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1501 K STREET, N.W.
WASHINGTON, D.C. 20005
TELEPHONE 202 736 8000
FACSIMILE 202 736 8711
www.sidley.com
FOUNDED 1866

BEIJING
HONG KONG
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TOKYO

WRITER'S DIRECT NUMBER
(202) 736-8218

WRITER'S E-MAIL ADDRESS
pandros@sidley.com

April 17, 2002

ERRATA - Filed Electronically Via ECFS

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, SW
Washington, D.C. 20554

Re: *Review of the Section 251 Unbundling Obligations of Incumbent
Local Exchange Carriers, et al.*
CC Docket No. 01-338 et al.

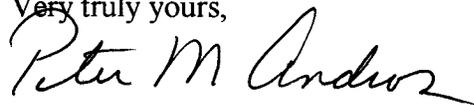
Dear Ms. Dortch:

Enclosed for filing please find corrected page 56 of the Declaration of Robert D. Willig which was attached to the comments of AT&T Corp. in the above referenced proceeding.

In the version filed on April 5, 2002, ¶ 109 mistakenly uses the same figure (\$145.03) when referring to UNE-P investment in Massachusetts for both 1999 and 2000. The relevant sentence should read "[t]his disparity grew even more significant in 2000, when the ILEC in Georgia invested \$266.85 per line, whereas the ILEC in Massachusetts invested only \$155.73 per line."

Please let me know if any additional information is required. Thank you.

Very truly yours,



Peter M. Andros
Legal Assistant

Encl.

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers)	CC Docket No. 01-338
)	
Implementation of the Local Competition Provisions of the Telecommunications Act of 1996)	CC Docket No. 96-98
)	
Deployment of Wireline Services Offering Advanced Telecommunications Capability)	CC Docket No. 98-147
)	

DECLARATION OF ROBERT D. WILLIG

I. QUALIFICATIONS.

1. I am Professor of Economics and Public Affairs at the Woodrow Wilson School and the Economics Department of Princeton University, a position I have held since 1978. Before that, I was Supervisor in the Economics Research Department of Bell Laboratories. My teaching and research have specialized in the fields of industrial organization, government-business relations, and welfare theory.

2. I served as Deputy Assistant Attorney General of Economics in the Antitrust Division of the Department of Justice from 1989 to 1991. I am the author of *Welfare Analysis of Policies Affecting Prices and Products*; *Contestable Markets and the Theory of Industry Structure* (with W. Baumol and J. Panzar), and numerous articles, including "Merger Analysis, IO theory, and Merger Guidelines." I am also a co-editor of *The Handbook of*

investment rate in Georgia and Texas exceeded that of any state with low UNE-P entry, and the investment rate of Verizon in New York, a state with very high UNE-P entry, was exceeded by a trivial amount only by the ILEC in Missouri (65 cent per line differential).

109. The contrast between Georgia and Massachusetts is striking. Georgia and Massachusetts have roughly comparable population sizes, and each has a major business center with a high technology corridor (Atlanta and Boston). Yet, these states have widely disparate ILEC investment rates: in 1999, the ILEC in Georgia, a state with relatively high UNE-P entry, invested \$218.71 per line in new telecommunications plant and equipment, as compared with only \$145.03 in Massachusetts, a state with virtually no UNE-P entry. This disparity grew even more significant in 2000, when the ILEC in Georgia invested \$266.85 per line, whereas the ILEC in Massachusetts invested only \$155.73 per line. *Id.* Moreover, whereas the ILEC in Georgia increased its per-line investment by 22% between 1999 and 2000, the ILEC in Massachusetts increased its per-line investment by only 7.37% during the same period.

110. Finally, in order to test the possibility that ILEC investment rates in Texas and New York – two of the states with high UNE-P entry – are skewed by the fact that both states are large, highly populous states with attractive markets, we looked at an additional piece of evidence. I compared the ILECs' investment rates in those states with Pacific Bell's investment rate in California, another large, populous state with attractive markets.

(. . . continued)

the number of switched access lines, drawn from ARMIS form 43-08, Table III ("total switched access lines").