



**Judy Simonson**  
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November 18, 1997

Ms. Magalie Roman Salas  
Secretary  
Federal Communications Commission  
1919 M Street, NW, Room 222  
Washington, DC 20554

RECEIVED  
NOV 18 1997  
FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Re: Ex Parte Meeting  
IB 97-142 - Rules and Policies on Foreign Participation in the  
U.S. Telecommunications Market

Dear Ms. Salas:

On Monday, November 17, 1997, Mark Baker, Rick Bailey, Jim Talbot and I of AT&T, and Marius Schwartz, on behalf of AT&T, met with Regina Keeney, Diane Cornell, Kathy O'Brien, Peter Pappas, Bob Calaff, Laurie Sherman and Mindy Ginsburg to discuss the settlements manipulation by foreign affiliate entrants. AT&T demonstrated that switched resellers, can manipulate the settlements subsidy in favor of their affiliates. AT&T also discussed its concerns with the Telmex/Sprint 214 and the Sprint accounting rate modification.

Because of the lateness of the day, two copies of this Notice are being submitted on the following business day to the Secretary of the Federal Communications Commission in accordance with Section 1.1206(a)(1) of the Commission's rules.

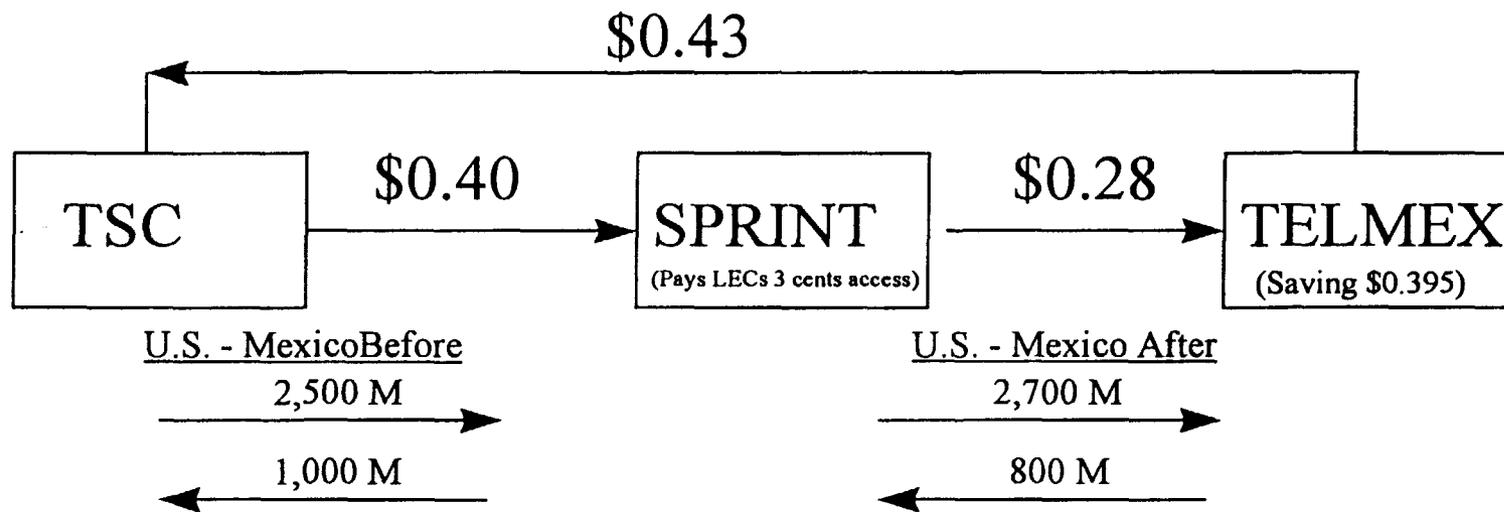
Sincerely,

Attachments

cc: Regina Keeney  
Diane Cornell  
Kathy O'Brien  
Peter Pappas  
Bob Calaff  
Laurie Sherman  
Mindy Ginsburg

No. of Copies rec'd 0+2  
DATE 11/18/97

# Settlements Manipulation Through Call Turnaround of 200 M Minutes



U.S. - Mexico Before  
 2,500 M  
 1,000 M

U.S. - Mexico After  
 2,700 M  
 800 M

## Net Impact

- Telmex Gain of \$72 M
- Sprint Gain of \$ 6 M
- TSC Gain of \$ 5 M
- Other US Carrier Loss of (\$84 M)