

From: Johney H Royer
To: Commissioner Adelstein
Date: Tue, Feb 4, 2003 4 34 PM
Subject: Comments to the Commissioner

Johney H Royer (johney_royer@yahoo.com) writes

- * Promote real CLEC COMPETITION
- * Protect Line Sharing
- * Keep CLEC ACCESS to Remote Terminals
- * DECIDE DSL/Data = to Voice Thank you

Server protocol. HTTP/1.1
Remote host: 12.227.129.203
Remote IP address. 12.227.129.203

From: Jon Handler
To: Commissioner Adelstein
Date: Thu, Feb 6, 2003 8 55 AM
Subject: UNE-P



February 5th, 2003

Dear Commissioner Jonathan Adelstein

I ask your support for the continued availability of the "UNE-Platform."

My company, Access One, offers local telephone service in select SBC territories. The company has achieved increasing success largely because it utilizes the combination of "unbundled network elements" – the UNE-Platform - to serve customers. It is absolutely critical that we have continued access to the UNE-Platform to remain competitive.

Unfortunately, the Regional Bell Operating Companies have launched a full-scale attack on the UNE-Platform, realizing it is a major threat to their continued market dominance. Their strategy is to impose certain restrictions on individual network elements that would destroy the competitive value of the UNE-Platform. If the RBOCs succeed, it will all but end any chance for consumers to enjoy the benefits of meaningful competition in local phone service.

Please oppose any effort at the Federal Communications Commission or at state agencies to limit the availability of the UNE-Platform. The UNE-Platform should be firmly and permanently established as a viable service option for competitive telecom carriers.

Thank you very much for your time and attention to this important matter.

Sincerely,

Jon Handler
Account Executive
Access One Incorporated

From: Karalyn Shima
To: Commissioner Adelstein
Date: Wed, Feb 5, 2003 4 45 PM
Subject: SAVE THE UNE-PLATFORM

Good afternoon,

I appreciate your time and attention to the very important attached letter

Regards,

Karalyn Shima
Marketing Representative
Access One, Inc
P 312 441 1000 x936
F 312 441 1010
[www AccessOneInc com](http://www.AccessOneInc.com)



February 5th, 2003

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I ask your support for the continued availability of the "UNE-Platform."

My company, Access One, offers local telephone service in select SBC territories. The company has achieved increasing success largely because it utilizes the combination of "unbundled network elements" – the UNE-Platform - to serve customers. It is absolutely critical that we have continued access to the UNE-Platform to remain competitive.

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Thank you very much for your time and attention to this important matter.

Sincerely,

Karalyn Shima
Marketing Representative
Access One Incorporated

From: Karen Aarons
To: Commissioner Adelstein
Date: Wed, Feb 5, 2003 5:44 PM
Subject: Une Platform - citizen comment

KAREN AARONS
TELEQUEST SOLUTIONS, INC
Voice & Data Specialists
(914)-271-2929 x116
(914)-271-5858 (fax)

February 5, 2003

Dear Commissioner Adelstein,

I am disappointed in the current movement to stifle competition in this local telephone company market.

I ask your support for the continued availability of the "UNE-Platform."

My company, Telequest Solutions, Inc, offers local telephone service in the New York , New Jersey, Connecticut . The company has achieved increasing success largely because it utilizes the combination of "unbundled network elements" – the UNE-Platform - to serve customers. It is absolutely critical that we have continued access to the UNE-Platform to remain competitive.

Unfortunately, the Regional Bell Operating Companies have launched a full-scale attack on the UNE-Platform, realizing it is a major threat to their continued market dominance. Their strategy is to impose certain restrictions on individual network elements that would destroy the competitive value of the UNE-Platform. If the RBOCs succeed, it will all but end any chance for consumers to enjoy the benefits of meaningful competition in local phone service.

Please oppose any effort that will limit the availability of the UNE-Platform. The UNE-Platform should be firmly and permanently established as a viable service option for competitive telecom carriers

Thank you very much for your time and attention to this important matter.

Sincerely,

Karen Aarons
President
Telequest Solutions
One Baltic Place
Croton-on-Hudson, NY 10520
888-422-7667 x116

From: Kaut, David P.
To: Commissioner Adelstein
Date: Thu, Feb 6, 2003 9 18 AM
Subject: une update?

COMMISSIONER -- If there's any update you care to note, give me a holler. We're restarting our normal Washington Telecom & Media Insider tomorrow. For the record, we don't advocate any position. Good luck -- DAVID 778-4341

> <<UNE Review 205 pdf>> <<Bell line-count attachment 205.pdf>>
>
> David Kaut
> Associate Analyst
> Legg Mason Telecom Research
> (ph) 202/778-4341
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>
>

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UNE Triennial Review Nothing is Over Until Three Say It's Over

February 5, 2003

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- We believe the FCC is likely soon to provide the Bells with a road map to substantial wholesale phone regulation relief at the expense of AT&T, WorldCom and other UNE-P providers, though it may not happen as quickly as some expect as the process plays out in the states and courts.
- Some facilities-based CLECs could score modest gains, in our view, including through improved Bell provisioning and greater access to high-capacity lines at discounted prices.
- We believe the Bells will receive important incentives to deploy fiber further out from their central offices and expand broadband services, though we doubt the FCC will eliminate line sharing, which would be good news for COVD.
- We stress that the situation remains fluid and that many of the issues are interrelated, complicating compromise efforts - and specific predictions - because changes in one area can affect apparent agreements in another.
- Given the complexities, the FCC may vote on an order and issue a summary of the decision by Feb. 20, without revealing key details until the full text is released in the following weeks.

I. INTRODUCTION

It's not often in this job that one takes inspiration from the John Belushi character of Bluto in "Animal House." But in hearing the reports of some that the Federal Communications Commission's decision-making process in the Unbundled Network Element (UNE) Triennial Review is basically over as a practical matter, we couldn't help but think of Bluto's immortal comment that "nothing is over until we say it's over." In this case, we think it's not over until three say it's over. We mean this in two ways. First, the FCC must find three commissioners who agree on the details of the plan. This will obviously happen at some point, but as yet, there's no majority on a host of critical issues. Second, there are three layers of government that will make the rules from here on out: the FCC, the states, and the courts. Until they have each completed their reviews, there is not certainty as to the new architecture of telecom competition. Details and process do matter, particularly in this proceeding.

This is not to say that we cannot project who the basic winners and losers will be. At the 30,000-foot level relative to the current rules, we believe the Bells and some mid-sized incumbent local exchange carriers (ILECs) will win, the interexchange carriers (IXCs) and UNE-P-based local competitors (CLECs) will lose, and facilities-based CLECs will have some modest wins and losses, depending on their particular market strategy. This basic direction, as we have noted, has been apparent since the beginning of the proceeding and we believe the market has to some extent incorporated that understanding. However, in our view, the UNE decisions are important not just for who wins and loses but for how and when the costs and benefits to the parties are realized and for how new opportunities and threats for the industry are created.

More specifically, our bottom-line projections remain in line with what we wrote in our December piece, the "Current State of Play of UNE-P," that the Bells are likely to gain significant relief in scaling back the use of unbundled switching at current discounts - effectively raising the wholesale price for the UNE platform (UNE-P) - though we also think the relief might not be as quick or clean as others believe. From a capital-markets perspective, we think the proceeding should be evaluated by its impact on the consumer and small business voice markets, large business markets, and broadband markets.

*As to the residential and small-business voice markets, our understanding is the initial draft of the decision would quickly eliminate the current UNE-P regime and provide the states a tightly prescribed role. We believe push-back from some commissioners will result in the transition being longer and the state role greater than contemplated by the draft. Nonetheless, we think in the end that UNE-P, at its current prices, likely will be phased out in many markets. We also do not believe that the Commission will create a regulatory regime that will enable a viable mass-market UNE-L (loop) strategy, where new entrants provide their own switching but still lease out Bell loops. As a result, AT&T(T), WorldCom (WCOEQ, MCWEQ) and other UNE-P providers will

face a difficult future in the consumer and small-business market, and the Bells, by having a better all-distance bundle, are likely to be dominant, particularly in residential wired telephony, in our view. We are nevertheless skeptical that the looming UNE-P changes will significantly spur Bell investment in new facilities.

*As to the large business markets, our understanding is the draft item would, among other things, facilitate the ability of the IXCs and CLECs to substitute use of discounted UNEs for special-access services. This potential change would be a positive for AT&T, WorldCom and the CLECs, and a negative for the Bells. However, we think this part of the draft is likely to be substantially changed in a way that will lessen the potential benefits to AT&T and WorldCom as well as the potential costs to the Bells while preserving benefits for facilities-based CLECs in urban business markets. The benefits to some CLECs could also be diminished, and gains to the Bells and other CLECs could be increased by proposed changes that would lead to the elimination of inter-office transport as a UNE in some, largely business, markets.

*As to the broadband market (which is a subset of both the consumer and business markets), we believe the draft item would significantly improve the Bells' regulatory position when they deploy fiber in their networks. While there is still debate about the details of the proposal, we think the Bells will gain much of the relief they seek, which should help encourage Bell investment.

We emphasize the fluid nature of the debate and need for trade-offs as the Commission closes in on a decision. The status of the UNE proceeding is discussed in more detail below.

II. TIMING

FCC commissioners considering draft.

The UNE proposal, drafted by the staff of the FCC's Wireline Competition Bureau at the direction of the chairman, is now with the other commissioners. The commissioners' offices have been studying the document, which weighs in at about 400 pages, and are now providing input.

Decision targeted for Feb. 13 meeting.

The chairman is pushing the other commissioners to vote on the issue at the monthly FCC meeting scheduled for February 13. The Commission is to release its planned meeting agenda late in the day on Feb. 6. At this time, we believe it likely that the Commission will vote on the issue by the Feb. 13 meeting or by Feb. 20, when a related court stay expires, though the chance of slippage is not trivial.

Details of decision might not be known right away.

There is a significant possibility that the Commission will vote on an order and issue a press release by Feb. 20 without releasing the full text of the item for some time. In such an event, it could be that critical details affecting the timing and extent of the UNE-P phase-out, the role of the states, and other issues will not be known until the full text is released, possibly several weeks later.

III. KEY ISSUES TO WATCH

A. The Consumer and Small Business Voice Market (UNE-P).

While we believe there is a consensus at the Commission that UNE-P should be scaled back, there is disagreement over how it should be done. Among the issues the Commission must address are the following:

Economic Impairment: Market definition and standard.

The starting point of the FCC's inquiry is to determine where lack of unbundled access to an ILEC network element would impair a competitor. One key debate is between those who believe there is virtually no local market where the lack of unbundled access to an ILEC switch would economically impair a competitor, and those who don't. (Unbundled access gives CLECs the ability to lease out ILEC elements under the FCC's "TELRIC" methodology, which bases costs on the forward-looking costs of an efficient network, not the generally much higher historical costs of existing networks.) We believe the Commission will eventually find that there are some markets where economic impairment exists, at least presumptively, and the question is where to draw the line(s).

We note, however, adoption of a sub-national framework would not necessarily constitute much of a victory for IXCs and CLECs. We believe the Bell strategy involves opening the door for greater state discretion and continuation of UNE-P in more rural areas, where there are fewer lines and less incentive for UNE-P competition. For example, while the draft item apparently looks at economic impairment on a national basis, one alternative that has been discussed would presumptively eliminate unbundled switching (and thus the current UNE-P pricing regime) for markets served by central offices with more than 25,000 lines, keep

unbundled switching for markets served by central offices with less than 5,000 lines, and give the states a more significant role in the impairment analysis for those markets served by central offices with between 5,000 and 25,000 lines. If that were the decision, unbundled switching/UNE-P would basically be eliminated for 60% of Bell lines (i.e., the urban and major suburban areas), maintained for 8% of lines (rural areas), and be subject to state reviews for about 32% of lines (small-town and outer suburban areas). So, the key issues, if such a framework is adopted, are where the FCC draws the upper and lower limits affecting the residential markets and the guidance it gives the states about evaluating impairment in the gray area in the middle. What are the standards? Are they binding? Who shoulders the burden of proof?

We note that there are a number of rural areas where, due to the low retail rates and the higher costs of doing business, UNE-P is an uneconomic platform even under current regulations. Further, there are markets, generally business districts, where the ability to aggregate lines significantly reduces the barriers to UNE-L competition. We hear that one framework being discussed would utilize current zone-density definitions, with the phase-out of unbundled switching being faster in the higher density zones. (Even in its 1999 order, the FCC created an unbundled switching carveout for ILECs in the "Zone Density 1"-major business districts -of the top 50 metropolitan areas under certain conditions.) There are also factors, such as whether the switch is connecting to an analog or digital loop, which the Commission could use to provide a more granular analysis demanded by the D.C. Circuit. In short, a framework based on such factors is neither good nor bad for any industry segment, it is how the framework is filled in that matters.

Another proposal comes from Qwest (Q), which suggests eliminating unbundled switching in a year or less where there are three CLECs with switches in a LATA (local access transport area), which would give Qwest near-term relief in 19 of its 27 LATAs. The proposal was tailored to provide a more granular analysis that could help sustain it legally, as well as to attract state regulators' support. While the Qwest framework attracted a lot of attention, it does not appear to us to have gathered much momentum, at least as proposed. We note that under the details of the Qwest plan, the market impact would be roughly the same as a proposal to simply eliminate nationally UNE-P in a year in all but the most rural areas.

We don't believe there are three votes yet for any particular plan, but we believe the FCC is likely to target UNE-P for elimination relatively quickly in business and urban markets while keeping it for rural markets, with the timing and process for suburban residential markets still up for grabs. We note that the Commission may not make a formal business/residential split, but that the line-drawing exercise for economic impairment, as well as the performance standards for "hot cuts" (see below), could create a de facto business/residential distinction in which business UNE-P is generally phased out faster than residential UNE-P. In any event, this line-drawing exercise is a key issue that will determine where and how the phase-out of UNE-P at its current prices proceeds.

Operational Impairment: Hot-cut metrics and remedies.

A second key issue is what changes the Commission requires in the hot-cut process by which a customer's line is transferred from a Bell/ILEC switch to a CLEC switch. We don't believe the draft would materially change the rules, but we believe there is Commission sympathy for doing more to help local competitors transition customer to their own switch. This raises two issues. First, what are the necessary hot-cut metrics that would enable a viable UNE-L business model? The industry parties are far apart on this issue and we do not yet sense a consensus exists at the Commission on these details. We believe those details are critical to whether the largest UNE-P competitors -AT & T and WorldCom -can successfully compete using their own switches, given their ability and need to generate mass volumes of orders.

Just as significant, in our view, is what remedy the Commission imposes for an ILEC failure to meet performance standards on hot cuts. We note there is a separate proceeding on ILEC wholesale performance metrics that the FCC plans to conclude later this year, but the UNE proceeding is also expected to address this issue in some way. We have heard that the draft may call for a re-imposition of UNE-P if the metrics aren't achieved. Others have argued that improvements in the hot-cut process ought to be a pre-condition for eliminating switching from the UNE list. If the Commission adopts the view that hot-cut improvements must precede the UNE-P phase-out, the process for determining what improvements are necessary and when they have been achieved will have a major impact on how quickly unbundled switching and current UNE-P is phased out and how well AT & T and WorldCom, among others, can compete in the residential phone market.

This issue affects both the timing of the UNE-P phase-out as well as the likelihood of any UNE-L strategy. While the parties dispute what hot-cut changes would justify mass-market UNE-L efforts by AT & T, WorldCom and others, we doubt the changes ultimately adopted by the Commission will be sufficient to make such a strategy a realistic business proposition. We also believe that the market assigns little, if any, value to the

possibility that AT & T or WorldCom could compete widely on a UNE-L basis (largely because there is no economically efficient, scaleable process by which to do so at present) If we are wrong about our prediction as to the policy, however, and if the FCC does provide a glide path by which carriers are able to make UNE-L a viable option, the decision would be more positive for the IXCs and more negative for the Bells than we, and the market, currently believe is likely If we are right, however, we think AT & T and WorldCom will have difficulty surviving against the Bell all-distance bundles in the consumer market As noted in our December report, we think the possibility of an AT & T withdrawal from the local residential market is a wild card for how the post-FCC, UNE-P process plays out In those markets where TELRIC-based switching is eliminated, it may be that it will be in the interest of some Bells and UNE-P providers to agree on a compromise (higher) wholesale price that keeps the competitors on the Bell network, but that remains to be seen In addition, while there are economic incentives for AT & T to stay in the residential long-distance market and milk its still-large, albeit eroding, customer base for as long as it can, there also are political and antitrust reasons why it may make wish to make some public announcements as to a broader retreat from the consumer market

State role and preemption.

Another key question the FCC is grappling with is what role the states will have in UNE-P policies going forward Our understanding is that the draft would largely limit the state role to fact finding, state regulators would provide little, if any, judgment as to what constitutes the impairment needed to keep network elements on the unbundling list We expect the states to gain a larger role through the Commission deliberations, but a critical question is the extent to which, under the FCC guidelines, a state can put off the elimination of switching from the UNE-P platform A further issue is whether a state can respond to FCC elimination of unbundled switching by maintaining the requirement in that state under its own authority While this involves a complicated legal analysis, the Commission, if it so chooses (and we understand the draft goes in this direction), can make it legally difficult for the states to retain unbundled switching

As a practical matter, the key fact for investors to watch is the extent to which the FCC explicitly limits state regulators' discretion to make their own policy determinations as to the impairment finding needed to maintain unbundled switching Whatever the FCC decides, the courts will likely have to settle the jurisdictional roles, and while we believe the FCC can ultimately win, it could be a messy legal and political fight We also note that even if the FCC succeeds in restraining the states on unbundled switching, the states conceivably could compensate by hitting the Bells/ILECs on other UNEs or in the many other areas they regulate It's a little like a balloon you press in one area and the balloon expands in other areas

Transition timing and mechanics.

Another set of key issues are those that affect how soon after a determination of no impairment would a CLEC have to transfer its customers' service to its own switch, or start paying a higher rate to the ILEC There are a number of issues involved, such as whether there will be any grandfather provisions for existing customers (which we doubt), whether there will be restrictions on adding new customers (which we think will kick in quickly) and whether there will be distinctions between "new" and "old" customers (defined by some date after the order) in terms of how much the Bell can charge to keep that customer on the Bell switch A related issue is whether there should be an FCC cap that gradually ramps up of the cost of switching during the transition Some are also advocating that truly new entrants (those not currently in the market) should be given a defined window of several years to use UNE-P before being required to move to a UNE-L platform We think resolution of these issues will depend to a great extent on how the other issues are resolved (i.e., the greater the state role, the shorter the FCC-mandated transition period is likely to be), so these are likely to be determined towards the end of the negotiating process

B. The Business Market.

We believe the draft could actually improve the ability of the IXCs and the CLECs to compete in the business markets, though those provisions are likely to be revised As suggested in our December report, the Commission is likely, in our view, to provide some relief to facilities-based CLECs For example, we understand that the FCC is likely to adopt a rule that makes it harder for the ILECs to refuse CLEC loop orders on the grounds that "no facilities" are available

Another possible change is that the FCC may increase CLEC discounted UNE access to high-capacity lines - dedicated loops and also combinations of loops and inter-office transport known as Enhanced Extended Links (EELs) Apparently, the draft would eliminate "commingling" restrictions and replace current local "use restrictions" with less-stringent "service eligibility requirements" that would enable greater use of high-capacity access circuits at cheap TELRIC-based prices instead of more costly ILEC "special access" services This

would be significant, as increased use of unbundled high-capacity circuits potentially pressures the Bells' access revenue streams while also altering key economic crossovers between switched access and special access. We estimate that special access currently provides approximately 10% of total Bell revenues and up to 15% of total Bell EBITDA. We understand that the Commission wants to help CLECs offer local services through high-capacity loops and EELs but without enabling the IXCs to significantly bypass special access for long-distance traffic. We think there will likely be a compromise that is not as negative for the Bells or as helpful to the IXCs as the draft apparently contemplates. Nonetheless, the draft language has put the Bells on the defensive on part of the item and could affect the negotiating process as the commissioners try to reach final agreements.

There are other elements of the draft that could give the ILECs additional relief, such as allowing interoffice transport to be eliminated in some markets. The draft sets two different parameters for the states to determine where transport should be eliminated: a point-to-point test favored by the CLECs and a geographic-area test favored by the Bells. While there is still a debate on this, we think the Commission is moving toward relying on the point-to-point test. The likely impact of this change on IXCs and larger CLECs would not be great, as many of them are already using competitive transport. In fact, some CLECs with significant amounts of local fiber (i.e. transport), such as Time Warner Telecom (TWTC), might even benefit from higher ILEC transport prices that create more competitive margin. A point-to-point test would also mitigate problems for smaller CLECs that are more heavily dependent on ILEC transport.

C. The broadband market.

We think that the Bells are likely to benefit from considerable deregulation of their broadband facilities. In particular, we believe that the Bells will receive unbundling relief when they deploy new fiber to the home (though we have our doubts as to how significant such deployment would be in the near-to-mid-term).

While there is some consensus on the principle of deregulating the Bells' broadband networks, there is still a considerable debate on the details and considerable uncertainty about the legal analysis, particularly as to impairment, that would lead to the Commission's preferred policy outcome. The key question appears to be how to treat hybrid fiber-copper systems. While the Bells prefer complete deregulation, the CLECs prefer continued access to the network elements, regardless of technology. One framework being discussed is to provide the CLECs the functional equivalent of what they have today, in terms of performance, at a TELRIC price. But this idea is raising questions of technical feasibility, Bell criticism of inadequate investment incentive, and CLECs' objections to any cap on data speeds for fiber loops to businesses. We note that in an interesting statement issued two days ago on a proposed Verizon (VZ) tariff, FCC Commissioner Kevin Martin suggested that agency staff erred in applying TELRIC to a new service. He said that the TELRIC pricing formula provides insufficient return for new infrastructure. This suggests to us that Mr. Martin might be arguing internally on broadband to guarantee CLEC access but allow the Bells to charge more than the current TELRIC formula would provide (we also note the FCC plans to review TELRIC in the future). As with the other issues in this review, while the general direction is clear, there is no majority yet for any decision.

We believe the broadband decisions will be the most important for capital expenditures and the future of network architecture. We think the FCC is likely to adopt rules that will go a long way toward providing the Bells the broadband relief they sought through the Tauzin-Dingell bill. Again, however, the details will be important for determining the timing and the nature of any new investments.

The draft also contemplates maintaining line-sharing rules, which are particularly important to Covad (COVD), but it is possible commissioners, in the horse-trading process, could take steps to increase the wholesale price for the CLEC, which in some states is apparently zero or trivial. We note line sharing would still be vulnerable in court, where they have already suffered one setback. (There is also a possibility that the changes in the transport rules could negatively affect Covad, though at this point we think the point-to-point analysis would mitigate the problem.) The broadband issues presented in the UNE Triennial Review are pieces of a larger broadband puzzle currently before the Commission, including two broadband classification proceedings (wireline telco and cable) that the FCC expects to rule on later this year. To the extent that the FCC can point to some degree of existing intra-modal wireline competition for consumer broadband services, which line-sharing facilitates, it will make it somewhat easier for the Commission to continue down the path of reclassifying wireline telco broadband transmission as a Title 1 service, and possibly relax the nondiscriminatory access safeguards that unaffiliated ISPs currently enjoy.

D. Trade-offs key to reaching final decision.

One critical element to a final FCC decision is the inter-relationships of the issues, in our view. For example,

the fewer the changes to the current hot-cut process, the more the Bells would be willing to give on the economic impairment analysis. The greater the role of the states, the more the IXCs and CLECs would be willing to give on the terms of the transition. Thus, until one can analyze all the different elements of the decision, it will be difficult to determine where and how soon UNE-P will be phased out. But in general, we would not be surprised to see some kind of deal that ultimately provides less UNE-P relief to the Bells (though still significant), but greater relief on broadband.

Additional Information Available Upon Request

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ATTACHMENT**LINE -COUNT BREAKDOWN OF BELL END OFFICES**

All relevant disclosures appear at the end of this note

As described in the 2/5/03 note, one approach the FCC is discussing to carry out its UNE impairment analysis for switching would be linked to the number of access lines in a Bell end office. Unbundled switching would presumably be eliminated for end offices with more than X number of lines and maintained for end offices with less than a lower Y number of lines, with state regulators given a greater role for end offices having between X and Y number of lines. If the FCC were to take that approach, where the FCC draws the two lines setting presumptive limits would be crucial (as would the guidance it would give to state regulators for reviewing the gray area in the middle). To give a rough idea of the impact of different numerical standards, we have provided the following chart, which estimates on a national basis the number of Bell lines per end office. So, the majority of Bell offices have less than 5,000 lines, but they contain only 8% of the lines nationwide. Conversely, only 5% of Bell lines have more than 50,000 lines, but they contain 26% of the lines nationwide. We also note, for example, that 61% of Bell lines nationwide are in end offices with more than 25,000 lines.

No. of Access Lines in a Bell End Office	% of Bell End Offices Nationally	% of Bell Lines Nationally
< 5,000	51	8
5,000-10,000	14	8
10,000-15,000	8	8
15,000-20,000	5	8
20,000-25,000	5	8
25,000-30,000	4	8
30,000-35,000	3	8
35,000-40,000	2	7
40,000-45,000	2	7
45,000-50,000	1	5
> 50,000	5	26

Source: Legg Mason estimates

Additional information is available upon request

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From: Kelly Killeen
To: Commissioner Adelstein
Date: Wed, Feb 5, 2003 4 28 PM
Subject: SAVE -UNE-P111



February 5th, 2003

Dear Commissioner Jonathan Adelstein.

I ask your support for the continued availability of the "UNE-Platform "

My company, Access One, offers local telephone service in select SBC territories. The company has achieved increasing success largely because it utilizes the combination of "unbundled network elements" – the UNE-Platform – to serve customers. It is absolutely critical that we have continued access to the UNE-Platform to remain competitive.

Unfortunately, the Regional Bell Operating Companies have launched a full-scale attack on the UNE-Platform, realizing it is a major threat to their continued market dominance. Their strategy is to impose certain restrictions on individual network elements that would destroy the competitive value of the UNE-Platform. If the RBOCs succeed, it will all but end any chance for consumers to enjoy the benefits of meaningful competition in local phone service.

Please oppose any effort at the Federal Communications Commission or at state agencies to limit the availability of the UNE-Platform. The UNE-Platform should be firmly and permanently established as a viable service option for competitive telecom carriers.

Thank you very much for your time and attention to this important matter.

Sincerely,

Kelly M. Killeen
Dedicated Provisioner
Access One Incorporated

From: Ken Gilbert
To: Commissioner Adelstein
Date: Wed, Feb 5, 2003 4 52 PM
Subject: UNE-P



February 5th, 2003

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Thank you very much for your time and attention to this important matter.

Sincerely,

Ken Gilbert
National Sales Director
Access One Incorporated

From: kenneth bohr
To: Commissioner Adelstein
Date: Wed, Feb 5, 2003 9 42 PM
Subject: une-p

Dear Commissioner:

I am a small business owner and personal user that has finally found a great phone company and service in Talk America and now you may shut them down because they are finally giving some competition to the monopolies. I ask your support for the continued availability of the UNE-Platform.

The company has achieved increasing success largely because it utilizes the combination of unbundled network elements the UNE-Platform - to serve customers. It is absolutely critical that competitive local carriers have continued access to the UNE-Platform to remain competitive, and benefit consumers.

Unfortunately, the Regional Bell Operating Companies have launched a full-scale attack on the UNE-Platform, realizing it is a major threat to their continued market dominance. Their strategy is to impose certain restrictions on individual network elements that would destroy the competitive value of the UNE-Platform. If the RBOCs succeed, it will all but end any chance for consumers to enjoy the benefits of meaningful competition in local phone service.

Please oppose any effort that will limit the availability of the UNE-Platform. The UNE-Platform should be firmly and permanently established as a viable service option for competitive telecom carriers.

Thank you very much for your time and attention to this important matter.

Sincerely,

Ken Bohr

Do you Yahoo!?
Yahoo! Mail Plus - Powerful Affordable Sign up now
<http://mailplus.yahoo.com>

From: Kenneth W Riese
To: Commissioner Adelstein
Date: Tue, Feb 4, 2003 4 19 PM
Subject: Comments to the Commissioner

Kenneth W Riese (kenriese@corporatestl.com) writes.

Please keep telecom competitive

We need to have DSL available for line sharing and access to the remote terminal. Please donot let the Bells kill the few competitors that are left.

Thank You

Server protocol: HTTP/1.1
Remote host: 128.242.162.2
Remote IP address: 128.242.162.2

From: Leonel Mitchell
To: Leonel Mitchell
Date: Thu, Feb 6, 2003 9 07 AM
Subject: Proposed FCC Changes Cost Consumers

Message sent to the following recipients:
Representative Chocola
Message text follows:

Leonel Mitchell
1711 Hoover Avenue
South Bend, IN 46615, IN 46615

February 6, 2003

[recipient address was inserted here]

[recipient name was inserted here],

The Federal Communications Commission is considering taking actions that will restrict consumer choice by deregulating local phone service

Millions of Americans like me could have their phone service threatened if the local phone companies arent required to allow competitors access to the market. Im also concerned about the Commissions move to relieve all broadband Internet access facilities of open access obligations

Both of these key decisions will limit my choices as a consumer by lessening competition, diminishing cost savings and threatening consumer protections. As a constituent, I urge you to support competition and open access for local phone service

Sincerely,

Leonel L. Mitchell

From: Leonel Mitchell
To: Leonel Mitchell
Date: Thu, Feb 6, 2003 9 07 AM
Subject: Proposed FCC Changes Cost Consumers

Message sent to the following recipients

Senator Lugar

Senator Bayh

Message text follows:

Leonel Mitchell
1711 Hoover Avenue
South Bend, IN 46615, IN 46615

February 6, 2003

[recipient address was inserted here]

[recipient name was inserted here],

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Sincerely,

Leonel L. Mitchell