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October 29, 2008

Ms. Marlene Dortch
 Secretary
 Federal Communications Commission
 445 12th Street SW
 Washington DC 20554

Re: Developing a Unified Intercarrier Compensation Regime, CC Docket No. 01-92; High-Cost Universal Service Support, WC Docket No. 05-337; Universal Service Contribution Mechanism, WC Docket No. 06-122; Intercarrier Compensation for ISP-Bound Traffic, WC Docket 99-68; Establishing Just and Reasonable Rates for Local Exchange Carriers, WC Docket No. 07-135

Dear Ms. Dortch:

On October 28, in the afternoon, Joel Lubin of AT&T met by teleconference with Donald Stockdale of the Wireline Competition Bureau. At the request of Bureau staff, AT&T conveyed estimates of the likely decline in access revenues¹ over the next several years (see table below) and the potential impact of that decline on comprehensive intercarrier compensation and universal service reform. AT&T noted its continued support of the Commission's efforts to take definitive steps toward comprehensive reform of both intercarrier compensation and universal service.

(\$ M)	2008	2009	2010	2011	2012	2013
Scenario A -- Assumes the 2008 base is the same as 2007 for both Minutes/Lines:						
Interstate Minutes	\$0	\$47	\$89	\$127	\$161	\$192
Intrastate Minutes	\$0	\$17	\$32	\$46	\$58	\$69
Access Lines	\$0	\$49	\$94	\$136	\$175	\$211
Total Add'l Funding	\$0	\$112	\$215	\$308	\$394	\$472
Scenario A1 - Projected 10% and 7 % decline respectively for 2008 Minutes/Lines:						
Interstate Minutes	\$0	\$42	\$80	\$114	\$145	\$173
Intrastate Minutes	\$0	\$15	\$29	\$41	\$52	\$62
Access Lines	\$0	\$45	\$87	\$126	\$162	\$196
Total Add'l Funding	\$0	\$103	\$196	\$282	\$360	\$431

¹ Both scenarios assume that access minutes will to decline at a 10% annual rate and access lines will decline at 7% annually. Scenario A starts with a base period of 2007 volumes. Scenario A1 starts with a base period estimate of 2008 volumes. These results assume intrastate rates have already reached parity with interstate rates.

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This letter is being filed pursuant to Section 1.1206 of the Commission's rules. If you have any questions, please contact me at (202)457-3065.

Sincerely,

/s/ Brian J. Benison

cc: Donald Stockdale