

A Professional Association

4800 Wells Fargo Center
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April 11, 2005

Dr. Burl W. Haar
Executive Secretary
Minnesota Public Utilities Commission
121 Seventh Place E, Suite 350
St. Paul, MN 55101-2147

APR 12

Re: In the Matter of a Complaint by McLeodUSA Telecommunications Services, Inc. against Qwest Corporation for Demand of Security Deposit for an Approved Interconnect Agreement
MPUC Docket No.: P421/C-05-523

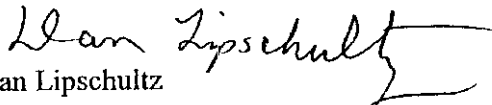
Dear Dr. Haar:

Enclosed please find an original and fifteen copies of the Petition to Withdraw Complaint, Request for Expedited Proceeding and Request for Temporary Relief on behalf of McLeodUSA Telecommunications Services, Inc. in the above-entitled matter. Also enclosed is an Affidavit of Service.

Please call if there are questions regarding this filing.

Very truly yours,

MOSS & BARNETT
A Professional Association


Dan Lipschultz

OF COUNSEL
THOMAS E. HARMS
ARTHUR J. GLASSMAN

DL/jjh
Enclosures
cc: All parties of record
764692v1

AFFIDAVIT OF SERVICE

STATE OF MINNESOTA)
) ss
COUNTY OF HENNEPIN)

In Re: In the Matter of the Complaint by McLeodUSA
Telecommunications Services, Inc. against Qwest
Corporation for Demand of Security Deposit for
an Approved Interconnection Agreement

MPUC Docket No.:

Kim R. Manney, being first duly sworn on oath, deposes and states that on the 11th day of April, 2005, copies of the Petition to Withdraw Complaint, Request for Expedited Proceeding, and Request for Temporary Relief on behalf of the McLeodUSA Telecommunications Services, Inc. in the above referenced matter were hand delivered or mailed by United States first class mail, postage prepaid thereon, to the following:

Dr. Burl W. Haar
Executive Secretary
MN Public Utilities Commission
121 Seventh Place E, Suite 350
St. Paul, MN 55101

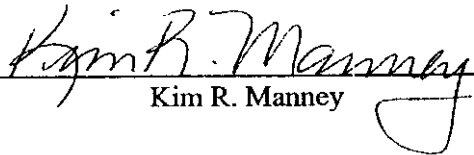
Linda Chavez
Minnesota Department of Commerce
85 Seventh Place East, Suite 500
St. Paul, MN 55101

Curt Nelson
Assistant Attorney General
900 NCL Tower
445 Minnesota Street
St. Paul, MN 55101

Jason Topp
Qwest Communications
200 S Fifth Street, Room 395
Minneapolis, MN 55402

William Courter
McLeodUSA Telecom, Inc.
Tech Park
6400 C Street SW
Cedar Rapids, IA 52404

William Haas
McLeodUSA Telecom, Inc.
Tech Park
6400 C Street SW
Cedar Rapids, IA 52404


Kim R. Manney

SWORN TO BEFORE ME this
11th day of April, 2005


NOTARY PUBLIC



STATE OF MINNESOTA
BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

LeRoy Koppendrayer
Marshall Johnson
Kenneth Nickolai
Thomas Pugh
Phyllis Reha

Chair
Commissioner
Commissioner
Commissioner
Commissioner

In the Matter of a Complaint by McLeodUSA
Telecommunications Services, Inc. against Qwest
Corporation for Demand of Security Deposit for
an Approved Interconnect Agreement

MPUC Docket No.: P421/C-05-523

**PETITION TO WITHDRAW COMPLAINT, REQUEST FOR EXPEDITED
PROCEEDING AND REQUEST FOR TEMPORARY RELIEF**

On March 31, 2005, McLeodUSA Telecommunications Services, Inc. ("McLeodUSA") filed a *Complaint, Request for Expedited Proceeding and Request for Temporary Relief* ("Complaint") with the Minnesota Public Utilities Commission ("Commission") in response to Qwest Corporation's ("Qwest") letter demanding payment under the Interconnection Agreement ("ICA") of a security deposit of \$2,098,141.82 in Minnesota by 5:00 p.m. on April 1, 2005, or risk having McLeodUSA's order activity suspended and services disconnected. The Complaint seeks temporarily relief prohibiting Qwest from disconnecting service to McLeodUSA and its end-user customers or suspending order activity. The Complaint also seeks an expedited proceeding and order precluding Qwest from demanding a security deposit.

McLeodUSA respectfully requests to withdraw its Complaint without prejudice based on Qwest's assurances in its April 5, 2005 filing with the Commission ("Qwest Response")¹ that it will not disconnect service or suspend ordering activity without following the "processes required for it to gain relief." Qwest Response at p. 4. Following the required processes would include compliance with the ICA, including its dispute resolution procedures, and with State law

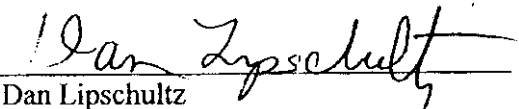
¹ *Response of Qwest Corporation to McLeodUSA Telecommunications Services, Inc.'s Request for Emergency Relief*, dated April 5, 2005.

regarding interconnecting carriers such as McLeodUSA and Qwest. It is McLeodUSA's understanding that state law precludes one carrier from disconnecting without prior Commission approval. McLeodUSA may file an amended complaint or request for dispute resolution under its ICA.

McLeodUSA would also like to take this opportunity to correct the record with regard to several assertions in the Qwest Response. Specifically, in the second paragraph on page 5, Qwest asserts that it "could initiate the process of Section 26.12 regarding default" In fact, the ICA between McLeodUSA and Qwest does not include a Section 26.12 or any other provision establishing rights and procedures for declaring a default. Similarly, in the first paragraph on page 6, Qwest cites Section 11.9.1 of the ICA and asserts under that Section what it characterizes as its "unconditioned right to request such a deposit if McLeodUSA becomes a credit risk." In fact, the ICA does not contain a section 11.9.1. Nor does any provision of the current ICA grant Qwest an "unconditioned right" to a security deposit. To the contrary, Sections 2.1 and 2.2 of the ICA set forth terms and conditions under which a security deposit *may* be required and McLeodUSA believes it has "satisfactory credit" with Qwest under those sections. In any event, whether and to what extent a security deposit may be required is subject to resolution by the Commission under Section 11 of the ICA.

Dated: April 11, 2005

Respectfully submitted,

By 
Dan Lipschultz

MOSS & BARNETT
A Professional Association

Attorneys on Behalf of McLeod
Telecommunications Services, Inc.