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February 13, 2003

GENEVIEVE MORELLI

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

Re: Written Ex Parte - CC Docket No. 01-338, 96-98 and 98-147

Dear Mr. Dortch:

Attached for inclusion in the record of the above-referenced proceedings pursuant to 47 C.F.R. § 1.1206(b) is a letter to Daniel Gonzalez from Genevieve Morelli, Counsel for the PACE Coalition, in response to a question posed by Mr. Gonzalez in a meeting with the PACE Coalition representatives today.

Respectfully submitted,


Genevieve Morelli

GM:cpa

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Mr. Dan Gonzalez
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: *Ex Parte*: CC Docket Nos. 01-338, 96-98, and 98-147

Dear Mr. Gonzalez:

In your meeting with Promoting Active Competition (“PACE”) Coalition representatives today, you asked what effect a presumption of non-impairment for unbundled local switching used to serve customers over DS-1 or higher facilities would have on the number of access lines unavailable to UNE-P compared to the FCC’s current limitation (*i.e.*, the rule that restricts access to unbundled local switching to serve customers with 3 lines or less in Zone 1 offices). Based on data provided in a Georgia impairment proceeding, we estimate that a DS-1 based non-impairment presumption would increase the number of lines so restricted by roughly 30%.

Specifically, in Georgia Public Service Commission Docket No. 14361-U, BellSouth’s testimony indicated that roughly 475,000 lines were restricted from being served via unbundled local switching under the current “3 line rule.”¹ In contrast, BellSouth’s ARMIS 43-08 filing indicates that there are more than 610,000 digital switched access lines in Georgia. Thus, adopting a presumption of non-impairment that would apply to customers served via DS-1 (or higher) digital connections would increase the number of “restricted lines” by approximately 30%.

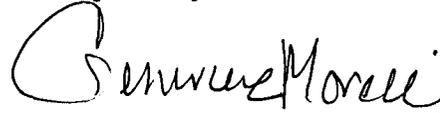
¹ Rebuttal Testimony of John Ruscilli, July 10, 2002, pages 3-4.

Dan Gonzalez
February 6, 2003
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It is also useful to note that the use of high-speed digital access connections is growing rapidly, averaging 70.4% per year since the Telecommunications Act's passage.² Thus, a non-impairment presumption for local switching that tracked the type of customer (analog versus DS-1 loop) would embody an ever-growing restriction as the market itself migrates to higher-speed services.

Respectfully submitted,



Genevieve Morelli
Counsel for the PACE Coalition

² Comparing digital access lines for 1995 to 2001, ARMIS 43-08.