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

Re: Developing a Unified Intercarrier Compensation Regime, CC Docket No. 01-92; High-Cost Universal Service Support, WC Docket No. 05-337; Federal-State Joint Board on Universal Service, CC Docket No. 96-45; Intercarrier Compensation for ISP-Bound Traffic, WC Docket No. 99-68; Establishing Just and Reasonable Rates for Local Exchange Carriers, WC Docket No. 07-135

Dear Ms. Dortch:

On behalf of AT&T Services, Inc. Hank Hultquist, Cathy Carpino, Mary Henze, Joel Lubin, Paul Malandrakis, Saikat Sen and the undersigned met with Al Lewis, Randy Clarke, Lynn Engledow, Doug Slotten, Cody Williams, Bill Sharkey and Jay Atkinson of the Wireline Competition Bureau on August 6, 2008. At the meeting, AT&T discussed issues related to intercarrier compensation reform as well as the model it is using to estimate the impact of comprehensive reform.

AT&T indicated that the model:

- primarily relies on public sources of data including the annual tariff filings of price cap ILECs and NECA, as well as state proceedings and filings,
- includes data from 1,430 ILEC study areas
- is designed to baseline the scope of the impact resulting from a move to a unified terminating rate
- is updated as newer data becomes available.

The function of a nationwide comparability benchmark was also discussed. AT&T explained that the benchmark is based on the approach it developed with input from other carriers and state PUC staffs as a supplement to the Missoula plan. If adopted as part of comprehensive reform, the benchmark would validate the work effort of those state commissions that have already achieved intrastate reform by ensuring that end users whose rates are relatively high as a consequence of state rebalancing, would not see additional significant rate increases as a consequence of comprehensive reform.

AT&T also discussed the relationship between comprehensive intercarrier compensation reform and long-term universal service reform. The need for both is driven by the ongoing transition to a broadband digital era and the accelerating decline of the

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traditional POTS business model. The legacy intercarrier compensation mechanisms stand as an obstacle to that transition. Their reform will both speed and ease the transition to that broadband digital era.

AT&T is encouraged by the Commission's renewed commitment to intercarrier compensation reform and believes that a comprehensive solution is the only solution that serves the long-term interests of America's consumers.

Sincerely,

/s/ Brian Benison

cc: Al Lewis
Randy Clarke
Lynn Engledow
Doug Slotten
Cody Williams
Bill Sharkey
Jay Atkinson