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July 25, 2001

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 Twelfth Street, SW
Washington, DC 20554

Re: Notice of Ex Parte Presentation: Multi-Association Group (MAG) Plan for Regulation of Interstate Services of Non-Price Cap Incumbent Local Exchange Carriers and Interexchange Carriers, CC Docket No. 00-256; Federal-State Joint Board on Universal Service, CC Docket No. 96-45; Access Charge Reform for Incumbent Local Exchange Carriers Subject to Rate-of-Return Regulation, CC Docket No. 98-77; and Prescribing the Authorized Rate of Return for Incumbent Services of Local Exchange Carriers, CC Docket No. 98-166.

Dear Ms. Salas;

Attached is a description and an Excel worksheet in diskette form explaining the development of factors used in Appendix A of AT&T's comments filed in the above mentioned proceeding. An electronic copy of this material has been provided to Geoff Waldau of the FCC's Common Carrier Bureau.

I have submitted an original and one copy of this Notice in accordance with Section 1.1206 of the Commission's rules.

Sincerely,

Robert W. Quinn, Jr.

cc: Geoff Waldau

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Explanation of Factors used in Appendix A

- Common Line revenue in the NECA pool is assumed to represent 96.7% of total Common Line revenue for the non-price cap companies during the 1995 to 1999 period. The 96.7% is calculated from data obtained from TRPs filed in the 2000 annual interstate access filings. This data is shown in the attached Excel file, which contains prospective demand quantities and revenues for NECA and four companies that are not in the Common Line pool. (There is one other small non-pooling company for which TRP data was not available.) The percentage of total Common Line revenue associated with NECA is calculated on the sheet labeled "Summary."

- The ratio of NECA TS (traffic sensitive) revenue per minute to TS revenue per minute for all non-price cap companies is assumed to be 1.0914. This figure is based on data presented in the MAG 10/20/2000 Petition for Rulemaking, which described the existing composite interstate per-minute access rate for non-price cap LECs as 3.94 cents per-minute and the comparable NECA rate as 4.3 cents per-minute (page 11). 4.3 divided by 3.94 is 1.0914. The assumption is that this ratio is applicable to TS rates and has been fairly constant over the 1995 to 1999 period.

- The 1.0914 ratio is then used to calculate the percentage of industry TS revenue associated with the NECA TS pool by multiplying the 1.0914 by the fraction of pooled TS minutes to total TS minutes. This calculation is based on the mathematical identity that the fraction of NECA revenue to total revenue can be expressed as the product of two ratios: the ratio of NECA minutes to total minutes times the ratio of the NECA price per minute to the total industry price per minute.

Attachment A

DOCUMENT OFF-LINE

This page has been substituted for one of the following:

o An oversize page or document (such as a map) which was too large to be scanned into the ECFS system.

o Microfilm, microform, certain photographs or videotape.

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1 Diskette
(See 00-256)