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December 2, 1999

VIA HAND DELIVERY

Magalie Roman Salas, Secretary
Federal Communications Commission
The Portals
445 Twelfth Street, S.W.
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Re: Level 3 Communications, LLC Ex Parte Presentation in CC Docket 99-68 (Inter-Carrier Compensation for ISP-Bound Traffic) and CC Docket 96-262 (Access Charge Reform)

Dear Ms. Salas:

Pursuant to Sections 1.1206(a) and (b) of the Commission's Rules, 47 C.F.R. § 1.1206(a) and (b), this letter is to provide notice of an oral *ex parte* presentation by Level 3 Communications, LLC ("Level 3") in the above-referenced proceeding on Wednesday, December 1, 1999. Kevin Dundon, Vice President-Voice Network Planning, Patricia Paoletta, Vice President, Government Affairs, William P. Hunt III, Regulatory Counsel of Level 3 Communications and Tamar Finn of Swidler Berlin Shereff Friedman, LLP met with Sarah Whitesell, Legal Advisor to Commissioner Tristani, and Ian Dillner. The purpose of the meeting was to discuss Level 3's landmark reciprocal compensation agreement with Bell Atlantic as outlined in the attached handout and its impact on Commission deliberations in the reciprocal compensation and access charge reform dockets.

Thank you for your attention to this correspondence. Pursuant to the Commission's rules, an original and one (1) copy of this letter is provided. A copy is also being hand-delivered to Sarah Whitesell and Ian Dillner. Please date-stamp and return the additional copy of this letter for our records.

Sincerely,



Tamar E. Finn

Counsel for
Level 3 Communications, LLC

Enclosures

cc: Sarah Whitesell
Ian Dillner
Patricia Paoletta

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Level 3 Communications

December 1, 1999 Ex Parte Presentation

- On October 21, 1999, Level 3 and Bell Atlantic announced a landmark agreement on new intercarrier compensation rates.
- The agreement sets rates for local and compensable Internet traffic, which is traffic that originates on the network of one party and is handed off to an ISP on the network of the other party.
- The agreement aligns terminating interconnection charges with cost-based rates and provides a model for setting all intercarrier compensation (interconnection and access) at cost-based rates.
- Rates for compensable traffic step down over a period of twelve months to a final rate of \$0.0020 in New York; \$0.0015, and in cases where traffic exceeds a ratio of 10:1, \$0.0012, in Massachusetts, New Jersey, Pennsylvania, Maryland, Virginia, New Hampshire, Rhode Island, and the District of Columbia.
- Each quarterly rate reduction is matched by Bell Atlantic's meeting Level 3's network forecast.
- The parties settled all disputes concerning unpaid reciprocal compensation bills.
- The arrangement provides business and market certainty for its term, which ends September 30, 2002.
- This long-sought compromise has the potential to spur a market-based, industry solution to disputes between ILECs and CLECs on reciprocal compensation for calls delivered to ISPs.