

EXHIBIT A

**to Filing Of Final Fee Application Of Deloitte & Touche LLP For Compensation
For Services Rendered And Reimbursement Of Expenses
As Restructuring Compensation Consultant To The Debtors**

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:) Chapter 11
FOCAL COMMUNICATIONS)
CORPORATION, et al.,¹) Case No. 02-13709 (KJC)
) (Jointly Administered)
Debtors.)
) Objection Deadline: July 22, 2003 at 4:00 p.m.
) Hearing Date: Hearing will be held only if necessary

**FIRST MONTHLY APPLICATION OF DELOITTE & TOUCHE LLP FOR
COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT OF
EXPENSES AS RESTRUCTURING COMPENSATION CONSULTANT TO THE
DEBTORS FOR THE PERIOD FROM FEBRUARY 1, 2003 THROUGH FEBRUARY
28, 2003**

Name of Applicant: Deloitte & Touche LLP ("D&T").

Authorized to Provide Professional Services to: The Debtors and Debtors in
Possession.

Date of Retention: effective as of January 7, 2003².

¹ The Debtors are the following entities: Focal Communications Corporation, Focal Communications Corporation of California, Focal Communications Corporation of Colorado, Focal Communications Corporation of Connecticut, Focal Communications Corporation of Florida, Focal Communications Corporation of Georgia, Focal Communications Corporation of Illinois, Focal Communications Corporation of Massachusetts, Focal Communications Corporation of Michigan, Focal Communications Corporation of the Mid-Atlantic, Focal Communications Corporation of Minnesota, Focal Communications Corporation of Missouri, Focal Communications Corporation of New England, Focal Communications Corporation of New Jersey, Focal Communications Corporation of New York, Focal Communications Corporation of Ohio, Focal Communications Corporation of Pennsylvania, Focal Communications Corporation of Texas, Focal Communications Corporation of Virginia, Focal Communications Corporation of Washington, Focal Communications Corporation of Wisconsin, Focal Financial Services, Inc., Focal International Corp., Focal Telecommunications Corporation, Focal Equipment Finance, LLC and Focal Fiber Leasing, LLC

² D&T has been retained as one of the Debtors "ordinary course professionals". The Affidavit of Michael S. Kesner in Support of the Retention of Deloitte & Touche LLP as Restructuring Compensation Program Services Providers for the Debtors, (the "Kesner Affidavit"), filed with the Notice of Filing of Amended Exhibit to Motion for Order Authorizing the Debtors to Employ and Compensate Certain Professionals in the Ordinary Course of Business [Docket No. 219], filed by the Debtors on February 4, 2003, sought that the effective date of D&T's retention be January 7, 2003. There were no objections filed to the Kesner Affidavit. Accordingly, pursuant to the Order Authorizing the Debtors to Employ and Compensate Certain Professionals Utilized in the Ordinary Course of Debtors' Business [Docket No. 132], (the "OCP Order") entered by the Court on January 23, 2003, D&T's retention became effective as of January 7, 2003, on the 11th day after the Kesner Affidavit was served on parties in interest without objection.

Period for which Compensation and Reimbursement is Sought: February 1, 2003

through February 28, 2003.

Amount of Compensation Sought as Actual, Reasonable and Necessary:

\$36,000.00³.

Amount of Expense Reimbursement Sought as Actual, Reasonable, and

Necessary: \$2,039.00.

This is a: monthly interim final application.

Name of Professional Individual	Position, year assumed prior to relevant experience, year of obtaining relevant license in practice, area of expertise	Hourly Billing Rate (including Charges)	Total Hours Billed	Total Compensation
Michael Kesner	Partner 2001; Joined Firm 2001; Over 26 years of executive compensation consulting experience.	\$565.00	17.5	\$9,888.00
Robert F. Schuldt II	Senior Manager 2001; Joined Firm 2001; Over 12 years of consulting experience, approximately 5 years dedicated to executive compensation.	\$400.00	43.5	\$17,400.00
Allison Prybylo	Senior Consultant 2001; Joined Firm 2001; Approximately 3 years of executive compensation consulting experience.	\$200.00	41.0	\$8,200.00
Matt Lockridge	Staff Consultant 2001; Joined Firm 2001; Approximately 2 years of executive compensation consulting experience.	\$150.00	5.5	\$825.00

Grand Total \$36,000.00
Blended Rate \$ 328.75

³ Pursuant to the OCP Order, D&T has received an interim payment in the amount of \$10,000 from the Debtors in connection with the amounts sought by this Application. By this Application, D&T seeks interim approval of all of D&T's fees and expenses and authority to pay all such amounts minus the \$10,000.00 payment previously made by the Debtors to D&T in connection with the February 2003 fees.

COMPENSATION BY PROJECT CATEGORY

Project Category	Total Hours	Total Expenses
Restructuring Compensation Consulting	107.50	\$36,000.00
Total	107.50	\$36,000.00

EXPENSE SUMMARY

Expense Category	Total Expenses
Air Fare	\$ 1,207.00
Phone Charges	\$ 55.00
Administration (i.e., secretary)	\$ 118.00
Parking	\$ 10.00
Working Meals	\$ 207.00
Lodging	\$ 316.00
Taxi/Transportation	\$ 126.00
Total	\$ 2,039.00

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**FIRST MONTHLY APPLICATION OF DELOITTE & TOUCHE LLP
FOR COMPENSATION FOR SERVICES RENDERED AND
REIMBURSEMENT OF EXPENSES AS RESTRUCTURING
COMPENSATION CONSULTANT TO THE DEBTORS FOR
THE PERIOD FROM FEBRUARY 1, 2003 THROUGH FEBRUARY 28, 2003**

Pursuant to sections 330 and 331 of title 11 of the United States Code (the “Bankruptcy Code”), Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and the OCP Order, Deloitte & Touche LLP (“D&T”) hereby submits its First Monthly Application of Deloitte & Touche LLP for Allowance and Compensation for Services Rendered and Reimbursement of Expenses as restructuring compensation consultant to the Debtors for the Period from February 1, 2003 through February 28, 2003 (the “Application”). By this Application, D&T seeks a monthly interim allowance of compensation in the amount of

¹ The Debtors are the following entities: Focal Communications Corporation, Focal Communications Corporation of California, Focal Communications Corporation of Colorado, Focal Communications Corporation of Connecticut, Focal Communications Corporation of Florida, Focal Communications Corporation of Georgia, Focal Communications Corporation of Illinois, Focal Communications Corporation of Massachusetts, Focal Communications Corporation of Michigan, Focal Communications Corporation of the Mid-Atlantic, Focal Communications Corporation of Minnesota, Focal Communications Corporation of Missouri, Focal Communications Corporation of New England, Focal Communications Corporation of New Jersey, Focal Communications Corporation of New York, Focal Communications Corporation of Ohio, Focal Communications Corporation of Pennsylvania, Focal Communications Corporation of Texas, Focal Communications Corporation of Virginia, Focal Communications Corporation of Washington, Focal Communications Corporation of Wisconsin, Focal Financial Services, Inc., Focal International Corp., Focal Telecommunications Corporation, Focal Equipment Finance, LLC and Focal Fiber Leasing, LLC

\$36,000.00 and reimbursement of actual and necessary expenses in the amount of \$2,039.00 for a total of \$38,039.00 for the period February 1, 2003 through February 28, 2003 (the "Interim Period"). In support of this Application, D&T respectfully represents as follows:

Background

1. On December 19, 2002 (the "Petition Date"), the Debtors filed separate voluntary petitions for relief under chapter 11 of the Bankruptcy Code.
2. Since the Petition Date, the Debtors have been operating their businesses and managing their properties as debtors in possession pursuant to Sections 1107 (a) and 1108 of the Bankruptcy Code.
3. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).
4. On December 20, 2002, the Court entered its order that Debtors' chapter 11 cases be consolidated for procedural purposes only and administered jointly.
5. D&T has been retained as one of the Debtors "ordinary course professionals". The Affidavit of Michael S. Kesner in Support of the Retention of Deloitte & Touche LLP as Restructuring Compensation Program Services Providers for the Debtors, (the "Kesner Affidavit"), filed with the Notice of Filing of Amended Exhibit to Motion for Order Authorizing the Debtors to Employ and Compensate Certain Professionals in the Ordinary Course of Business [Docket No. 219], filed by the Debtors on February 4, 2003, sought that the effective date of D&T's retention be January 7, 2003. There were no objections filed to the Kesner Affidavit. Accordingly, pursuant to the Order Authorizing the Debtors to Employ and

Compensate Certain Professionals Utilized in the Ordinary Course of Debtors' Business [Docket No. 132], (the "OCP Order") entered by the Court on January 23, 2003, D&T's retention became effective as of January 7, 2003, on the 11th day after the Kesner Affidavit was served on parties in interest without objection. Pursuant to the OCP Order, D&T has received an interim payment from the Debtors in connection with the amounts sought by this Application in the amount of \$10,000.00. By this Application, D&T seeks interim approval of all of D&T's fees and expenses and authority to pay all such amounts minus \$10,000.00 payment previously made by the Debtors to D&T in connection with the February 2003 fees.

Compensation Paid and Its Source

6. All services for which D&T requests compensation were performed for or on behalf of the Debtors.

7. In accordance with the OCP Order, D&T requested and was paid \$10,000 of the \$38,039.00. By this Application, D&T seeks interim approval of its fees and expenses during the Interim Period in the amount of \$38,039.00 and payment of \$28,039.00.

Fee Statements

8. The fee statement for the Interim Period is attached hereto as **Exhibit A**. This statement contains daily time logs describing the time spent by each consultant during the Interim Period. To the best of D&T's knowledge, this Application complies with Sections 330 and 331 of the Bankruptcy Code, the Bankruptcy Rules, the Fee Order, and the Local Rules of Bankruptcy Practice and Procedure for the United States Bankruptcy Court for the District of Delaware (the "Delaware Local Rules"). D&T's time reports are initially handwritten or

typewritten by the consultant performing the described services. The time reports are organized on a daily basis. D&T is particularly sensitive to issues of “lumping,” and unless time was spent in one time frame on a variety of different matters for a particular client, separate time entries are set forth in the time reports. D&T’s charges for its professional services are based upon the time, nature, extent and value of such services and the cost of comparable services other than in a case under the Bankruptcy Code.

Actual and Necessary Expenses

9. A summary and a detailed listing of actual and necessary expenses incurred by D&T for the Interim Period is attached hereto as part of Exhibit A.

Summary of Services Rendered

10. The names of the consultant of D&T who have rendered professional services in these cases during the Interim Period are set forth in the attached **Exhibit A**.

11. D&T, by and through such persons, has advised the Debtors on a regular basis with respect to various matters in connection with these cases, and performed all necessary professional services which are described and narrated in detail below.

Summary of Services by Project

The nature and extent of the services that D&T provided was to assist the Debtors in the evaluation and design of the Debtors restructuring compensation programs, including the employee retention and severance program. Furthermore, we were prepared for and were available to provide expert witness testimony, which ultimately was not required.

Valuation of Services

D&T consultants expended a total of 107.50 hours in connection with these cases during the Interim Period, as follows:

Name of Professional Individual	Position, year assumed, prior relevant experience, year of obtaining role and license to practice, area of expertise	Hourly Billing Rate (including Charges)	Total Hours Billed	Total Compensation
Michael Kesner	Partner 2001; Joined Firm 2001; Over 26 years of executive compensation consulting experience.	\$565.00	17.5	\$9,888.00
Robert F. Schuldt II	Senior Manager 2001; Joined Firm 2001; Over 12 years of consulting experience, approximately 5 years dedicated to executive compensation.	\$400.00	43.5	\$17,400.00
Allison Prybylo	Senior Consultant 2001; Joined Firm 2001; Approximately 3 years of executive compensation consulting experience.	\$200.00	41.0	\$8,200.00
Matt Lockridge	Staff Consultant 2001; Joined Firm 2001; Approximately 2 years of executive compensation consulting experience.	\$150.00	5.5	\$825.00

Grand Total \$36,000.00
Blended Rate \$ 328.75

The nature of work performed by these persons is fully set forth in Exhibit A attached hereto. These are D&T's normal hourly rates for work of this character. The reasonable value of the services rendered by PSZYJ&W to the Debtors during the Interim Period is \$36,000.00.

12. In accordance with the factors enumerated in Section 330 of the Bankruptcy Code, it is respectfully submitted that the amount requested by D&T is fair and reasonable given (a) the complexity of these cases, (b) the time expended, (c) the nature and extent of the services rendered, (d) the value of such services, and (e) the costs of comparable services other than in a case under this title.

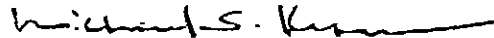
13. WHEREFORE, D&T respectfully requests that the Court approve, on an interim basis, for the period February 1, 2003 through February 28, 2003, the sum of \$36,000.00 as compensation for necessary professional services rendered, and \$2,039.00 for reimbursement

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of actual necessary costs and expenses, for a total of \$38,039.00. D&T further requests that the Court authorize and direct the Debtors to pay such amounts to D&T, to the extent not previously paid by Debtors.

Dated: JUNE 23, 2003

Deloitte & Touche LLP



Michael S. Kesner
180 N. Stetson Avenue
Chicago, Illinois 60601
Telephone: (312) 946-3763
Facsimile: (312) 297-3763

Focal Communications
Hours Spent by Each Person
February 1st through February 28th, 2003

<u>Employee</u>	<u>Hours</u>	<u>Billing Rate</u>	<u>Professional Fees</u>	<u>Expenses</u>
Micheal Kesner	17.5	\$565	\$9,888	\$1,040.00
Robert Schuldt	43.5	\$400	\$17,400	\$881.00
Allison Prybylo	41.0	\$200	\$8,200	\$0.00
Kathy Kazemek (Admin)	1.8	\$66	\$0	\$118.00
Matthew Lockridge	5.5	\$150	\$825	\$0.00
TOTAL FEES DUE	<u>109.3</u>		<u>\$36,000</u>	<u>\$2,039.00</u>

Exhibit A

Date	Person	Description	Hours	Billing Rate	Professional Fees	Expenses
2/14/2003	MK	Conference call with Alan Kornfield, Rob Schuldt and Allison Prybylo to discuss the report and the expert testimony.	1.50	\$565	\$848	\$0.00
2/17/2003	MK	Prepared for the trial including a thorough review of the back-up data.	1.00	\$565	\$565	\$0.00
2/18/2003	MK	Reviewed unsecured creditors complaint and participated in a conference call with Rob Schuldt and Allison Prybylo.	3.00	\$565	\$1,695	\$0.00
2/20/2003	MK	Parking at the Airport				\$10.00
2/24/2003	MK	Hotel stay (one night)				\$160.00
2/25/2003	MK	Meeting with the Palchulski attorneys and Rob Schuldt to prepare for the hearing.	6.00	\$565	\$3,390	\$0.00
2/25/2003	MK	Airfare (ORD/Phil. - roundtrip)				\$663.00
2/25/2003	MK	Taxi from Court to Airport				\$24.00
2/25/2003	MK	Dinner w/Rob Schuldt to discuss testimony				\$183.00
2/26/2003	MK	Meeting with Palchulski attorneys and Rob Schuldt to review opposing experts data and to discuss cross strategy. Went to the court hearing.	6.00	\$565	\$3,390	\$0.00
Totals			<u>17.50</u>		<u>\$9,888</u>	<u>\$1,040.00</u>

Date	Person	Description	Hours	Billing Rate	Professional Fees	Expenses
2/10/2003	AP	Began working on the report and exhibits.	7.00	\$200	\$1,400	\$0.00
2/11/2003	AP	Spoke with Scott Moss in New York regarding competitive data for severance purposes. Read through the proposed plan and made notes accordingly.	7.00	\$200	\$1,400	\$0.00
2/12/2003	AP	Worked on the exhibits.	1.00	\$200	\$200	\$0.00
2/13/2003	AP	Reviewed all the numbers in the exhibits.	3.20	\$200	\$640	\$0.00
2/14/2003	AP	Conference call with Alan Kornfield, Michael Kesner and Rob Schuldt to discuss the report and the expert testimony. Began preparing charts and graphs per the call.	4.30	\$200	\$860	\$0.00
2/17/2003	AP	Reviewed benchmarking of the executive jobs and prepared an exhibit detailing our findings.	2.50	\$200	\$500	\$0.00
2/18/2003	AP	Worked on finalizing the exhibits before hearing.	4.50	\$200	\$900	\$0.00
2/20/2003	AP	Spoke with Alan Kornfield regarding compiling all of the backup data for the exhibits and the competitive data. Made revisions to the exhibits per his request.	2.50	\$200	\$500	\$0.00
2/20/2003	AP	Began pulling backup data for the exhibits.	2.00	\$200	\$400	\$0.00
2/21/2003	AP	Pulled remaining backup data for the exhibits and prepared a binder. Made revisions to the binder per Rob Schuldt's request.	7.00	\$200	\$1,400	\$0.00
Totals			<u>41.00</u>		<u>\$8,200</u>	<u>\$0.00</u>

Date	Person	Description	Hours	Billing Rate	Professional Fees	Expenses
2/10/2003	ML	Performed competitive benchmarking for the top two executive positions	2.20	\$150	\$330	\$0.00
2/11/2003	ML	Made revisions to the benchmarks.	0.30	\$150	\$45	\$0.00
2/14/2003	ML	Researched and reviewed competitive data from the database.	2.00	\$150	\$300	\$0.00
2/17/2003	ML	Performed an additoinal benchmark for SVP Sales & Marketing per Allison Prybylo.	1.00	\$150	\$150	\$0.00
Totals			<u>5.50</u>		<u>\$825</u>	<u>\$0</u>

Date	Person	Description	Billing Professional			
			Hours	Rate	Fees	Expenses
2/14/2003	KK	Letters	0.30	\$66	\$20	\$20.00
2/20/2003	KK	Letters	1.50	\$66	\$98	\$98.00
Totals			<u>1.80</u>		<u>\$118</u>	<u>\$118</u>

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:)	Chapter 11
)	
Focal Communications Corporation, et al.,¹)	Case No. 02-13709 (KJC)
)	Jointly Administered
)	
)	
Debtors)	
)	

STATE OF ILLINOIS)
) SS:
COUNTY OF _____)

VERIFICATION

Michael S. Kesner, after being duly sworn according to law, deposes and says:

1. I am a member with the applicant firm, Deloitte & Touche LLP ("Deloitte" or the "Firm").
2. I have personally performed or overseen many of the services rendered by Deloitte as restructuring compensation consultant to the Debtors and am familiar with all other work performed on behalf of the Debtors by the consultants and other persons in the Firm.

¹ The Debtors are the following entities: Focal Communications Corporation, Focal Communications Corporation of California, Focal Communications Corporation of Colorado, Focal Communications Corporation of Connecticut, Focal Communications Corporation of Florida, Focal Communications Corporation of Georgia, Focal Communications Corporation of Illinois, Focal Communications Corporation of Massachusetts, Focal Communications Corporation of Michigan, Focal Communications Corporation of the Mid-Atlantic, Focal Communications Corporation of Minnesota, Focal Communications Corporation of Missouri, Focal Communications Corporation of New England, Focal Communications Corporation of New Jersey, Focal Communications Corporation of New York, Focal Communications Corporation of Ohio, Focal Communications Corporation of Pennsylvania, Focal Communications Corporation of Texas, Focal Communications Corporation of Virginia, Focal Communications Corporation of Washington, Focal Communications Corporation of Wisconsin, Focal Financial Services, Inc., Focal International Corp., Focal Telecommunications Corporation, Focal Equipment Finance, LLC and Focal Fiber Leasing, LLC

3. The facts set forth in the foregoing Application are true and correct to the best of my knowledge, information and belief.

Michael S. Kesner

Michael S. Kesner

SUBSCRIBED AND SWORN TO before me

this 1st day of July, 2003.

Darla Jean Yager
Notary Public

