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February 1, 2001

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 12th St., SW, Room TWB-204
Washington, DC 20554

Re: Notice of Ex Parte Meeting:

In the Matter of Application by Verizon New England, Inc. Bell Atlantic Communications, NYNEX Long Distance Company, and Verizon Global Networks to Provide In-Region InterLATA Services in Massachusetts, CC Docket No. 01-9

Comments Requested On The Application By SBC Communications, Inc. For Authorization Under Section 271 Of The Communications Act To Provide In-Region, InterLATA Service In The States Of Kansas And Oklahoma, CC Docket No. 00-217

Dear Ms. Salas:

On Wednesday January 31, 2001, Joel Lubin, Michael Lieberman, Richard Clarke and I met with Glenn Reynolds, Deputy Chief of the Common Carrier Bureau, Jack Zinman, Counsel for the Bureau Chief, Jnae Jackson, Chief of the Bureau's Competitive Pricing Division, Rich Lerner, Deputy Chief of the Competitive Pricing Division, and Richard Kwiatkowski of the Bureau's Competitive Pricing Division to discuss issues raised in the aforementioned dockets. Specifically, we stated that the Commission should deny the Verizon applications in Massachusetts on pricing grounds.

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The attached charts were distributed and used during the discussion. Two copies of this Notice are being submitted for each of the referenced proceedings in accordance with the Commission's rules.

Sincerely,

Robert Zinman /PKA

Attachments

cc: Glenn Reynolds
Jack Zinman
Jane Jackson
Richard Lerner
Richard Kwiatkowski

Rate Comparison Tables

<i>Default USF SynMod Calculated at State Input Volumes</i>	Loop	Port	EO Switch Usage	Signaling	Transport	Tandem Switching	Platform
Southwestern Bell-Kansas	\$20.61	\$0.87	\$0.001318	\$0.000498	\$0.001440	\$0.001390	\$24.37
New England Tel-Ma	\$16.97	\$0.80	\$0.001302	\$0.000164	\$0.000310	\$0.000407	\$19.83
New York Tel	\$15.65	\$0.81	\$0.001237	\$0.000235	\$0.000346	\$0.000460	\$18.54
Southwestern Bell-Oklahoma	\$21.92	\$0.84	\$0.001217	\$0.000428	\$0.001542	\$0.000630	\$25.60
Southwestern Bell-Texas	\$18.08	\$0.80	\$0.001065	\$0.000307	\$0.000637	\$0.000756	\$21.16

<i>Expense-Adjusted UNE SynMod Calculated at State Input Volumes</i>	Loop	Port	EO Switch Usage	Signaling	Transport	Tandem Switching	Platform
Southwestern Bell-Kansas	\$15.17	\$1.00	\$0.001501	\$0.000569	\$0.001775	\$0.001568	\$19.52
New England Tel-Ma	\$11.72	\$0.97	\$0.001573	\$0.000198	\$0.000397	\$0.000490	\$15.18
New York Tel	\$10.39	\$0.96	\$0.001473	\$0.000281	\$0.000432	\$0.000544	\$13.84
Southwestern Bell-Oklahoma	\$16.63	\$0.96	\$0.001390	\$0.000491	\$0.001963	\$0.000716	\$20.94
Southwestern Bell-Texas	\$12.82	\$0.94	\$0.001258	\$0.000364	\$0.000792	\$0.000886	\$16.48

Rate Comparison Tables

<i>Expense-Adjusted UNE SynMod Calculated at Standard Input Volumes</i>	Loop	Port	Local Switch + Trans + Sig Usage	Access/Toll Switch + Trans + Sig Usage	Platform
Southwestern Bell-Kansas	\$15.17	\$1.00	\$4.17	\$0.92	\$21.26
New England Tel-Ma	\$11.72	\$0.97	\$3.29	\$0.81	\$16.79
New York Tel	\$10.67	\$0.98	\$3.67	\$0.78	\$16.09
Southwestern Bell-Oklahoma	\$16.63	\$0.96	\$4.16	\$0.87	\$22.63
Southwestern Bell-Texas	\$12.82	\$0.94	\$3.04	\$0.75	\$17.55

***Expense+Error-Adjusted UNE SynMod
Calculated at Standard Input Volumes***

Southwestern Bell-Kansas	\$14.11	\$1.00	\$4.17	\$0.92	\$20.20
New England Tel-Ma	\$10.88	\$0.97	\$3.29	\$0.81	\$15.95
New York Tel	\$9.86	\$0.98	\$3.67	\$0.78	\$15.28
Southwestern Bell-Oklahoma	\$15.50	\$0.96	\$4.16	\$0.87	\$21.50
Southwestern Bell-Texas	\$11.94	\$0.94	\$3.04	\$0.75	\$16.67

Approximate effect from additionally
adjusting the Feeddist module of the
SynMod to correct the calculational errors

***Expense+Error+Data-Adjusted UNE SynMod
Calculated at Standard Input Volumes***

Southwestern Bell-Kansas	\$11.98	\$1.00	\$4.17	\$0.92	\$18.07
New England Tel-Ma	\$9.20	\$0.97	\$3.29	\$0.81	\$14.27
New York Tel	\$8.25	\$0.98	\$3.67	\$0.78	\$13.67
Southwestern Bell-Oklahoma	\$13.24	\$0.96	\$4.16	\$0.87	\$19.24
Southwestern Bell-Texas	\$10.18	\$0.94	\$3.04	\$0.75	\$14.92

Approximate effect from additionally
adjusting the location data inputs to the
SynMod to reflect better actual locations
Ex Parte

Rate Comparison Tables

<i>Tariffed UNE Rates Calculated at Standard Input Volumes</i>	Loop	Port	Local Switch + Trans + Sig Usage	Access/Toll Switch + Trans + Sig Usage	Platform	Pct Diff vs. Exp Adj-SynMod	Pct Diff vs. Exp/Err Adj-SynMod	Pct Diff vs. Exp/Err/Dat Adj-SynMod
Southwestern Bell-Kansas	\$13.78	\$1.61	\$3.00	\$0.73	\$19.12	-10%	-5%	6%
New England Tel-Ma	\$15.14	\$2.00	\$9.59	\$2.72	\$29.45	75%	85%	106%
New York Tel	\$14.41	\$2.50	\$10.30	\$2.66	\$29.87	86%	95%	118%
Southwestern Bell-Oklahoma	\$15.87	\$2.28	\$4.55	\$1.10	\$23.80	5%	11%	24%
Southwestern Bell-Texas	\$15.37	\$2.90	\$3.56	\$0.88	\$22.70	29%	36%	52%

Development of UNE Expenses for the Synthesis Model

Start:	USF expenses embedded in calculated SynMod basic local service cost	\$ 7.78
Apply:	Factor representing miscellaneous gross-ups included in the above expenses	6.29%
Yields:	USF expenses embedded in calculated SynMod basic local service cost before miscellaneous gross-ups	\$ 7.32
	- Flat number assumed equal for all customer lines and embedded in NID "cost"	
	- Includes only local service common support and retail expense costs	
Add:	Expense costs associated with the provision of access and toll services in addition to local	\$ 0.63
	- Source is regression calculations done by APD and reported Appendix D of Input Values Order	
	- Also calculated on a flat per-line basis	
Subtract:	Retail service expenses embedded in above	\$ (3.77)
	- Includes Marketing, Service expense and Customer operations	
	- Source is regression calculations done by APD and reported Appendix D of Input Values Order	
Subtract:	G & A costs associated with excluded retail service expenses	\$ (0.40)
	- Includes Marketing, Service expense and Customer operations	
	- Source is regression calculations done by APD and reported Appendix D of Input Values Order	
	<i>Subtotal</i>	\$ 3.78
Apply:	Factor representing three years of productivity improvement (1998-2001) net of inflation	-13.71%
	- Assumed productivity factor is 6.5% per year (CC Dkt. 96-262)	
	- Assumed inflation rate is 1.8% per year (most recent three year history)	
	<i>Subtotal</i>	\$ 3.26
Apply:	Factor representing miscellaneous gross-ups	6.29%
Yields:	Total expenses in UNE SynMod	\$ 3.47
	Expense difference from the USF SynMod	\$ (4.31)