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To: Mark Koenig/Corp/Enron@ENRON  
cc:

Subject: Fiber

Clarification: A clarification on 2Q fiber sales and the reference this morning that \$50 MM of EBS revenues were related to fiber sales. This is what I have learned this morning:

All of the revenues (\$152 MM) and gross margin (\$87 MM) was related to fiber sales. These #'s included fiber sold to LJM, generating revenues of \$90 MM and gross margin of \$54 MM. \$22 MM of the total revenues relates to fiber that was intended to be sold, was not sold, but Acctg. had already finalized the revenue number and late Friday apparently decided not to restate the revenues. I believe the offset was placed in higher op. expenses. Tod is pulling a schedule together that should be more clear than what we have from acctg.