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February 5, 2003

Electronic Filing
Ms. Marlene Dortch
Secretary
Federal Communications Commission
445 12th St., SW, Room TWB-204
Washington, DC 20554

RE: Notice of Written Ex Parte Communication, in the Matter of
Review of Section 251 Unbundling Obligations of Incumbent Local
Exchange Carriers, CC Docket Nos. 01-338, 96-98 and 98-147

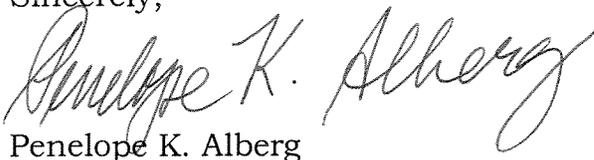
In the Matter of Appropriate Framework for Broadband Access to
the Internet Over Wireline Facilities, CC Docket Nos. 02-33, 95-20,
98-10

Dear Ms. Dortch,

Today, February 5, 2003, the attached letter from William J. Baumol, William Lehr, Janusz A. Ordover, Robert D. Willig, Laurence J. Kotlikoff, John W. Mayo and Frederick R. Warren-Boulton was sent to the Chairman and Commissioners.

One copy of this Notice is being submitted for each of the referenced proceedings in accordance with the Commission's rules.

Sincerely,


Penelope K. Alberg

February 5, 2003

The Honorable Michael K. Powell, Chairman
The Honorable Kathleen Q. Abernathy, Commissioner
The Honorable Michael J. Copps, Commissioner
The Honorable Kevin J. Martin, Commissioner
The Honorable Jonathan S. Adelstein, Commissioner
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Dear Chairman and Commissioners:

We strongly urge the Federal Communications Commission to continue to enforce the Telecommunications Act of 1996 by requiring the broad availability of unbundled network elements (UNEs) to competitive carriers at the TELRIC rates endorsed by the Supreme Court. This continued and unwavering commitment is essential to fulfilling the Act's goals of promoting competition in the provision of all telecommunications services, encouraging investment, and enhancing consumer well-being. For competitive carriers to be able to serve all customers' needs, it is vital that loops of all technologies including broadband, switches and interoffice transport continue to be available as UNEs.

Many of us have contributed to the factual record before you with detailed economic analyses and empirical evidence of why this is so. In particular, ensuring that competitive carriers have effective access to the market through broad availability of UNEs does not undermine the economic incentives of either the incumbents or competitors to invest in efficient new technologies and services. Reversing this course would disastrously protect and recreate monopoly power over local markets – elevating consumer prices, repressing demand, retarding technical progress and shrinking investment.

It is only fantasy that foresees a new wave of investment as the result of a policy turnabout from competition to renewed protection of monopoly local telephone companies. Monopoly may extract extra profits from consumers, but this is not the way to fix the financial difficulties that now beset the telecommunications industry. It is competition, not monopoly, that benefits consumers, stimulates effective investment and provides a healthy spur to the economy.

We urge the Federal Communications Commission to hold fast to the course of enabling local competition through broad availability of UNEs because these policy efforts continue to remain necessary for maintaining and expanding

competition's ambit and impact. The development of competition may be neither quick nor easy, but it will not proceed at all without continued active enforcement of the Act.

Sincerely yours,

William J. Baumol
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 New York University*
 Professor of Economics, Emeritus
 Princeton University*

William Lehr
 Associate Director,
 Research Program on Internet and
 Telecoms Convergence
 Massachusetts Institute of
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Laurence J. Kotlikoff
 Professor of Economics and
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 Department of Economics
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John W. Mayo
 Professor of Economics, Business
 and Public Policy and Dean
 McDonough School of Business
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 purposes only.