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May 22, 1998

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JUN - 4 1998

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Ms. Magalie Roman Salas, Secretary
Federal Communications Commission
Office of the Secretary
1919 M. Street, NW Room 200
Washington, DC 20554

Re: Ex parte - CC Docket No. 94-1 (Price Cap Review)

Dear Ms. Salas:

Today, Peter Jacoby, of AT&T, and I met with Jim Schlichting of the Common Carrier Bureau. During the meeting, we discussed AT&T's petition for reconsideration in this proceeding. In particular, we addressed the legal sustainability of a Commission decision to order the reinitialization of Price Cap Indices to reflect a revised productivity factor. We reviewed past Commission precedent, Court decisions upholding prior Commission action, as well as the record in this proceeding, which would support reinitialization. We also reviewed AT&T's position, as stated in its filings in this proceeding, on using interstate only inputs and outputs rather than total company when calculating the productivity factor.

Two copies of this Notice are being submitted to the Secretary of the Commission in accordance with Section 1.1206(a)(1) of the Commission's Rules.

Very truly yours,

cc: Mr. J. Schlichting

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