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Patrick H. Merrick, Esq.  
Director - Regulatory Affairs  
AT&T Federal Government Affairs

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Suite 1000  
1120 20th St. NW  
Washington, DC 20036  
202 457-3815  
FAX 202 457-3110

October 5, 2000

Ms. Magalie Roman Salas  
Secretary  
Federal Communications Commission  
445 Twelfth Street, NW  
Room TWB-204  
Washington, DC 20554

Re: Notice of Ex Parte Presentation: Policy and Rules Concerning the Interstate, Interexchange Marketplace, Implementation of Section 254(g) of the Communications Act of 1934, as amended, CC Docket No. 96-61; Funding Mechanism of the Universal Service Fund, CC Docket No. 96-45; Request for Emergency Relief of the Minnesota CLEC Consortium and the Rural Independent Competitive Alliance, DA 00-1067; Mandatory Detariffing of CLEC Interstate Access Services, DA 00-1268; Access Charge Reform, et al., CC Docket Nos. 96-262 and 94-1 and CCB/CPD -File Nos. 98-63, 00-20, and 00-21

Dear Ms. Salas:

Yesterday, Len Cali, Bob Quinn, and I, all representing AT&T, discussed with Anna Gomez, Legal Advisor to Chairman Kennard, matters related to the referenced proceedings. In particular, we discussed AT&T's view that many CLECs charge exorbitantly high rates for their access services, and that interexchange carriers have no duty to purchase such services. We also discussed AT&T's concern that imposing such a duty on interexchange carriers would, among other harms and in addition to being inconsistent with law, require the Commission to regulate CLEC access rates, impose an unwarranted burden on Commission resources, distort competitive market entry, and force interexchange carriers to subsidize other carriers' predatory pricing schemes.



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In addition, we discussed AT&T's view that the current USF funding mechanism is not competitively neutral and must be replaced with a mechanism that is based upon current year revenues and urged the Commission to act quickly in this regard.

Finally, we urged that the Commission adopt a moratorium on all petitions under the Commission's pricing flexibility order (Access Charge Reform, et al., Fifth Report and Order and FNPRM, 14 FCC Red. 14222 (1999)) pending judicial review of that order.

Our statements concerning all of these issues were consistent with our written submissions in the referenced proceedings.

In accordance with Section 1.1206 of the Commissions rules, I have submitted two copies of this Notice for each referenced proceeding.

Sincerely,

cc: A. Gomez

A handwritten signature in black ink, appearing to be the initials 'A. Gomez'.