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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

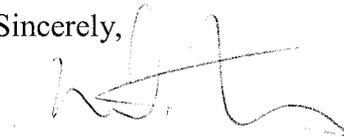
Re: *Ex Parte Presentation*, Review of the Section 251
Unbundling Obligations of Incumbent Local Exchange
Carriers, CC Docket Nos. 01-338, 96-98, 98-147

Dear Ms. Dortch:

On January 8, 2003, A. Richard Metzger, Jr., and Ruth Milkman, counsel for WorldCom, Inc. met with Michelle Carey and Thomas Navin of the FCC. 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 Ms. Carey and Mr. Navin 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: Michelle Carey
Thomas Navin

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

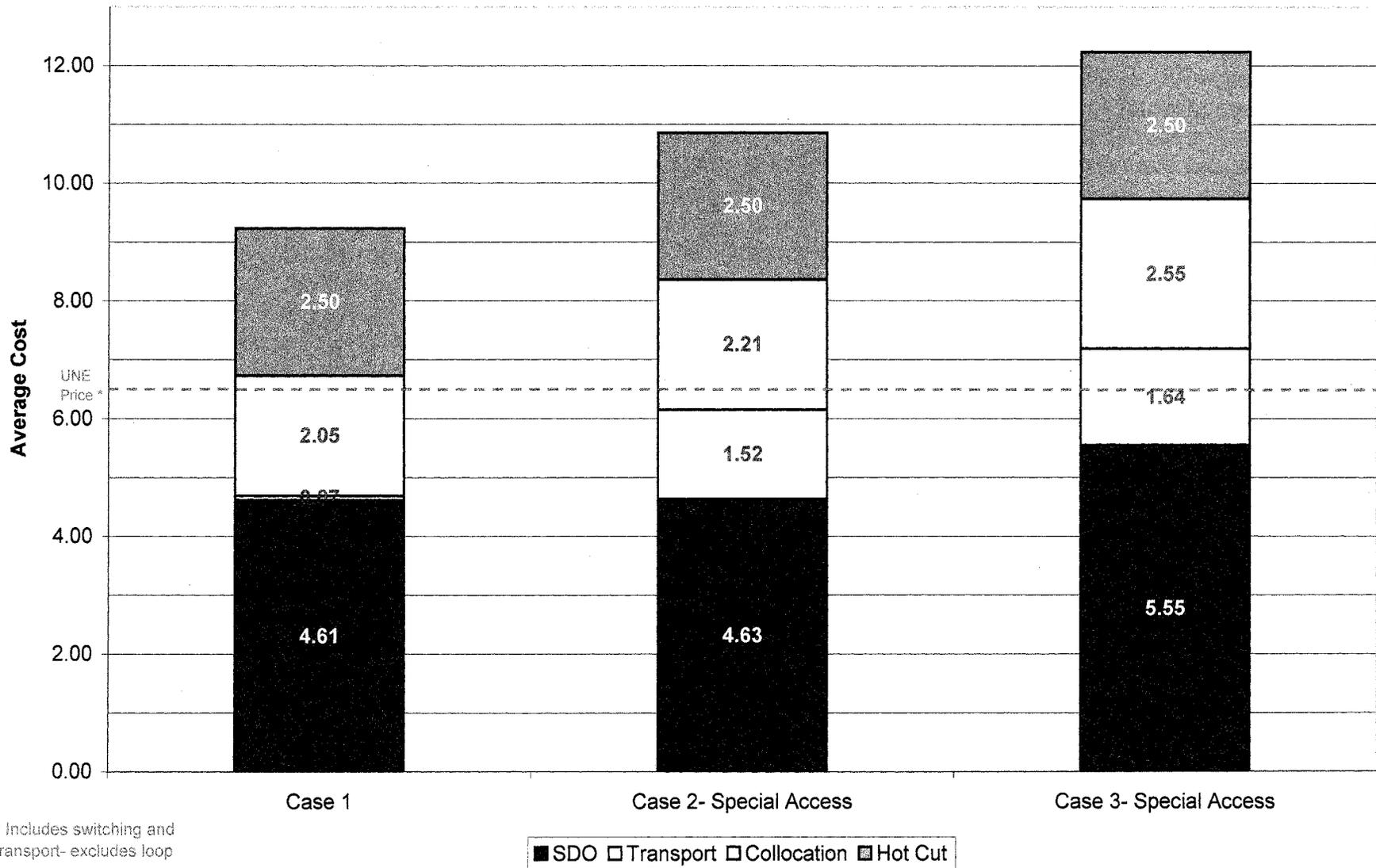
Table 7: Average Cost per Month for Three Cases: CLEC Market Share of 7%

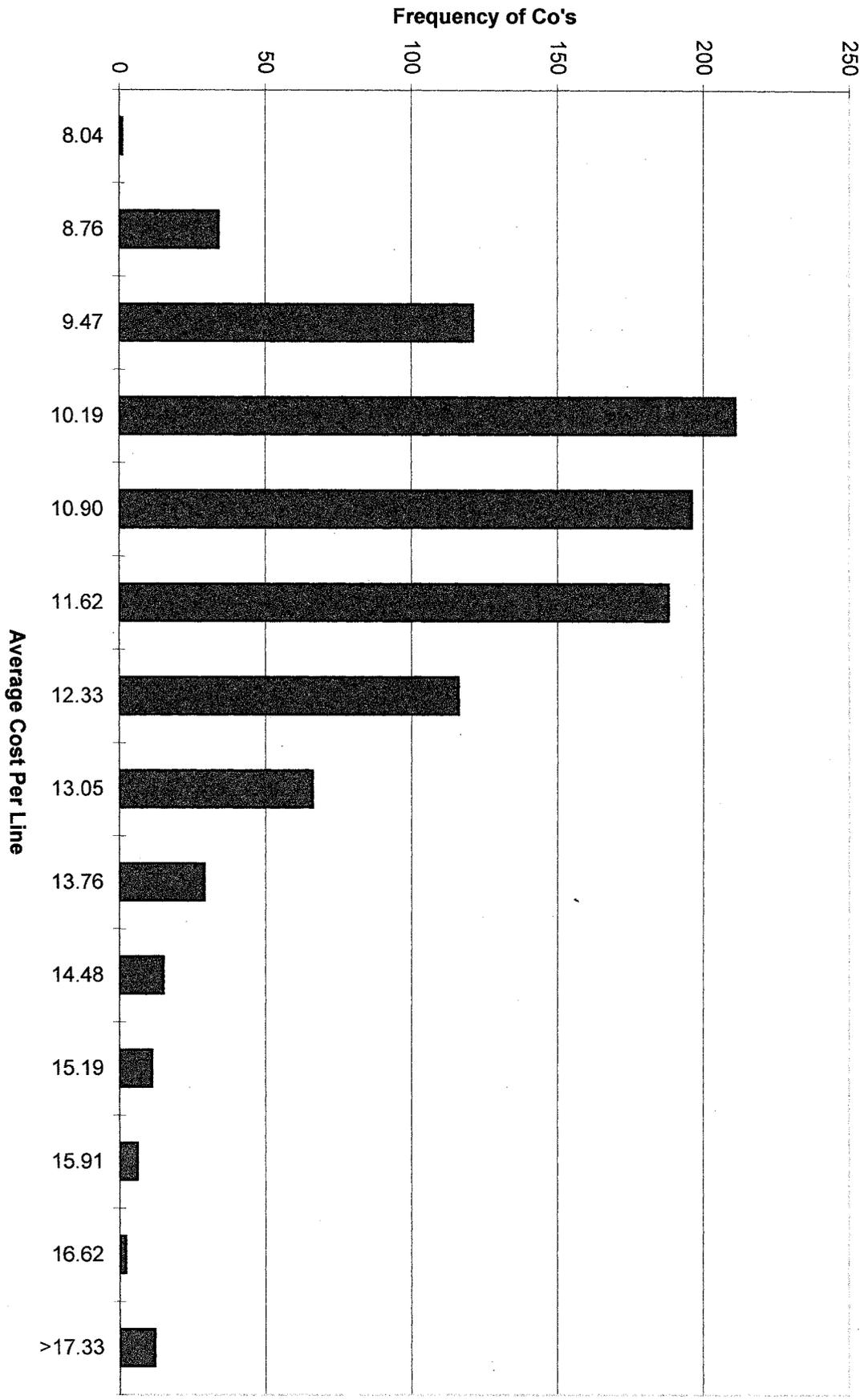
| Category | Number of COs | Number of BOC Lines | UNE-L Cost (excludes loops) | UNE-P (excludes loops) | Cost Increment UNE-L over UNE-P |
|----------|---------------|---------------------|-----------------------------|------------------------|---------------------------------|
| Case 1 | 431 | 12,557,038 | \$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

| | 5% Market Share | 7% Market Share | 10% Market Share | 15% Market Share |
|--------|----------------------------|----------------------------|-----------------------------|-----------------------------|
| 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