



Leonard J. Cali
 Vice President & Director
 Federal Regulatory Affairs
 AT&T Federal Government Affairs

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FEDERAL COMMUNICATIONS COMMISSION
 OFFICE OF THE SECRETARY

May 18, 1999

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Ms. Magalie Roman Salas
 Secretary
 Federal Communications Commission
 445 Twelfth Street, SW, Room TWB-204
 Washington, D.C. 20554

Re: Notice of Ex Parte contact:

In the matter of Access Charge Reform, CC Docket No. 96-262; Federal-State Joint Board on Universal Service, CC Docket No. 96-45; Price Cap Performance Review for LECs, CC Docket No. 94-1; MCI Telecommunications Corp. Emergency Petition for Prescription, CC Docket No. 97-250; Consumer Federation of America Petition for Rulemaking, RM-9210; and

Dear Ms. Roman Salas:

Yesterday, Joel Lubin and I, both of AT&T, discussed with Commissioner Michael Powell and Kyle Dixon, Legal Assistant to the Commissioner, matters related to the referenced proceedings. In particular, we urged that the Commission proceed as quickly as possible with comprehensive access and universal service reform, and not defer the restructuring of access rates scheduled to become effective this July. We also discussed AT&T's view that universal service funding should be determined on the basis of efficient forward-looking costs, and that a geographically deaveraged subsidy based on embedded costs would be excessive and least subject to competitive pressure. In addition, we urged that the Commission refrain from prejudging the outcome of its high cost fund proceeding by increasing the high cost fund on an interim basis, and instead adjust the high cost fund only upon comprehensive universal service reform. The arguments and views that were presented are reflected in AT&T's written submissions in the referenced proceedings.

Two copies of this Notice are being submitted for each referenced proceeding in accordance with Section 1.1206 of the Commission's rules.

Sincerely,

Leonard J. Cali (gs)

cc: Commissioner Michael Powell
 Kyle Dixon