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April 06, 2006

**EX PARTE NOTICE**

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12th Street, S.W.  
Portals II, Room TW-A325  
Washington, D.C. 20554

**Re: Jurisdictional Separations and Referral to the Federal-State  
Joint Board, CC Docket No. 80-286**

Dear Ms. Dortch:

On April 5, 2006, Michelle Thomas and Linda Vandeloop on behalf of AT&T Services, Inc. met with Ted Burmeister, Steve Burnett, Michael Jacobs, Narda Jones, Jeremy Marcus, and Gary Seigel of the Wireline Competition Bureau regarding the above-referenced proceeding.

AT&T supports an extension of the separations freeze pending implementation of broader separations reform, but believes that the two year time limit proposed by NARUC in its resolution may not allow enough time to fully review all issues and implement changes. AT&T recommends that the FCC extend the freeze for at least three to five years and move forward with an NPRM seeking comment on the issues associated with separations reform.

Analysis and review of the separations process will take significant time and resources, since it has been five years since any of these factors have been reviewed. During that time, new technologies and new services have been introduced and companies have developed ways to use their assets more efficiently. Industry, states and other parties will have to evaluate the impact of each proposed change. Some of the activities that may need to take place include evaluation of whether there should be different rules for price cap and rate of return companies, the identification of information needed to propose rules, and analysis and comment on proposed rules. Evaluating the changes and impacts as well as implementing the ultimate order is likely to require a lengthy process. We may accomplish this in less time. However, it would be more efficient to end the freeze early than to extend the freeze again.

AT&T expressed concern over the NARUC recommendation that "the FCC should clarify that all carriers must continue to directly assign all private lines and special access circuits based on existing line counts." Not all companies currently directly assign special access and private line costs. In addition, improved technology allows companies to use assets for multiple services or jurisdictions. Therefore, use of line counts would merely be another allocation methodology

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which would likely require further input and analysis. And finally, at least for Price Cap companies, these adjustments serve no purpose, since prices are no longer cost based. AT&T suggested that the FCC address separations reform through an NPRM, and review all issues through that process. Making changes in isolation without analysis and input from all impacted parties could have significant unintended downstream consequences.

In accordance with section 1.1206(b)(2) of the Commission's rules, this letter is being filed electronically with your office. Please feel free to contact me if you have any questions.

Sincerely,

/s/Linda Vandeloop

cc: Steve Burnett  
Ted Burmeister  
Michael Jacobs  
Narda Jones  
Jeremy Marcus  
Gary Seigel