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April 26, 2005

Ms. Marelene Dortch  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

Re: Applications for Consent to Transfer of Control filed by AT&T and SBC, WC Docket No. 05-65

Dear Ms. Dortch:

On April 21, 2005, Don Gips, Group Vice President, Corporate Strategy and Development, Tom Boasberg, Senior Vice President, Corporate Development, Ron Vidal, Group Vice President, Emerging Opportunities, and John Ryan, Senior Vice President, Senior Vice President and Assistant General Counsel, all of Level 3 Communications (Level 3), and John Nakahata, Harris, Wiltshire & Grannis, LLP, on behalf of Level 3, met with the members of the staff listed on Attachment A with respect to the acquisition of AT&T by SBC.

Level 3 discussed the reach of its network, as compared with the reach of the SBC and AT&T networks, with specific emphasis on the number of LEC central offices and Tier 2 and 3 markets served by both SBC and AT&T. Level 3 expressed concern with respect to the extent of competition for services delivered over those overlapping assets and urged that the Commission consider alternatives (including divestiture and special access pricing regulation) to ensure that market-based pricing is available post-merger.

Level 3 also discussed the need to ensure that IP-based voice services can provide a competitive alternative to the combined AT&T/SBC voice services; in order to provide such assurances, the Commission also should take the following actions:

- Ensure that ILECs that provide DSL services do not block or otherwise interfere with the ability of consumers to obtain and use "over-the-top" VoIP services.
- Ensure that consumers can purchase DSL services without purchasing ILEC voice services.
- Clarify the intercarrier compensation rules for traffic that originates or terminates in IP, pending final resolution in the Commission's Intercarrier Compensation Reform proceeding.

Please contact the undersigned if you have any further questions regarding this presentation.

Very truly yours,

A handwritten signature in black ink, appearing to read "John M. Ryan".

John M. Ryan

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Attachment A

Michelle Carey, Deputy Chief, WCB

Tom Navin, Chief, Competition Policy Division, WCB

Bill Dever, Deputy Chief, Competition Policy Division, WCB

Rodger Woock, Chief, Industry Analysis and Technology Division, WCB

Ben Childers, WCB

Gail Cohen, WCB

Marcus Maher, WCB

Pam Megna, WCB

Jon Minkoff, WCB

Craig Stroup, WCB

Paul Zimmerman, WCB

Kent Nilsson, OGC/OET

Jim Bird, OGC, Transactions Team

C. Anthony Bush, OGC

Ann Bushmiller, OGC

Karen Onyeije, OGC

Joel Rabinovitz, OGC

Jonathan Levy, OSP

Chuck Needy, OSP