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August 25, 2004

By Electronic Filing

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th St., SW
Washington, D.C. 20554

Re: Developing a Unified Intercarrier Compensation Regime, CC Docket No. 01-92; Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, CC Docket No. 96-98; Intercarrier Compensation for ISP-Bound Traffic, CC Docket No. 99-68

Dear Ms. Dortch:

On August 24, 2004, Christopher Heimann, Eric Einhorn and Gary Phillips, SBC Communications Inc., Jonathan Nuechterlein, Wilmer Cutler Pickering Hale and Dorr, LLP, counsel to SBC, Richard Juhnke, Sprint Corp., John Nakahata, Harris, Wiltshire and Grannis LLP, counsel to Level 3 Communications and General Communication Inc., Richard Metzger, Lawler, Metzger & Milkman, LLC, counsel to MCI, Richard R. Cameron, Latham & Watkins, counsel to the Intercarrier Compensation Forum, and the undersigned, counsel to AT&T Corp., met with Austin Schlick, Jeffrey Dygert and Christopher Killion of the Office of General Counsel and Tamara Preiss, Steve Morris, Rob Tanner, and Victoria Schlesinger of the Wireline Competition Bureau. The representatives of SBC, Sprint, Level 3, GCI, MCI, AT&T and the ICF discussed the relationship between the Commission's resolution of its remand proceeding concerning intercarrier compensation for ISP-bound traffic and the Commission's ability to adopt a comprehensive, national framework for reforming all intercarrier compensation.

Representatives of SBC, Sprint, Level 3, GCI, MCI, AT&T and the ICF stressed that a uniform, efficient and equitable solution to much-needed intercarrier compensation reform is unlikely to be achieved in the absence of a national, Commission-sponsored framework that addresses both interstate and intrastate traffic. Representatives of SBC, Sprint, Level 3, GCI,

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MCI, AT&T and the ICF further explained that section 251(b)(5) of the Communications Act, 47 U.S.C. § 251(b)(5), provides the Commission with broad authority to effect efficient and comprehensive intercarrier compensation reform and that it is exceedingly important that the Commission not undermine that authority through unnecessary, self-imposed limits on the scope of section 251(b)(5).

The industry representatives expressed concern that a resolution of the ISP-bound traffic remand proceeding that purports to narrow the scope of section 251(b)(5) to apply only to telecommunications that have as their ultimate destination the physical premises associated with the called PSTN number could have the unintended consequence of sweeping broad categories of *non*-ISP-bound traffic outside the scope of 251(b)(5). Because a ruling that a carrier that delivers traffic to an ISP does not “terminate” that traffic for purposes of section 251(b)(5) could undermine efforts to create a robust intercarrier compensation framework that will not be overtaken by technology advances – the representatives of SBC, Sprint, Level 3, GCI, MCI, AT&T and the ICF urged the Commission to explore other approaches to the ISP-bound traffic proceeding.

Respectfully submitted,

/s/ David L. Lawson

David L. Lawson

cc: Austin Schlick
Jeff Dygert
Chris Killion
Tamara Preiss
Steve Morris
Victoria Schlesinger
Rob Tanner
Christopher Libertelli
Scott Bergmann
Matt Brill
Dan Gonzalez
Jessica Rosenworcel