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VIA ELECTRONIC FILING

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

Re: Notice of Ex Parte Communication, WC Docket Nos. 07-135, 01-92

Dear Ms. Dortch:

On September 23, 2010, William Haas, Vice President of Public Policy and Regulatory of PAETEC Holdings Inc., parent company of PAETEC Communications, Inc., McLeodUSA Telecommunications Services, Inc. and various US LEC entities, all of which do business as PAETEC ("PAETEC") and the undersigned met with Jay Atkinson, Daniel Ball, Randy Clarke, Lynne Engledow, John Hunter, and Albert Lewis of the Wireline Competition Bureau.

PAETEC urged the Commission to address access stimulation by targeting the problem of high rates and high volumes of traffic. PAETEC explained that the solution proposed by USTelecom is overbroad and unworkable, giving as an example the fact that it would treat an OC-3 connection as a single access line for purposes of calculating the average minute of use per access line for CLECs only. PAETEC also argued that revenue sharing is a common practice in the telecommunications industry and any prohibition on revenue sharing would be overbroad, harming legitimate business relationships, while at the same time failing to prevent traffic stimulation.

PAETEC expressed support for a unified, cost-based rate per carrier so long as carriers have an adequate period (five years) to transition cost recovery from intercarrier compensation to end user rates. Although PAETEC advocates a unified cost-based rate by carrier, it explained that benchmarks by class of carrier may be appropriate so long as CLECs like PAETEC are not benchmarked to AT&T and Verizon. Rather, based on similarities in network, scale economies, and changed circumstances in the market since CLEC access charges were first benchmarked to RBOCs, CLECs should be benchmarked to mid-sized incumbent LECs.

PAETEC asked the Commission to affirm the requirement that carrier-customers must pay tariffed access rates while disputing the application of such charges. In PAETEC's experience, carrier-customers, who are often competitors, are refusing to pay all access charges where they dispute either the rate for one category or access and/or application of access to one category of traffic. So long as rates vary based on jurisdiction (interstate versus local) and there is uncertainty concerning whether a tariff applies, carriers will still have an incentive to refuse payment of any compensation during the transition to a uniform rate. Ensuring that carriers are able to collect revenues for the termination services they provide would reduce uncertainty and free up accounting reserves and capital for more network and product investment.

Although IP interconnection should reduce the costs of traffic exchange, the transition to full IP interconnection will take years. PAETEC nevertheless advocated that the Commission begin addressing IP interconnection requirements now. For example, one RBOC has offered IP interconnection but requires it in each local exchange where a CLEC wishes to exchange traffic. If the industry and consumers are to realize the benefits of IP technology, the network architecture must be forward-looking and not based on the legacy end office/tandem TDM architecture.

Sincerely yours,

/s/ *electronically signed*

Tamar E. Finn

Enclosure

cc (by e-mail):

Jay Atkinson
Daniel Ball
Randy Clarke
Lynne Engledow
John Hunter
Albert Lewis