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March 3, 2004

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW, Room TWB-204
Washington, DC 20554

RE: International Settlements Policy Reform (IB Docket No. 02-324)
International Settlement Rates (IB Docket No. 96-261)

Dear Ms. Dortch,

On March 2nd, 2004, Jim Talbot from AT&T, Peter Cowhey, a consultant to AT&T, and I met with Anna Gomez, Jim Ball, Sasha Field, Gardner Foster, David Strickland, and Mark Uretsky from the International Bureau to discuss the above-referenced proceeding.

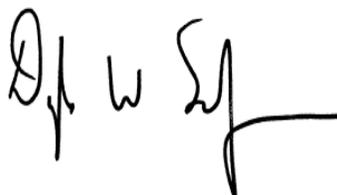
We reviewed AT&T positions in this proceeding, focusing on mobile termination rates. Dr. Cowhey discussed the findings of foreign regulatory authorities that correctly identify a problem with mobile termination on the networks of operators under calling party pay systems and proposed that the Commission undertake a further Notice to resolve key unresolved empirical issues in the current proceeding. This Notice should also explore the proper way to understand costs for mobile termination systems under calling party pays, which would permit a better cost-benefit analysis of possible policy responses.

We also discussed the surcharges borne by U.S. consumers for mobile termination. We reiterated that because AT&T must pay the incremental charges for mobile traffic that are levied by its corresponding foreign international carriers, it is incorrect to compare these surcharges with foreign mobile carrier charges. We also discussed the mistaken claim made by other commenters that US carrier cost savings are not passed through to US consumers. In fact, AT&T reduced consumer surcharges in January 2004 to eighteen countries. Unfortunately, these reductions were outnumbered by the fifty routes on which AT&T was required to either raise existing rates or introduce new surcharges.

Marlene Dortch
March 3, 2004
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One electronic copy of this Notice is being submitted to the Secretary of the FCC in accordance with Section 1.1206 of the Commission's rules.

Sincerely,



copy to:
J. Ball
A. Field
G. Foster
A. Gomez
D. Strickland
M. Uretsky