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

Re: In the Matter of Universal Service Contribution Methodology, WC Docket No. 06-122; In the Matter of Federal-State Joint Board on Universal Service, CC Docket No. 96-45

Dear Ms. Dortch,

On October 28, 2008, Bob Quinn and Hank Hultquist met via teleconference with Dana Shaffer of the Wireline Competition Bureau.

During the meeting AT&T discussed the alternative hybrid Direct Contribution Methodology Plan filed by AT&T and Verizon on October 20, 2008 and the concerns raised by several parties about the proposed tiers and their potential impact on different customer groups and service categories. AT&T indicated that to address those concerns the FCC could consider a modified business dedicated connection tier structure. Assuming that all Assessable Numbers (as defined by the original Direct Contribution Methodology Plan) would continue to be assessed a fixed amount of \$0.85, AT&T noted that the assessments on Assessable Connections¹ could be based on three speed tiers as follows:

- Tier 1: dedicated connections up to and including 25 mbps @ \$2.00 per connection per month.

¹ The definition of Assessable Connection remains the same as in the alternative hybrid Plan filed on October 20th: "An Assessable Connection is an interstate telecommunications service or an interstate service with a telecommunications component that connects a business Final Consumer's physical location (e.g., premises) on a dedicated basis to the Contributor's network." An Assessable Connection, therefore, is any connection that provides bandwidth to connect a business Final Consumer to a Contributor's network, independent of the underlying architecture, protocol or the physical transmission media, or how it is used.

- Tier 2: dedicated connections over 25 mbps up to and including 100 mbps @ \$15.00 per connection per month.
- Tier 3: dedicated connections over 100 mbps @ \$250.00 per connection per month.

Please do not hesitate to contact me (202) 457-2041 should you have any questions.

Sincerely,

/s/ Mary L. Henze

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cc: D. Shaffer

