Levine Blaszak Block & Boothby LLP

September 13, 2004

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

***Ex parte* Notice**

Re: Appropriate Framework for Broadband Access to the Internet over Wireline Facilities; Universal Service Obligations of Broadband Providers; Computer III Further Remand Proceedings: Bell Operating Company Provision of Enhanced Services; 1998 Biennial Regulatory Review – Review of Computer III and ONA Safeguards – CC Docket Nos. 02-33, 95-20, 98-10.

Dear Ms. Dortch:

On September 10, 2004, the undersigned and Andrew M. Brown, both of Levine, Blaszak, Block and Boothby, LLP, and Lee Selwyn, President of Economics and Technology, Inc. ("ETI"), on behalf of the Ad Hoc Telecommunications Users Committee, met with Jessica Rosenworcel, Legal Advisor to Commissioner Michael J. Copps, to discuss the white paper entitled *Competition in Access Markets: Reality or Illusion.* The white paper was prepared by ETI and previously filed as an *ex parte* in the above referenced proceeding on August 26, 2004.

The parties discussed the contents of the white paper, focusing on the pricing trends and astonishingly high rates of return earned by incumbent local exchange carriers ("ILECs") for special access services, and the paper's conclusion that markets for access services are not competitive. The parties also discussed three slides, attached hereto, which describe (i) the dramatic percentage increases in recently proposed rates for various special access components provided by Qwest;[1] (ii) the dramatic upward pricing trend for ten-

[1] AT&T Petition to Reject or Suspend and Investigate Qwest Transmittal No. 206, filed August 23, 2004, Exhibit A, page 1.

mile DS-1s provided by Qwest; and (iii) the relatively small number of buildings in the City of San Francisco to which competitive local exchange carriers ("CLECs") can connect using their own facilities compared to buildings in San Francisco for which CLECs must rely on special access services obtained from incumbent local exchange carriers.

Pursuant to Section 1.1206(b) of the Commission's Rules, 47 C.F.R. § 1.1206(b), copies of this letter and attachments are being filed with the Office of the Secretary.

Sincerely,

Colleen Boothby

Colleen Boothby

Counsel for
Ad Hoc Telecommunications Users
Committee

Attachments