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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

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March 22, 2001

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 12th St., SW, Room TWB-204
Washington, DC 20554

Re: Notice of Ex Parte Presentation:
Access Charge Reform, CC Docket No. 96-262; Request for Emergency Relief
of the Minnesota CLEC Consortium and the Rural Independent Competitive
alliance, DA-1067; Mandatory Detariffing of CLEC Interstate Access Services,
DA 00-1268

Dear Ms. Salas:

Yesterday, in separate conversations with Dorothy Attwood, Chief of the Common Carrier Bureau, and Jeff Dygert, Assistant Chief of the Common Carrier Bureau, I discussed AT&T's position in the above referenced proceeding. Specifically, I stated that the Commission should adopt the proposal submitted by AT&T and supported by New South Communications on March 16, 2001 which recommends that if the Commission is not inclined to order competitive local carriers to reduce their interstate access rates to the access rate assessed by the incumbent local exchange carrier immediately, then the Commission should order CLECs to lower interstate access rates to 1.2 cents/minute immediately and ramp those rates down to the prevailing incumbent rate within twelve months.

I reiterated AT&T's position that permitting CLECs to charge access rates above the ILEC rate would encourage inefficient market and create a distorted competitive marketplace. I defended AT&T's twelve month ramp down as a reasonable time in which to bring CLECs in line with the prevailing market structure. I identified that one of the many problems associated with the extended ramp down proposed by the ALTS's companies was that it gave inefficient carriers (who enter the market charging more than

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incumbent) an advantage in the marketplace for an extended period of time over other more efficient competitive carriers (who charge less than the incumbent) by enabling those carriers to have access to an additional revenue stream.

I explained that the perverse impact such a message would send to the market – encouraging carriers to raise their rates to those charged by the inefficient carrier – would be devastating to the development of competition. My statements were consistent with the positions previously articulated by AT&T in filings in the above referenced proceedings.

I have submitted two copies of this Notice in accordance with Section 1.1206 of the Commission's rules.

Sincerely,

Robert W. Quinn, Jr. /PKA

cc: D. Attwood
J. Dygert