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March 30, 2000

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

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

RE: CC Docket 94-1 Price Cap Performance Review  
CC Docket 96-45 Universal Service  
CC Docket 99-249 Low-Volume Long Distance Users  
CC Docket 96-262 Access Charge Reform

Dear Ms. Salas:

Today, in a conversation with Kathryn C. Brown, Chief of Staff, Federal Communications Commission, I described the benefits, outlined in the attached letter, that consumers will obtain from AT&T as a result of the Coalition for Affordable Local and Long Distance Service ("CALLS") plan.

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

Sincerely,

cc: K. Brown

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Ms. Magalie Roman Salas, Secretary  
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445 12<sup>th</sup> St., SW, Room TWB-204  
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Re: CC Docket 94-1 Price Cap Performance Review  
CC Docket 96-45 Universal Service  
CC Docket 99-249 Low-Volume Long Distance Users  
CC Docket 96-262 Access Charge Reform

Dear Ms. Salas:

In a February 25, 2000 *ex parte* submission filed in the referenced proceedings, I wrote that, subject to the conditions and understandings specified in that *ex parte* submission, AT&T would take certain steps to ensure that consumers benefit from the reforms described in that submission. Some concerns have been expressed relating to these commitments. This letter addresses those concerns by clarifying and modifying the steps that AT&T will take if appropriate reforms are implemented. This letter replaces the set of commitments specified in AT&T's February 25, 2000 *ex parte* submission.

On the condition and understanding that the Commission will provide at least \$2.1 billion in usage-sensitive interstate access charge reductions (as calculated in the analyses underlying the plan proposed by the Coalition for Affordable Local and Long Distance Services ("CALLS") and submitted to the Commission) and eliminate the residential and single-line business presubscribed interexchange carrier charge ("PICC") no later than July 1, 2000, and provided further that interexchange carriers obtain the other benefits specified in the CALLS plan, as modified by CALLS' February 25, 2000 *ex parte* submission, AT&T will take the following steps to ensure that consumers benefit from these critical changes.

First, no later than July 1, 2000, AT&T will eliminate the minimum usage requirement on its residential interstate Basic Schedule for 5 years, although AT&T

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reserves the right to work with the Commission to revise or eliminate this commitment after 3 years if market circumstances warrant.

*Second*, no later than July 1, 2000, AT&T will modify its residential domestic interstate Basic Schedule usage rates in conjunction with elimination of the minimum usage requirement, and once it establishes those rates, will not increase those rates for 1 year. In addition, AT&T will notify every residential interstate Basic Schedule customer that these changes are taking place and advise those customers of other AT&T calling plans, including but not limited to the AT&T One Rate Basic plan, that may better serve an individual customer's needs.

*Third*, AT&T will maintain the AT&T One Rate Basic plan rate of 19¢ per minute at all times for domestic interstate calls from home, with no monthly recurring charge and no minimum usage requirement, for 1 year from the date it establishes revised Basic Schedule rates. If this plan is successful, AT&T will offer during the five-year life of the CALLS plan a calling plan with a single per-minute rate for domestic interstate calls from home, with no monthly recurring charge, and with no minimum usage requirement.

*Fourth*, when the residential and single-line business PICCs are eliminated as charges assessed to interexchange carriers, AT&T will eliminate the Carrier Line Charge, which is its PICC recovery mechanism, for these long distance customers.

*Fifth*, to the extent that AT&T realizes reductions in its access costs as a result of the reforms described above, it will, over the life of the plan, flow those savings through to residential and business customers.

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

Very truly yours,

A handwritten signature in black ink, appearing to read "Joel E. Paul". The signature is written in a cursive style with a long horizontal flourish at the end.

cc: K. Brown