

# WILLKIE FARR & GALLAGHER

1875 K Street, NW  
Washington, DC 20006

Tel: 202 303 1000  
Fax: 202 303 2000

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***EX PARTE***

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
Room TW-A325  
445 12th Street, S.W.  
Washington, D.C. 20554

Re: CC Docket Nos. 01-338; 96-98; 98-147; 01-337; 02-33; 95-20; 98-10

Dear Ms. Dortch:

On January 14, 2003, Royce Holland, Kevin Joseph, and Mary Albert of Allegiance Telecom and I met with Chairman Michael Powell and Christopher Libertelli. During the meeting, Mr. Holland argued that the FCC should declare unlawful the ILECs' "no facilities" policies (especially those of Verizon and SBC). A copy of the attached *ex parte* letter addressing Verizon reject rates for high-capacity loops due to its no facilities policy was distributed at the meeting. In addition, he stressed the need for an appropriate impairment test for interoffice transport. Mr. Holland stated that the impairment test must be based on the number of competitors actually providing wholesale substitutes on a particular route. Moreover, he argued that, if the FCC uses a capacity-based test for impairment, the capacity standard should be no less than 12 DS3s. In all events, Mr. Holland emphasized that the states should have responsibility for implementation. Mr. Holland also urged the FCC to adopt an appropriate transition period if it eliminates unbundling of SS7. Finally, Mr. Holland argued that the FCC must ensure that its decisions in the broadband proceedings do not result in denying competitors access to UNE loops. These positions are consistent with Allegiance's filings in the above-referenced proceedings.

Pursuant to Section 1.1206(b)(2) of the Commission's rules, 47 C.F.R. § 1.1206(b)(2), a copy of this letter is being filed electronically for inclusion in the public record of each of the above-referenced proceedings.

Sincerely,

/s/

Thomas Jones  
Counsel to Allegiance Telecom, Inc.

Enclosure

cc: Chairman Michael Powell  
Christopher Libertelli