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Fairport, NY 14450

April 11, 2001

Federal Communications Commission
445 Twelfth Street, S.W.
Washington, D.C. 20554

Re: *CC Docket No. 96-262, Access Charge Reform*
CC Docket No. 99-68, Inter-Carrier Compensation for ISP-Bound Traffic

Dear Chairman Powell and Commissioners Ness, Furchgott-Roth, and Tristani:

On behalf of PaeTec Communications, Inc., I urge you to postpone any immediate decision on CLEC access charges or reciprocal compensation in the above dockets.

Unlike many CLECs, PaeTec has been willing and able to negotiate mutually acceptable contractual agreements on access charges with the major IXCs, and on Internet compensation with several large ILECs. These negotiated agreements provide PaeTec a measure of predictability and stability that is critical to our ability to succeed in today's telecommunications market. This has enabled PaeTec to grow into a full-service provider of local, long distance, and Internet access services to medium sized businesses across the United States, with over \$100 million in revenues last year.

We understand the Commission is considering action that would immediately reduce the amounts PaeTec is collecting in access charges and Internet compensation and seriously undermine PaeTec's ability to meet its budget commitments and investor expectations during 2001. This would be particularly unfair where PaeTec is only charging rates which these large, sophisticated carrier customers have knowingly agreed to pay.

This unfortunate result cannot be avoided by language purporting to preserve existing agreements, where the agreements themselves allow a party to "opt out" in the event of a regulatory decision such as the Commission is contemplating. PaeTec is willing to live by its contractual commitments, and believes the major IXCs and ILECs should not use the regulatory process to avoid theirs.

We urge you not to rush to judgment in response to a false "crisis" manufactured by those who have been unable or unwilling to help solve their problems themselves, particularly where the "solution" would penalize those who have.

If immediate regulatory action is inevitable at this point, PaeTec supports the recommendations of ALTS in these dockets as the best available alternatives.

Very truly yours,

Richard E. Ottalagana
Executive Vice President
PaeTec Communications, Inc.

cc: Magalie Roman Salas (for inclusion in the record)