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July 22, 1999

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 12th Street, SW, Room TWB-204
Washington, DC 20554

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FEDERAL COMMUNICATIONS COMMISSION
CENTER FOR STAFFWORK

RE: Notice of Ex Parte Meeting: In the Matter of Charge Reform, CC Docket No. 99-262, MCI Telecommunications Corp. Emergency Plan for Petition for Prescription, CC Docket No. 97-250, and Consumer Federation of America Petition for Rulemaking, RM-9210.

Dear Ms. Salas:

Yesterday, Gail G. Schwartz, Joel Lubin, and I, all of AT&T, met with Howard Shelanski, FCC Chief Economist, and Patrick DeGraba, Deputy Chief Economist, concerning the referenced proceedings. Our conversation followed the attached outline. Specifically, we discussed AT&T's view that collocation is not a measure of competition for interoffice trunks or special access terminations, and that the Commission and the industry should identify flexibility "triggers" superior to collocation as well as the data sources needed to support those triggers. We otherwise reviewed AT&T's position as reflected in AT&T's written submissions in this proceeding.

Two copies of this notice are being submitted in accordance with Section 1.1206 of the Commission's rules.

Sincerely,

A handwritten signature in black ink, appearing to be "H. Shelanski".

Attachment

cc: H. Shelanski
P. DeGraba

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List ABCDE

Special access is not substantially competitive, and there remain persistent, substantial barriers to competition

- **limits to alternative facility scope and capacity**
- **ILEC operational limitations**
- **termination liabilities**
- **anticompetitive practices**

Pricing flexibility is inappropriate absent substantial competition

Collocation does not measure competition or the potential for competition for:

- **interoffice transport; or**
- **special access terminations**

Appropriate measures are units of competitive facilities

- **the competition test should be both bright line and accurate; collocation may be “bright” but is highly inaccurate**
- **accurate measures of competitive facilities for POP to LSO are needed**
- **accurate measures of competitive facilities for LSO to premises are needed**

Safeguards should include:

- **nondiscriminatory availability with freedom from termination liabilities**
- **advance notice of contract offerings**
- **no headroom**
- **no lower formula adjustment**
- **affiliate protections**
- **proven record of performance with respect to UNEs, collocation, and other market-opening requirements**

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