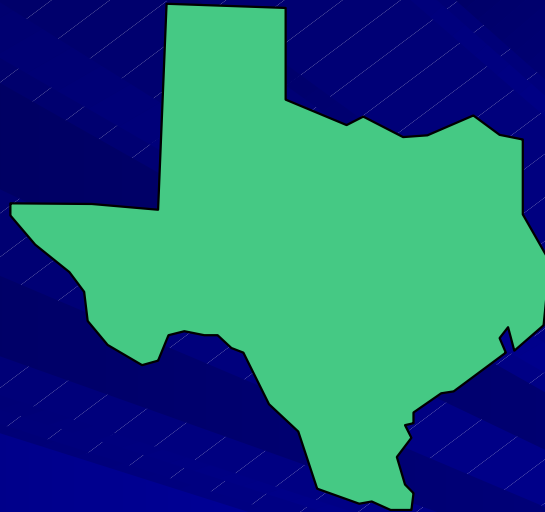


# ONE TO MANY: The Texas Story

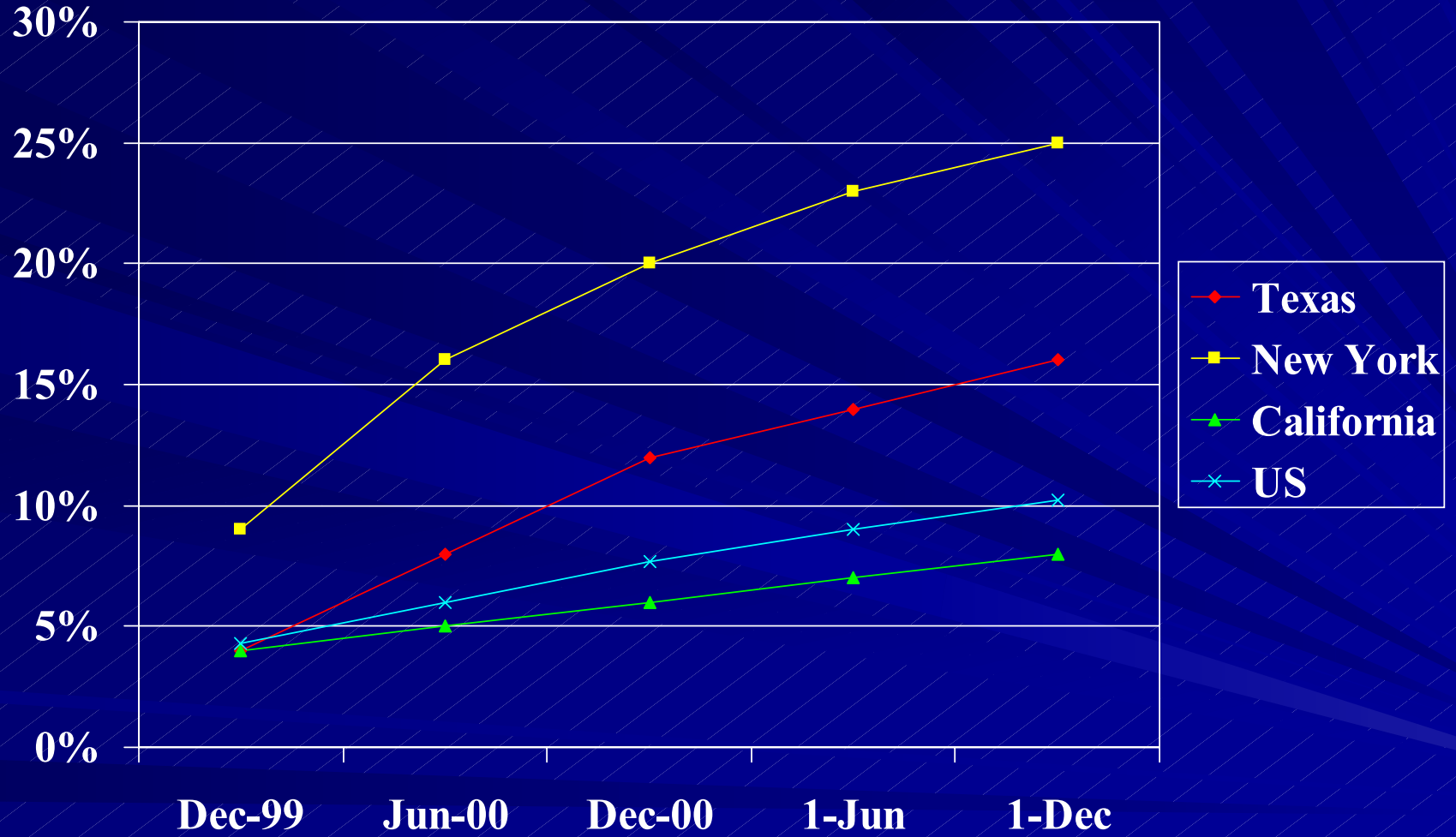


Rebecca Klein, Chairman  
Texas Public Utility Commission

November 20, 2002

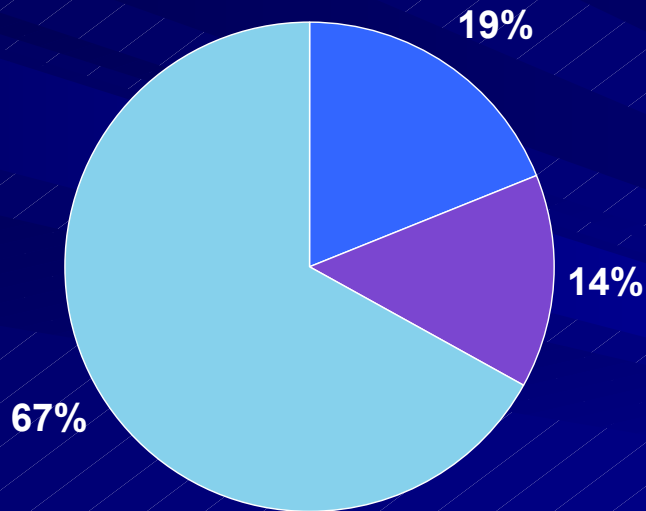
Phoenix Center Conference

# CLEC Market Share

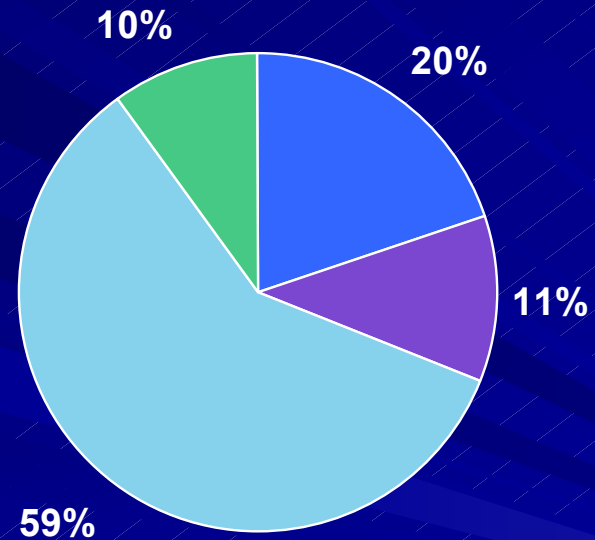


# Texas Relies Heavily on UNEP

December 2001



June 2002

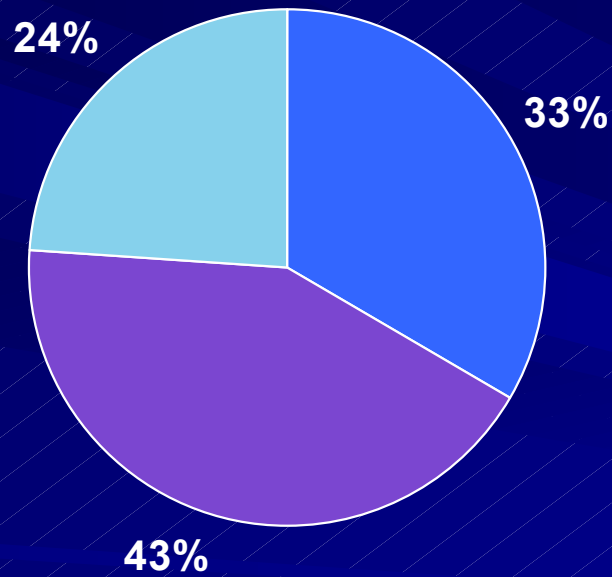


Sources: FCC Data, June 2002

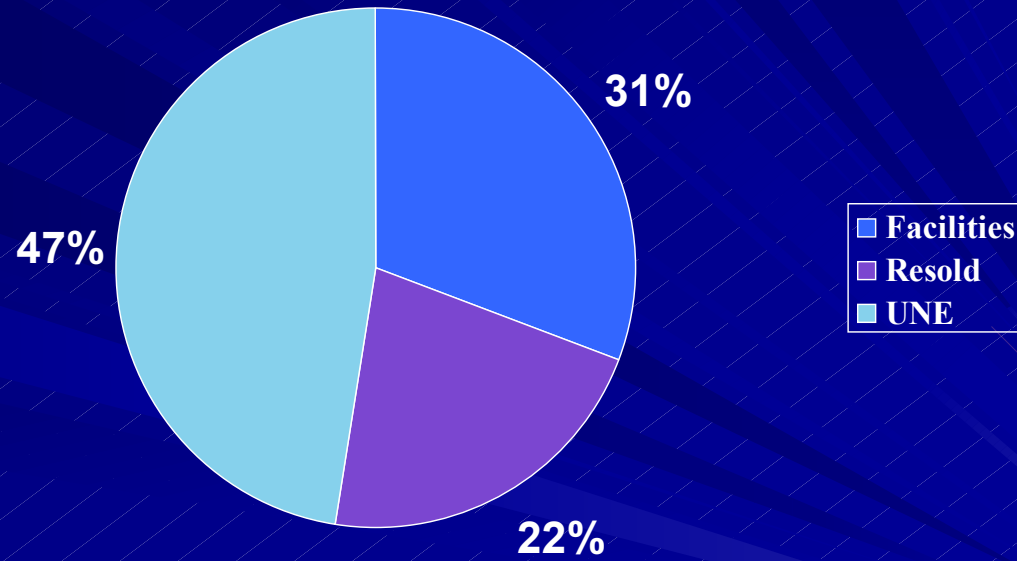
Source: Texas PUC Scope of Competition Data Responses

# UNEP Usage Has Increased in the US

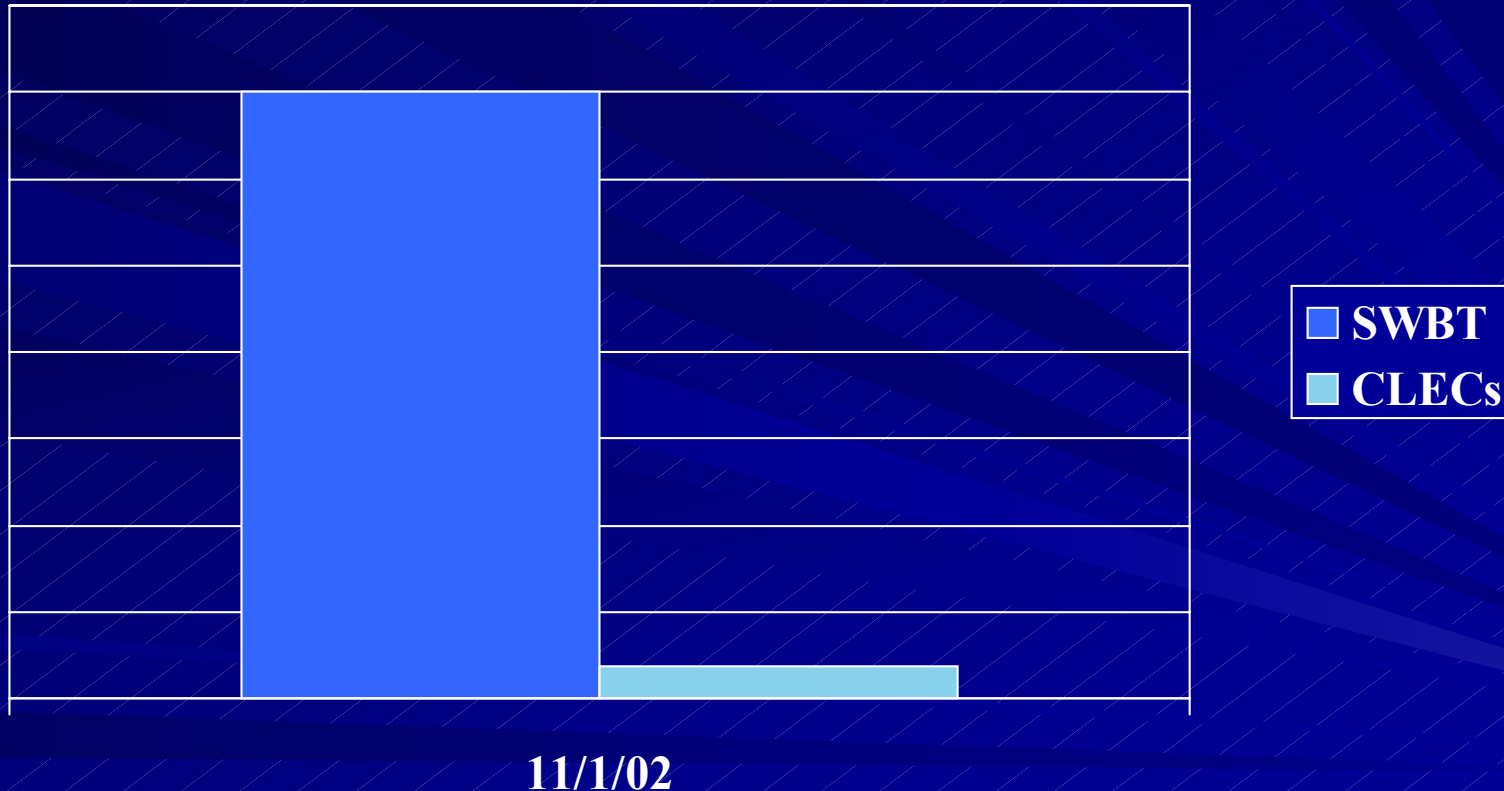
December 1999



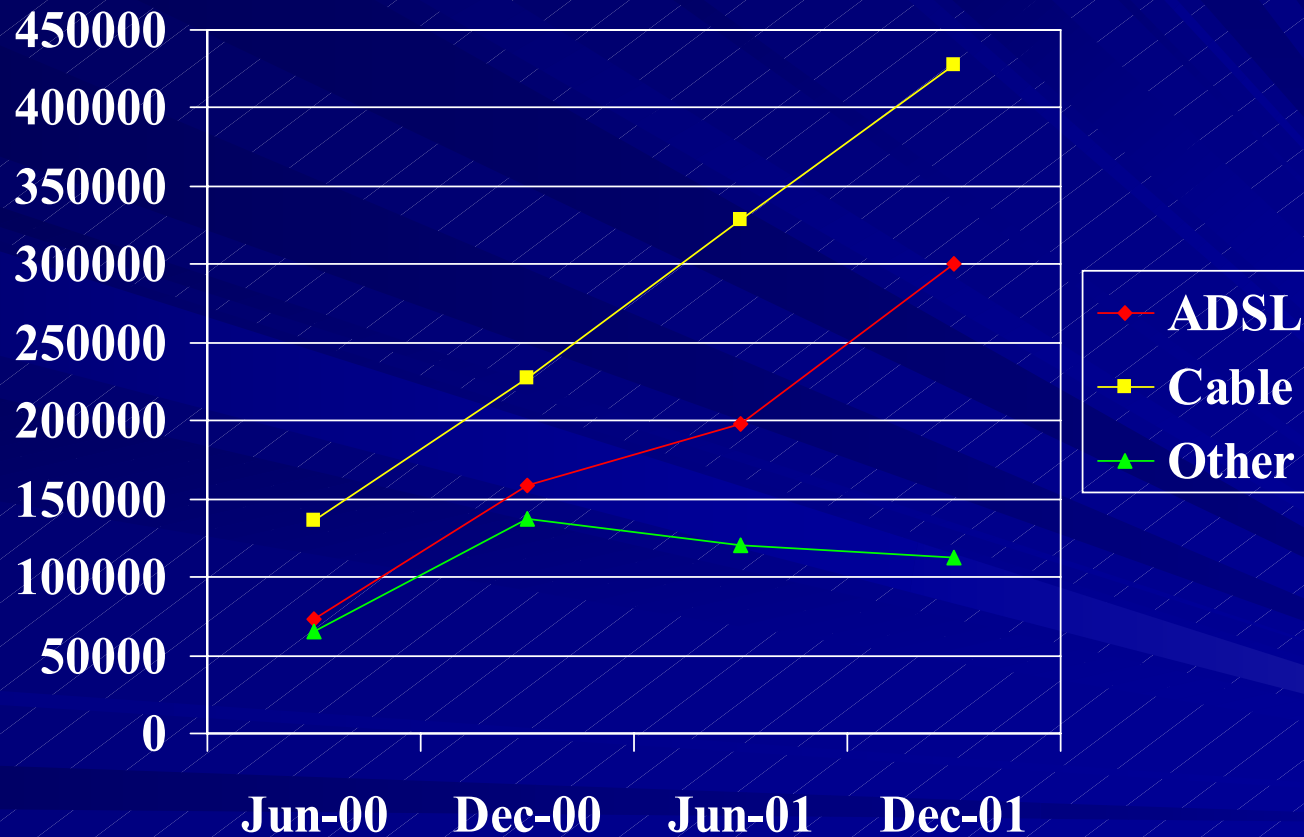
December 2001



# Broadband Market in SWBT Territory: Lineshared xDSL

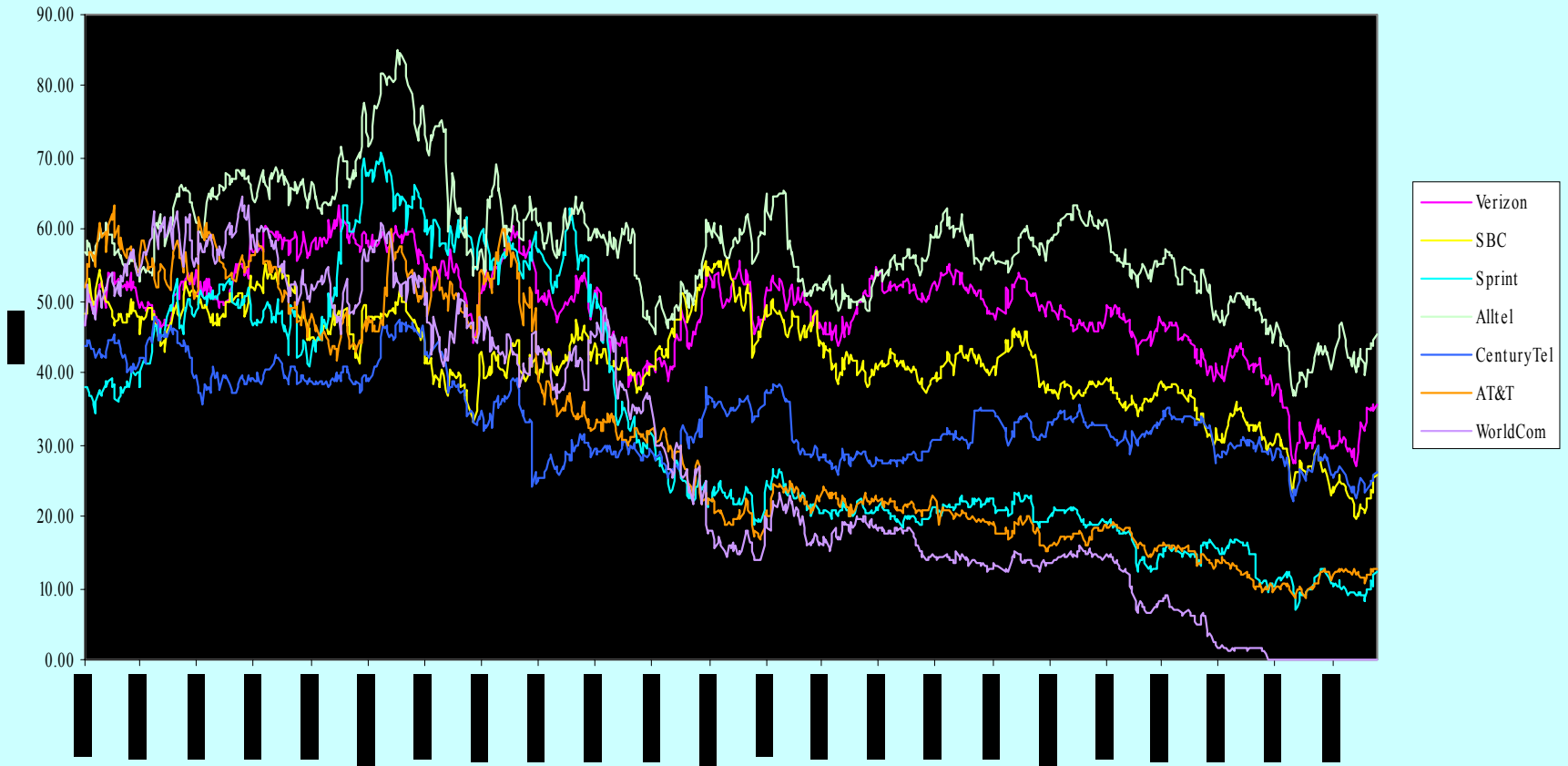


# Intermodal Competition in Texas: Is a Duopoly Sufficient?



# Timing is Everything

Daily Closing Stock Prices  
Texas Local Exchange Carriers



# SOLUTIONS FOR THE FUTURE

- Transition Path to incent CLECs to Migrate from UNE-P to Facilities-Based Deployment
  - State-Friendly Approach
- Time for CLECs to regain access to capital and reformulate business strategies
- Allow States opportunity to undertake own market analysis