February 20, 2004

Via Electronic Filing

Marlene H. Dortch
Secretary
Federal Communications Commission
445 Twelfth Street, SW
Washington, DC 20554

Re: Notice of Ex Parte Presentation: *In the Matter of AT&T Corp. Petition for Rulemaking To Reform Regulation Of Incumbent Local Exchange Carrier Rates For Interstate Special Access Services*, RM Docket No. 10593.

Dear Ms. Dortch;

On Thursday, February 19, 2004, the Special Access Reform Coalition (SPARC) met with Sam Feder, Legal Advisor to Commissioner Kevin J. Martin to discuss special access pricing. The SPARC members attending the meeting included: Brian Moir of Moir & Hardman, counsel for eTUG; Jonathan Lee of the Comptel/ASCENT Alliance; Patrick Merrick of AT&T Corp.; Marc Martin of Kirkpatrick & Lockhart, representing Nextel; and Mark Uncapher of the Information Technology Association of America. During the meeting, SPARC members urged the bureau to immediately address inflated special access rates and take immediate action consistent with SPARC's May 1, 2003 ex parte. The attached documents were provided and discussed at the meeting.

Consistent with the Commission rules, I am filing one electronic copy of this notice and request that you place it in the record of the proceeding.

Sincerely,

Brian R. Moir, Partner
Moir & Hardman

Attachments

CC: Sam Feder

SPECIAL ACCESS REFORM COALITION (SPARC)

(Member Companies & Organizations)

API (American Petroleum Institute)

AT&T Corp.

AT&T Wireless

BT Americas

Cable & Wireless

CompTel/ASCENT Alliance (The Competitive Telecommunications Association)

Construction Industry Round Table (CIRT)

eTUG (eCommerce & Telecommunications User Group)

Futures Industry Association

Grocery Manufacturers Association (GMA)

Global Crossing

ITAA (Information Technology Association of America)

MCI

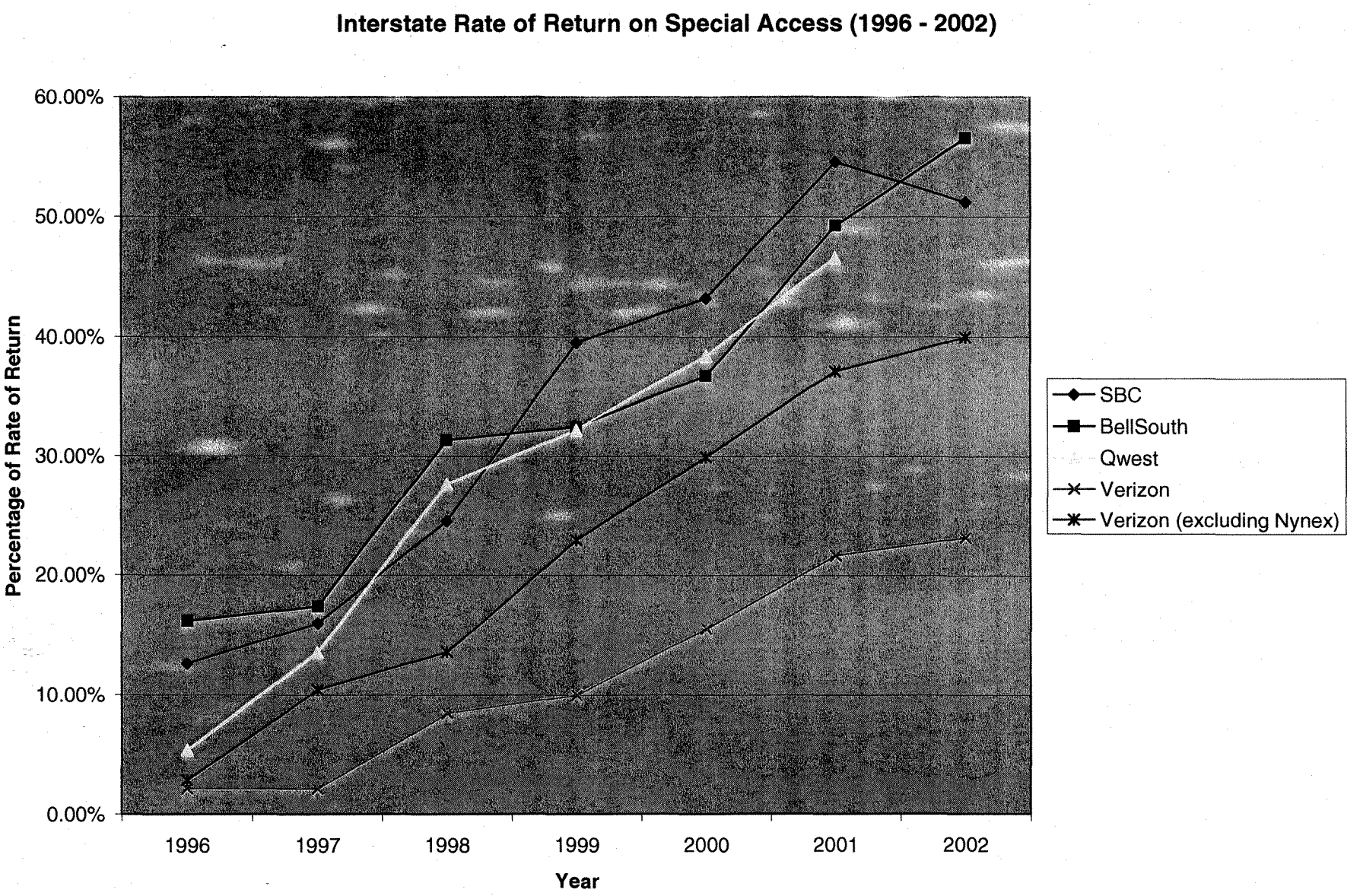
Nextel Communications

Bell Special Access Rates of Return

	2001	2002
BellSouth	49.3%	56.6%
Qwest	46.6%	NA*
SBC	54.6%	51.3%
Verizon	21.7%	23.2%
Verizon (excluding NYNEX)	37.1%	40.0%

These rates of return were calculated from 2001 ARMIS 43-01, Table I, Cost and Revenue Table, Column S, Rows 1910 and 1915.

* Due to Qwest's financial difficulties, Qwest has been permitted to late file its ARMIS data for 2002 on Sept. 18, 2003.


Interstate Rate of Return on Special Access (1996 - 2002)
60.00%
50.00%
40.00%
30.00%
20.00%
10.00%
0.00%
Percentage of Rate of Return
1996
1997
1998
1999
2000
2001
2002
Year
SBC
BellSouth
Qwest
Verizon
Verizon (excluding Nynex)

Special Access Rate Comparisons

	DS1	DS3
Ameritech*	8.2-11.6%	14.1-15.0%
BellSouth	6.0%	29.7%
PacBell	2.4%	27.0%
Qwest*	27.9-28.6%	5.4%
SBC	15.6%	20.0%
Verizon (North)*	19.6-29.3%	10.9-11.2%
Verizon (South)	19.5%	31.5%

5 Year Term Commitment/10 mile circuit

Rates vary by state

Price Flex vs. Price Cap

Special Access Rate Comparisons

	DS1	DS3
Ameritech*	0.4-1.2%	2.1-2.2%
BellSouth	19.0%	13.5%
PacBell	5.6%	15.8%
Qwest*	28.2-29.0%	5.4%
SBC	1.9%	1.8%
Verizon (North)*	19.6-29.3%	17.2%
Verizon (South)	23.3%	45.4%

Month to Month/10 mile circuit

Rates vary by state

Price Flex vs. Price Cap