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January 31, 2003

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: **Notice of Ex Parte Presentation** — National Exchange Carrier Association,
Inc. Petition for Rulemaking to Amend Section 69.104 of the FCC Rules.
RM No. 10603

Dear Ms. Dortch:

Today, Brian O'Hara of NTCA, Jeffrey Smith of OPASTCO, Robin Tuttle of USTA, and Bill Cook and I of the National Exchange Carrier Association, Inc. (NECA) met with Tamara Preiss, Judith Nitsche, Jay Atkinson, Douglas Slotten, Jeremy Marcus and Gene Gold of the FCC's Wireline Competition Bureau to discuss NECA's Petition for Rulemaking to Amend Section 69.104 of the Commission's Rules. In particular, the associations discussed how customer "channelized" T-1 services are provisioned in the same manner as PRI - ISDN and should be accorded the same treatment for purposes of assessing end user common line charges. The presentation was summarized in the attached material.

In accordance with the Commission's rules, a copy of this Notice has been filed electronically in the above referenced docket.

Regards,

A handwritten signature in black ink, appearing to read "Colin Sandy", written in a cursive style.

Colin Sandy

cc: Tamara Preiss, PPD
Qualex International



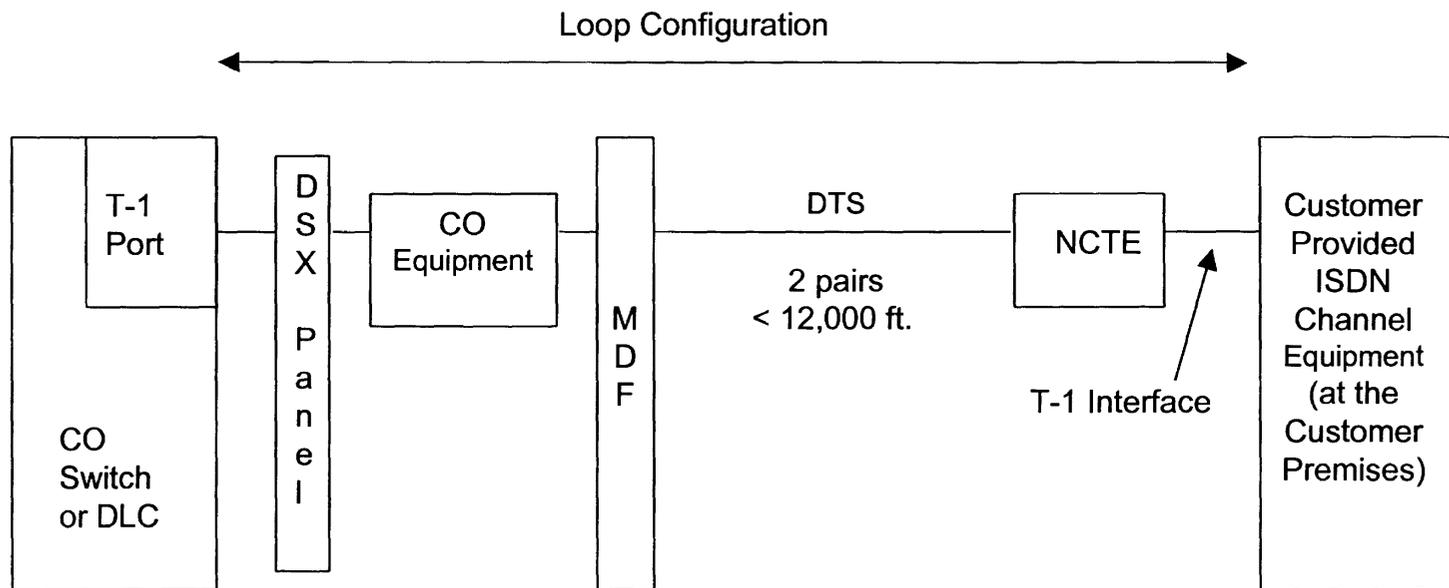
Application of SLCs on Derived Channel T1 Services

Ex Parte Presentation on NECA's Petition to
Amend Section 69.104 of the FCC Rules.

NECA, NTCA, OPASTCO, USTA

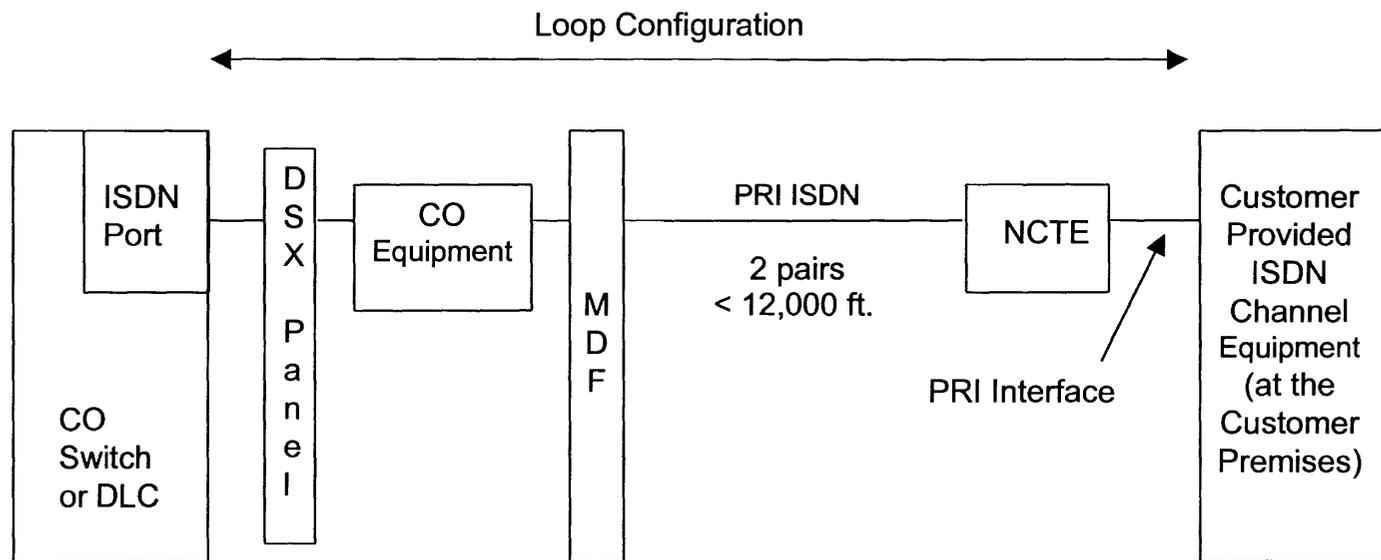
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Transport of DTS



(Illustrative Configuration for a T-1 Interface)

Transport of PRI ISDN





Monthly End User Charge Comparison

PRI ISDN	Digital Transport Service
Capacity typically 23 or 24 individual lines	Capacity of 24 individual lines
SLC Charges = 5 X \$9.20 = \$46.00	SLC Charges = 24 X \$9.20 = \$220.80
Port Charge = 1 X \$ 23.51 = \$23.51	Port Charge = \$0.00 \$ 0.00
Total Monthly Charge = \$69.51	Total Monthly Charge = \$220.80

Summary

- Derived channel T-1 services and PRI have identical underlying loop configurations.
- Unequal treatment of functionally equivalent services create artificial incentives for customers to subscribe to certain services.
- Equal regulatory treatment of comparable services provides carriers with the ability to manage their networks efficiently.
 - ◆ Also provides consumers access to comparable services at comparable prices.
- NTS costs are adequately recovered by no more than five SLCs.