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WALLMAN
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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

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March 22, 2001

Magalie Roman Salas, Secretary
Federal Communications Commission
445 12th Street, SW
TW-A325
Washington, DC 20554

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

Dear Ms. Salas:

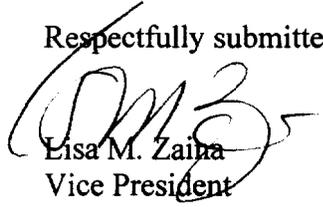
On March 20, 2001, Kathy Wallman and Lisa Zaina of Wallman Strategic Consulting, LLC facilitated and participated in an ex parte presentation conducted by telephone with Randy Rings, Group Vice President and General Counsel, and Dave Conn, Vice President and Deputy General Counsel, of McLeodUSA, Inc., and Tamara Preiss, Deputy Division Chief of CPD, concerning the docket referenced above.

The issue discussed was the impact of the Commission's expected order in this matter on existing contracts dealing with reciprocal compensation. It was acknowledged that it is consistent with the Commission's desire to effect a tapering down of reciprocal compensation payments to limit the availability of contract opt-ins once the order establishing the new regime is adopted. Consistent with this effort to stabilize the inter-carrier compensation environment by limiting the availability of contract opt-ins during any attendant lag between the adoption and the effective date of the order, is the corresponding need to have Commission guidance expressing the view that "existing contracts" include agreements where there has been offer and acceptance of terms between parties and where the material terms have been reduced to writing, even if steps remain to finalize the agreement or secure regulatory approval. Such guidance will ensure that carriers' incentives to negotiate and finalize agreements in the marketplace are

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not disturbed by anticipated regulatory action. Moreover, it will give the affected parties the stability that they need pending final resolution by the Commission.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'LMZ', is written over the typed name and title.

Lisa M. Zaina
Vice President

Copy:
Tamara Preiss