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January 9, 2003

BY ELECTRONIC DELIVERY

Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 Twelfth Street, S.W.  
Washington, D.C. 20554

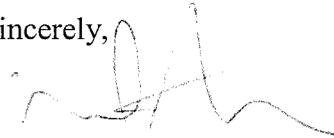
Re: *Ex Parte Presentation*, Review of the Section 251  
Unbundling Obligations of Incumbent Local Exchange  
Carriers, CC Docket Nos. 01-338, 96-98, 98-147

Dear Ms. Dortch:

On January 8, 2003, Paul Bobezcko, Kimberly Scardino, and Christopher Frentrup of WorldCom, Inc. (WorldCom), Michael Pelcovits of Microeconomic Consulting and Research Associates (MICRA) along with A. Richard Metzger, Jr., and Ruth Milkman, counsel for WorldCom, met with Daniel Gonzalez, Senior Legal Advisor to Commissioner Martin. During the meeting, WorldCom discussed the importance of the unbundled network element platform (UNE-P) to serving residential customers and the conditions under which competitive local exchange carriers could transition from UNE-P to the unbundled loop (UNE-L). As part of this discussion, WorldCom provided Mr. Gonzalez with copies of the attached slides.

Pursuant to section 1.1206(b)(2) of the Commission's rules, 47 C.F.R. § 1.1206(b)(2), this letter is being provided to you for inclusion in the public record of the above-referenced proceeding.

Sincerely,



Gil M. Strobel

Attachments

cc: Daniel Gonzalez

# Three Cases Modeled

- Case 1: WCOM is collocated at the BOC CO, and is “on-net”
- Case 2: BOC CO is in a LATA where there is an existing WCOM local switch.  
Includes a few cases with collocation
- Case 3: BOC CO is not in a LATA where there is an existing local WCOM switch

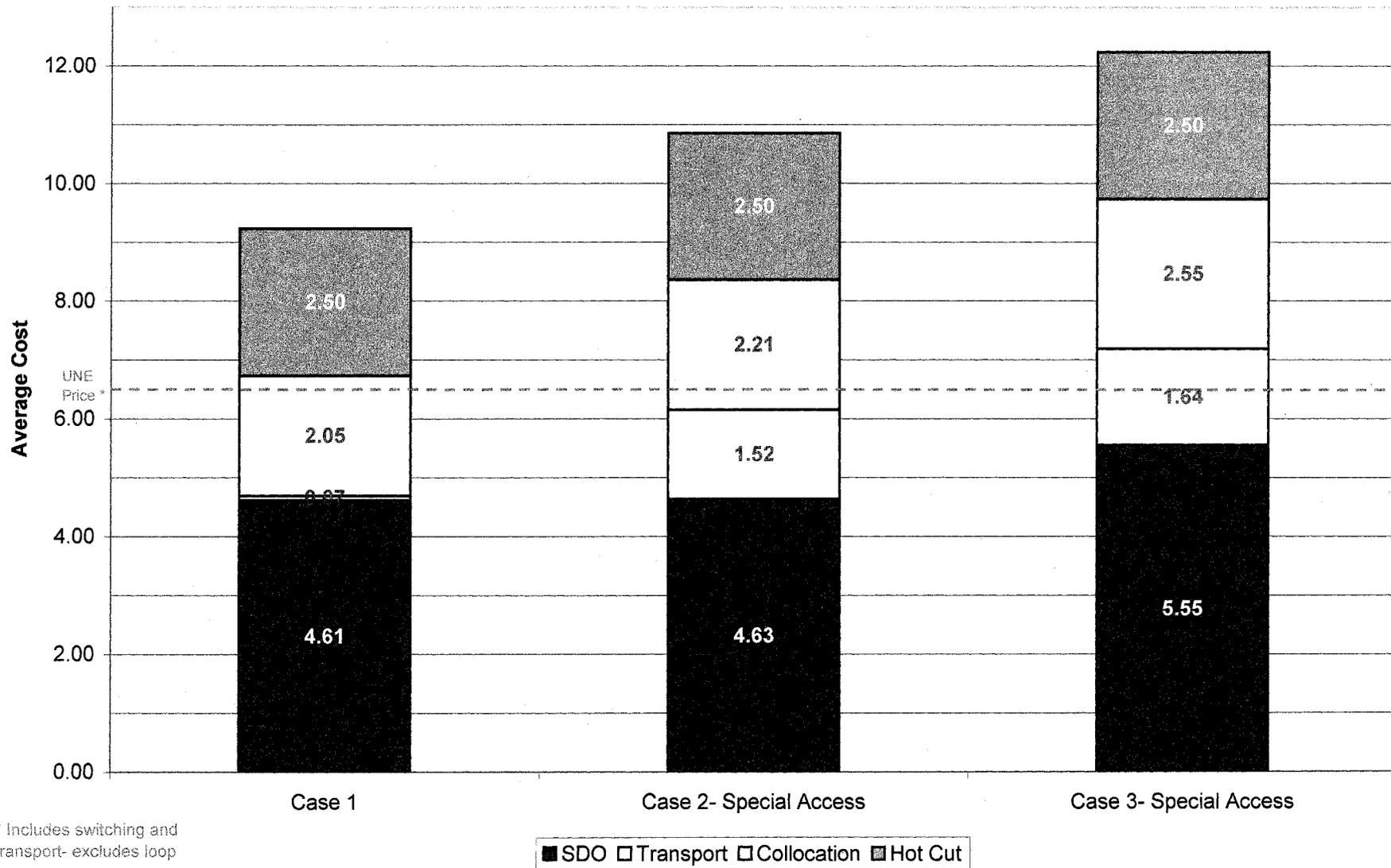
**Table 7: Average Cost per Month for Three Cases: CLEC Market Share of 7%**

Category	Number of COs	Number of BOC Lines	UNE-L Cost (excludes loops)	UNE-P (excludes loops)	Cost Increment UNE-L over UNE-P
Case 1	431	12,557,038	\$10.03	\$6.44	56%
Case 2	4343	47,248,573	\$17.92	\$6.44	178%
Case 3	3164	19,487,802	\$25.84	\$6.44	301%

**Table 8: Average Cost per Month at Different CLEC Market Shares**

	<b>5% Market Share</b>	<b>7% Market Share</b>	<b>10% Market Share</b>	<b>15% Market Share</b>
Case 1	\$11.08	\$10.03	\$9.22	\$8.61
Case 2	\$21.38	\$17.92	\$15.21	\$13.03
Case 3	\$32.07	\$25.84	\$21.03	\$17.04

**Appendix: Table 3**  
**7% Market Share**  
**>25,000 Residential Lines**



**Appendix: Table 2**  
**7% Market Share Histogram**  
**>25,000 Residential Lines**

