



Patrick H. Merrick, Esq.
Director – Regulatory Affairs
AT&T Federal Government Affairs

Suite 1000
1120 20th Street NW
Washington DC 20036
202 457 3815
FAX 202 457 3110

April 5, 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 Stale or Moot Docketed Proceedings*,
CC Docket Nos. 93-193, 94-65 and 94-157

Dear Ms. Dortch;

Today, April 5, 2004 David Lawson of Sidley Austin Brown and Wood and I spoke with Jane Jackson and Deena Shetler of the FCC's Wireline Competition Bureau regarding the above mentioned proceeding. AT&T reiterated its position that even if the LECs were permitted to restate their rate bases for 1992, 1993, 1994 and 1995 to reflect the Commission's recession of RAO 20, the LECs could not lawfully obtain exogenous cost adjustments in their 1996 interstate access tariffs to account for those changes. See 47 C.F.R. § 61.45. AT&T also reiterated its positions that Verizon was precluded from implementing exogenous cost increases for its pre-1993 adoption of SFAS-106 because such early adoption was within Verizon's control and occurred prior to the effective date of SFAS-106. AT&T also demonstrated that Verizon's "headroom" calculations were inaccurate and that even after accounting for headroom, Verizon is subject to nearly \$7.5M in refunds relating to the unlawful implementation of exogenous costs related to its early adoption of SFAS-106. Finally AT&T reiterated its position that the FCC has definitively established that add-back is the only reasonable and correct method of calculating a carrier's sharing and low-end adjustments and that there is no reasonable basis for a rule that would permit carriers to apply add-back when a company has taken a low-end adjustment but not when it has incurred a sharing obligation.

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 proceedings.

Sincerely,

A handwritten signature in black ink, appearing to read "Patrick H. Merrill". The signature is written in a cursive style with a large initial "P".

CC: Jane Jackson
Deena Shetler