

October 24, 2006

VIA ECFS

Marlene H. Dortch, Secretary
Federal Communications Commission
The Portals
445 12th Street, S.W.
Washington, D.C. 20554

**Re: Notification of *Ex Parte* Meeting of Neutral Tandem, Inc.
WC Docket No. 06-74**

Dear Ms. Dortch:

Pursuant to Section 1.1206 of the Federal Communications Commission's ("Commission") Rules, 47 C.F.R. § 1.1206, this letter serves to provide notice that, on October 24, 2006, Rian Wren and Ronald Gavillet of Neutral Tandem, Inc. ("Neutral Tandem") spoke with Ian Dillner, Legal Advisor to Commissioner Tate via teleconference concerning the above-referenced proceeding.

The purpose of the conversation was to provide an overview of Neutral Tandem's business (using the attached presentation) and to explain the network diversity and competitive benefits provided by Neutral Tandem (e.g., flexibility to grow more rapidly, PSTN redundancy, reduced dependence on competitor, and better pricing). Neutral Tandem cautioned the Commission to properly design any transit rate freeze so as to avoid any unintended consequences, including freezing the development of competitive transit services, while recognizing parties' desire to freeze transit rates in markets where AT&T/BellSouth is the only choice for transit services. Further, as a common carrier, the service territory of a competitive transit carrier such as Neutral Tandem would be verifiable.

Pursuant to the Commission's Rules, this letter is being filed in the above-captioned proceedings for inclusion in the public record. Should you have any questions, please do not hesitate to contact the undersigned.

Sincerely,



Ronald W. Gavillet
Executive Vice President of External Affairs
Neutral Tandem, Inc.
1 South Wacker Drive, Suite 200
Chicago, IL 60606
Telephone: (312) 384-8040
Facsimile: (312) 346-3276

Attachment

cc: Ian Dillner (FCC)

Attachment



Make every minute count with Neutral Tandem.





Make every minute count with Neutral Tandem.

Company Overview

Who we are

The premier tandem service provider, facilitating the interchange of traffic between wireless carriers, cable companies, CLECs, and enhanced service providers.

Our
Value
Proposition

- Innovative neutral alternative to ILEC tandems
- Lower our customers' OPEX/CAPEX
- Simplify the interconnection network
- Increase quality of service and network reliability
- Level the playing field

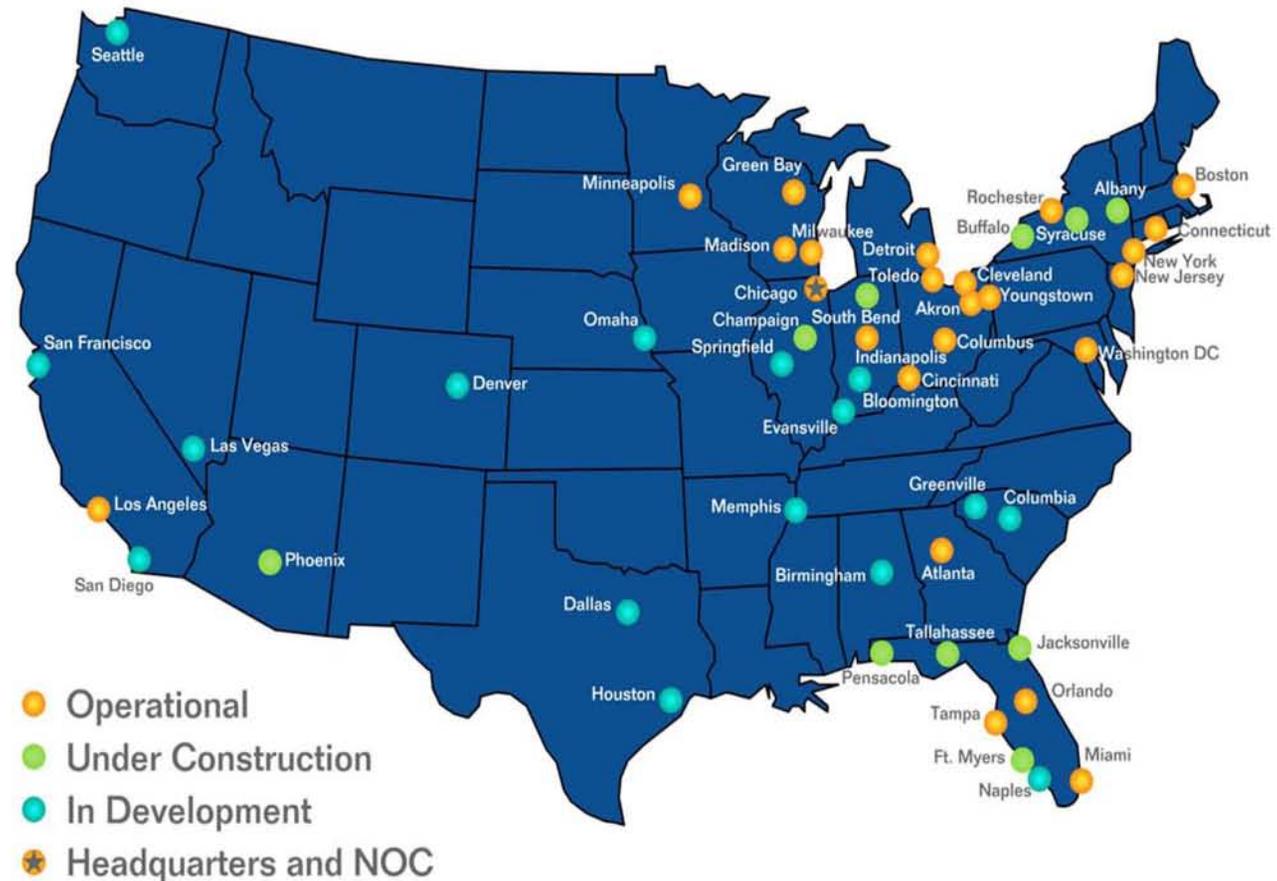


Make every minute count with Neutral Tandem.

Neutral Tandem Coverage Map

Coverage:

- 46 LATAs across the country
- Over 133M phone numbers available to route to



Industry Trends

Significant Growth in Intercarrier Traffic

- **MOU Growth Among Competitive Carriers**
 - Wireless MOUs were approximately 1.5 Trillion in 2005 with 35% YoY growth.
 - CLEC MOUs were 341 Billion in 2005.
 - CLEC & Wireless MOUs in 2005 represented 54% of total MOUs.
 - Cable MSOs are adding over 75,000 phone subscribers/week.
- **ILEC Wireline Displacement Continues**
 - LNP continues to facilitate the migration of traffic away from the ILEC.
 - Wireless is growing in popularity as a replacement for landline service.
 - Increasing competition from Cable and VoIP service providers.
- **Requirement to Lower Operating and Capital Expenses**
 - Increased market and economic pressures.
 - Strongest carriers survive and thrive.



ILEC Tandem Network

Complicated

Expensive

Inefficient

Cumbersome

The ILEC Tandem network was built to serve ILEC Central Offices and not competitive switches.

ILEC Tandem

Wireless
Carriers

ILEC Tandem

ILEC Tandem

CLEC's

ILEC Tandem

ILEC Tandem

Cable

ILEC Tandem

ILEC Tandem

ILEC Tandem



Make every minute count with Neutral Tandem.

Service Description

Competitive Exchange Network

Efficient

Cost Effective

Simplified

Diverse

Non-Blocking



Carriers utilize Neutral Tandem to exchange inter-carrier traffic and bypass ILEC Tandems.