



MCI Communications Corporation

1801 Pennsylvania Avenue, NW
Washington, DC 20006

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October 2, 1998

Magalie Roman Salas, Secretary
Federal Communications Commission
1919 M Street, N.W. Room 222
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Re: Ex Parte Submission
Federal-State Joint Board on Universal Service; CC Docket No. 96-45
Forward-Looking Mechanism for High Cost Support for Non-Rural LECs; CC
Docket No. 97-160

Dear Ms. Salas:

On Thursday, October 1, Rich Clarke and Mike Lieberman, representing AT&T, Mike Baranowski of KKA Inc., and Mark Bryant and I, representing MCI WorldCom, met with Craig Brown, Steve Burnett, Mike Cichello, Bryan Clopton, Katie King, Bob Loube, and Jeff Prisbrey of the Commission staff. We reviewed with them the HAI Model's treatment of capital carrying costs, and discussed the treatment of excess deferred taxes by the model.

Respectfully submitted,

Chris Frentrup
Senior Economist
MCI WorldCom
1801 Pennsylvania Ave., NW
Washington, DC 20006
(202) 887-2731

cc: Craig Brown, Steve Burnett, Mike Cichello, Bryan Clopton, Katie King, Bob Loube, Jeff Prisbrey

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