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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY



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March 20, 2001

Ms. Magalie Roman Salas, Secretary
Federal Communications Commission
445 Twelfth Street, S. W. - Room TWB-204
Washington, D. C. 20554

Re: Ex parte, Inter-Carrier Compensation for ISP-Bound Traffic, CC Docket No. 99-68;
Local Competition Provisions of the Telecommunications Act of 1996, CC Docket No.
96-98

Dear Ms. Salas:

On Monday, March 19, 2001, Robert Quinn, AT&T Federal Government Affairs Vice President and the undersigned met with Jordan Goldstein, Legal Advisor-Common Carrier Bureau to Commissioner Susan Ness. The purpose of the meeting was to discuss a compensation scheme for Internet-bound calls outlined in a Verizon *ex parte* letter submitted into the record of the above-referenced proceeding on March 8, 2001 (See Letter to Dorothy Attwood, Chief-Common Carrier Bureau, FCC from Suzanne Guyer, Vice President-Federal Regulatory Policy, Verizon). The compensation mechanism described in the letter refers to rates payable for Internet-bound traffic and the establishment of traffic imbalance benchmarks above which traffic is presumed to be Internet-bound.

We continued to argue that Internet-bound traffic should be treated for purposes of reciprocal compensation the same as any other local traffic. In addition, we noted again that the ILECs have refused to pay CLECs for amounts due and owing for the termination of traffic to ISPs, and that any Commission order addressing this issue should minimize unwarranted payment disputes. Our statements concerning these matters are reflected in AT&T's previous written submission in the above-captioned proceedings.

Two copies of this Notice are being submitted to the Secretary of the FCC in accordance with Section 1.1206 of the Commission's rules.

Sincerely,

A handwritten signature in cursive script, appearing to read "F. Simone".

cc: J. Goldstein