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FEDERAL COMMUNICATIONS COMMISSION
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January 5, 2001

EX PARTE

Magalie Roman Salas
Secretary
Federal Communications Commission
Room TW-A325
445 Twelfth Street, S.W.
Washington, D.C. 20554

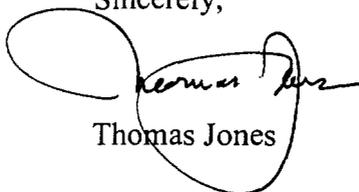
Re: CC Docket Nos. 96-98; 99-68

Dear Ms. Salas:

On January 4, 2001, Kelsi Reeves of Time Warner Telecom (TWTC), and I, on behalf of TWTC, discussed the application of reciprocal compensation to the exchange of ISP-bound traffic with Jordan Goldstein, Legal Advisor to Commissioner Susan Ness. During the meeting, we explained that the FCC should not implement the COBAK scheme for local traffic until states are given the opportunity to make appropriate adjustments to the ILECs' local rates. Specifically, we argued that the "sent paid" model for setting local rates at the states must be replaced with one in which rates are set to recover the costs of termination from the called party.

Pursuant to Section 1.1206(b)(1) of the Commission's rules, 47 C.F.R. § 1.1206(b)(1), an original and one copy of this letter are being provided for inclusion in the public record of the above-referenced proceedings.

Sincerely,



Thomas Jones

cc: Jordan Goldstein

Washington, DC
New York
Paris
London