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January 10, 2006

The Honorable Robert E. Gerber
 United States Bankruptcy Court
 Southern District of New York
 One Bowling Green
 New York, NY 10004

Re: Adelphia Communications Corp., et al. – Case 02-41729 (REG)

Dear Judge Gerber:

I am writing this letter in response to the Debtors' response and comments, dated January 10, 2006¹ ("Comments"), as well as the letter filed by the Ad Hoc Committee of ACC Senior Noteholders (the "ACC Committee"), dated January 9, 2006, to Annex A ("Annex A") to the Reply of the Ad Hoc Committee of Arahova Noteholders (the "Arahova Noteholders Committee") to its Emergency Motions (I) For Entry of an Order (i) Pursuant to 11 U.S.C. § 1104(a) Appointing a Trustee for Arahova Communications, Inc. and Certain Other Debtor Estates or, if such Relief is not Granted, (ii) Pursuant to 11 U.S.C. §§ 1107 and 105(a) Requiring the Appointment of Independent Officers and Directors for Arahova Communications, Inc. and Certain Other Debtor Estates and the Retention of Unconflicted Counsel to Represent Such Estates in Respect of the Inter-Debtor Issues; (II) For Entry of an Order Disqualifying Willkie Farr & Gallagher LLP From Representing Debtor Arahova Communications, Inc. and its Subsidiary Debtors and From Representing the other Debtors on all Intercompany Issues; and (III) Pursuant to 11 U.S.C. §§ 105(a) and 1121(d) of the Bankruptcy Code for Entry of an Order Terminating the Exclusive Periods During Which the Arahova Debtors May File a Chapter 11 Plan and Disclosure Statement and Solicit Acceptances Thereof, dated January 6, 2005.

As an initial matter, the Arahova Noteholders Committee believes the majority of the additional information contained in the Comments, in most cases, is unnecessary and simply

¹ Although dated on January 10, the Debtors in fact served the Comments on Monday, January 9, 2006.

duplicative. However, the Arahova Noteholders Committee files this response for the limited purpose of objecting to three incorrect positions asserted by the Debtors in their Comments.

First, the Debtors disagree with the language inserted by the Debtors onto multiple pages under the column labeled “Appointment of Statutory Committees” in Annex A, arguing that

[t]here is no authority to support the Arahova Noteholder Committee’s affirmative statement that the “committee was not charged with investigating intercompany claims.” Pursuant to section 1103(c)(2) of the Bankruptcy Code, the committee had the authority [sic] investigate “the acts, conduct, assets, liabilities, and financial condition of the debtor, the operation of the debtor’s business and the desirability of the continuance of such business, and any other matter relevant to the case or the formulation of a plan.” There is no record evidence that this statutory grant was abandoned. A statutory committee need not be so “charged” to undertake such an investigation.

Comments, pp. 1, 3, 6-14, 16, & 19-21. Although 11 U.S.C. § 1103(c)(2) does grant certain powers to statutory committees, the Debtors’ interpretation of language contained in Annex A completely misses the mark. The Arahova Noteholders Committee does not assert that, in all fourteen of the extremely large and complex chapter 11 cases cited in Annex A, the official committees either abandoned or were stripped of their statutory authority to investigate and analyze a debtor’s intercompany claims. In fact, the language “not charged with investigating intercompany claims” is not even intended to be an affirmative statement; but rather, an explanation that no committee was affirmatively ordered by the bankruptcy court to investigate the validity of intercompany claims between affiliated debtors. Moreover, simply pointing out that an official committee has a statutory duty to investigate intercompany claims begs the question as to how such a committee, with a fiduciary obligation to represent all creditors, satisfies this statutory duty where there is an inherent conflict of interest caused by inter-debtor claims. For this reason, the Debtors’ added language is simply unnecessary.

Second, the Debtors appear to take issue with the Arahova Noteholders Committee’s statement that an examiner was appointed in In re The IT Group, Inc., (Bankr. D. Del. Case No. 02-10118), to investigate, among other things, “an analysis of any intercompany claims.” Annex A, p. 3. The Debtors describe in great detail the reasons why an examiner was sought and the scope of its powers – implying that such examiner had no authority to investigate intercompany claims. Comments, pp. 3-6. At the same time, however, the Debtors incongruously state that the

examiner was appointed with the following powers, among others:

* * *

- investigation of the acts, conduct, assets, liabilities and financial condition of the Debtors, the operation of the Debtors’ business, and the desirability of the continuance

of such business, and other matter relevant to the Chapter 11 Cases or to the formation of the plan. . . .

Comments, p. 4. Notably, this language tracks the exact words used in 11 U.S.C. § 1103(c)(2) – the same language that the Debtors argue provides statutory committees with the express authority to investigate claims between affiliated debtors. Additionally, the Debtors state that the First Supplement (the “First Supplement”) to First Report of Todd Neilson, as Examiner for the IT Group, Inc., et al., Pursuant to Order of Appointment dated March 17, 2002² is “*devoid of any reference to intercompany claims analysis.*” Comments, p. 6 (emphasis added). In the First Supplement, the examiner specifically discusses “intercompany payables.” See First Supplement, p. 16. Despite the Debtors’ attempts to the contrary, the examiner in the IT Group chapter 11 case, among other things, had the authority to analyze intercompany claims and, with respect to at least one issue, considered such claims.

Finally, under the column labeled “Appointment of Statutory Committees” for the In re Global Crossing case, the Debtors state that an examiner was appointed “pursuant to an agreement among the debtors and the United States Trustee” and that “[s]uch appointment took place at the outset of the Global Crossing chapter 11 cases.” Comments, p. 9. This statement is also inaccurate. An examiner was not appointed at the outset of this case; but rather, almost eleven months after the debtors filed their petitions,³ and after the debtors had filed their chapter 11 plan of reorganization and related disclosure statement. See Disclosure Statement for Debtors’ Joint Chapter 11 Plan of Reorganization, dated October 17, 2002. Furthermore, to say that the Global Crossing examiner was appointed pursuant to agreement is incorrect. The Debtors themselves mention in their Comments, under the heading labeled “Appointment of Examiner/Trustee,” that the Debtors and the United States Trustee only agreed to the appointment of the examiner while before the bankruptcy court and after certain holders had filed motions for the appointment of an employee committee, an equity securities committee, and an examiner. See Disclosure Statement for Debtors’ Joint Chapter 11 Plan of Reorganization, dated October 17, 2002, at p. 59.

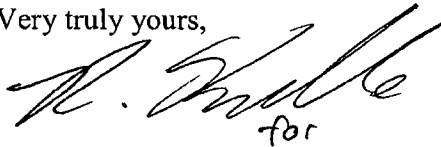
² The First Supplement, dated April 18, 2002, is attached hereto as Exhibit A.

³ The Global Crossing debtors filed their chapter 11 petitions on January 28, 2002, and the examiner was appointed on November 20, 2002. See Order for the Appointment of an Examiner, dated November 20, 2002.

With respect to the comments of ACC Committee, the Arahova Noteholders Committee believes that the matters that they seek to strike are relevant to the Court's inquiry because such information provides context as to what a settlement of intercompany claims would look like and the character of the parties to such settlement. Our failure to respond to Mr. Bennett's comments was merely an instance of papers getting lost in the shuffle, and we would have responded directly to the ACC Committee, had Hennigan, Bennett & Dorman, LLP attempted to contact us over the weekend. Nonetheless, the Arahova Noteholders Committee is willing to accept the ACC Committee's comments to avoid further dispute over the inclusion of Annex A.

As a result, the Arahova Noteholders Committee request that Court admit Annex A into evidence, subject to the inclusions and exclusions as set forth in the redline attached as Exhibit B to this response.

Very truly yours,

A handwritten signature in black ink, appearing to read "T. Lauria", with the word "for" written in smaller letters below it.

Thomas E Lauria

TEL/rcc