



Patrick H. Merrick, Esq.
Director – Regulatory Affairs
AT&T Federal Government Affairs

Suite 1000
1120 20th Street NW
Washington DC 20036
202 457 3815
FAX 202 457 3110

January 9, 2002

Via Electronic Filing

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 Twelfth Street, SW
Washington, DC 20554

Re: Notice of Ex Parte Presentation: December 17, 2001 MAG Access Charge Tariff Filings, CCB/CPD 01-23.

Dear Ms. Salas;

Yesterday, Safir Ramah, Don Bourgo (via conference call) and I met with Judy Nitsche, Jack Zinman, Jay Atkinson, Paul Zimmerman, Paula-Ana Cech, R.L. Smith, Gene Gold, Steve Funkhouser, Vienna Jordan, Larry Barnes, Jim Lichford, Raj Kannan and Doug Slotten. We discussed AT&T's Petition filed in the above mentioned proceeding and the results of our analysis of the various cost information and support filed by the various parties. The attached document was used as a basis for parts of the discussion. The positions expressed by AT&T were consistent with those expressed in AT&T's filed petition.

Consistent with the Commission rules, I am filing one electronic copy of this notice and request that you place it in the record of the proceedings.

Sincerely,

A handwritten signature in black ink that reads "Patrick H. Merrick".

Attachment

cc: Meeting Attendees

Issue 1

- ✓ NECA in transmittal No. 919, filed 12/17/01, failed to include its administrative costs in its development of the common line base factor portion (BFP) revenue requirement. As a result \$25,975 million in NECA administrative costs are collected through the carrier common line (CCL) rate. These administrative costs, if legitimate expenses, should be included in the BFP.
- ✓ AT&T has reviewed the filings of other consulting firms, e.g. GVNW and JSI and can find no evidence that the fees of these firms do not become part of each client's costs.
- ✓ NECA's Transmittal 901, filed June 18, 2001, Volume 2, Exhibit 1, clearly states that the "Base Factor Portion" of NECA's common line pool participants is \$1,592,338, which includes \$24.3 million in administrative expenses.

a	b	c	d	e	f=d+e	g	h	i=d/g/6 mos	j=i*g	k=L15j/L15g	l=f/g/6	m=l*g	n=L15m/L15g	o
Line No.	Target Group	Target Range	BFP Common Line Revenue Requirement	NECA Expenses to Redistribute See Note (1)	BFP Common Line Rev Rqmt inc NECA Exps	Monthly Average Access Lines	Rate Band	Proposed Rate	Proposed BFP EUCL Revenues	MLB EUCL Wtd Rate See Note (2)	Proposed Rate w NECA Exps	Proposed BFP EUCL Revenues w NECA Exps	MLB EUCL Wtd Rate w NECA Exps	Monthly Average Multi-Lines
*	*	*	*	\$ 25,975,232	AT&T CALC.	*	*	*	AT&T CALC.	AT&T CALC.	AT&T CALC.	AT&T CALC.	AT&T CALC.	*
1	1	\$ 6.00	\$ 1,318,854	\$ 20,725	\$ 1,339,579	37,141	1	\$ 5.92	\$ 219,809		\$ 6.01	\$ 223,263		7,953
2	2	\$ 6.25	\$ -	\$ -	\$ -	-		\$ -	\$ -		\$ -	\$ -		-
3	3	\$ 6.50	\$ -	\$ -	\$ -	-		\$ -	\$ -		\$ -	\$ -		-
4	4	\$ 6.75	\$ 428,896	\$ 6,740	\$ 435,636	10,483	2	\$ 6.82	\$ 71,483		\$ 6.93	\$ 72,606		2,579
5	5	\$ 7.00	\$ 3,020,967	\$ 47,472	\$ 3,068,439	71,590	3	\$ 7.03	\$ 503,495		\$ 7.14	\$ 511,406		13,489
6	6	\$ 7.25	\$ 643,836	\$ 10,117	\$ 653,953	14,864	4	\$ 7.22	\$ 107,306		\$ 7.33	\$ 108,992		2,691
7	7	\$ 7.50	\$ 8,951,831	\$ 140,669	\$ 9,092,500	199,589	5	\$ 7.48	\$ 1,491,972		\$ 7.59	\$ 1,515,417		43,549
8	8	\$ 7.75	\$ 4,253,574	\$ 66,841	\$ 4,320,415	92,719	6	\$ 7.65	\$ 708,929		\$ 7.77	\$ 720,069		14,857
9	9	\$ 8.00	\$ 981,549	\$ 15,424	\$ 996,973	20,237	7	\$ 8.08	\$ 163,592		\$ 8.21	\$ 166,162		3,349
10	10	\$ 8.25	\$ 15,914,793	\$ 250,085	\$ 16,164,878	322,667	8	\$ 8.22	\$ 2,652,466		\$ 8.35	\$ 2,694,146		103,187
11	11	\$ 8.50	\$ 5,094,494	\$ 80,055	\$ 5,174,549	99,952	9	\$ 8.49	\$ 849,082		\$ 8.63	\$ 862,425		25,668
12	12	\$ 8.75	\$ 14,690,966	\$ 230,854	\$ 14,921,820	280,511	10	\$ 8.73	\$ 2,448,494		\$ 8.87	\$ 2,486,970		64,510
13	13	\$ 9.00	\$ 11,013,830	\$ 173,072	\$ 11,186,902	201,742	11	\$ 9.10	\$ 1,835,638		\$ 9.20	\$ 1,856,026		36,179
14	14	\$ 9.20	\$ 782,004,565	\$ 12,288,438	\$ 794,293,003	9,473,279	12	\$ 9.20	\$ 87,154,167		\$ 9.20	\$ 87,154,167		1,807,740
15	15	Total	\$ 848,318,155	\$ 13,330,491	\$ 861,648,646	10,824,774	Total	\$ 13.06	\$ 98,206,432	\$ 9.07	\$ 13.27	\$ 98,371,650	\$ 9.09	2,125,751

* Transmittal 919, December 17, 2001 NECA Access Charge Filing. Exhibit 4, Workpaper 3. "END-USER BUSINESS MULTI-LINE RATE BAND DEVELOPMENT".

Note 1. Id. "NECA Expenses Revised Test Period". Exhibit 1, Workpaper 3.

Note 2. NECA's Exhibit 4, Workpaper 6 suggests that the weighted MLB EUCL rate would be 9.05. The data produces a weighted rate of \$9.07.

END USER REVENUE(EXCLUDING ISDN) WITH ADMINISTRATIVE COSTS

Line No.	Line Description	a Filed Demand	b Corrected Demand	c Proposed Rate	d Proposed Rate w NECA Exp	e=c*a Proposed Revenues	f=d*b Proposed Revenues w NECA Exp	g=f-e Difference
*	*	*	* Note (1)	*	* Note (1)	* Note (1)	* Note (1)	AT&T CALC.
EU Tariff Members:								
1	EU-CPT Business Multi-Line (inc Centrex Co)	2,090,417	2,125,751	\$ 9.05	\$ 9.09	\$ 113,509,643	\$ 115,938,460	\$ 2,428,816
2	EU-CPT Single Line Business	767,101	767,101	\$ 5.00	\$ 5.00	\$ 23,013,030	\$ 23,013,030	\$ -
3	EU-CPT Residence w Lifeline	7,953,493	7,953,493	\$ 5.00	\$ 5.00	\$ 238,604,790	\$ 238,604,790	\$ -
4	Tariff Member Subtotal	10,811,011	10,846,345			\$ 375,127,463	\$ 377,556,280	\$ 2,428,816
Non-EU Tariff Members:								
5	EU-CPT Business Multi-Line (inc Centrex Co)	348,960	348,960	\$ 7.52	\$ 7.63	\$ 15,745,075	\$ 15,975,389	\$ 230,314
6	EU-CPT Single Line Business	182,870	182,870	\$ 5.00	\$ 5.00	\$ 5,486,100	\$ 5,486,100	\$ -
7	EU-CPT Residence w Lifeline	1,602,980	1,602,980	\$ 5.00	\$ 5.00	\$ 48,089,400	\$ 48,089,400	\$ -
8	Non-Tariff Member Subtotal	2,134,810	2,134,810			\$ 69,320,575	\$ 69,550,889	\$ 230,314
9	Total End User Subscriber Line Charge Revenues	12,945,821	12,981,155			\$ 444,448,038	\$ 447,107,168	\$ 2,659,130
10	SA Surchargeable Channels	1,564	1,564	\$ 25.00	\$ 25.00	\$ 234,600	\$ 234,600	\$ -
11	Total Subscriber Line Charge & SAS Revenues					\$ 444,682,638	\$ 447,341,768	\$ 2,659,130

* Transmittal 919, December 17, 2001 NECA Access Charge Filing. Exhibit 4, Workpaper 6. "NECA COMMON LINE POOL TOTAL END USER REVENUE(EXCLUDING ISDN)".

* Note (1). All data except MLB volumes and weighted rate with administration are directly from NECA Exhibit 4, Workpaper 3.

IMPACT ON CARRIER COMMON LINE RATES

a	b	c	d	e=d-c
Line No.	Item	As Filed	As Corrected	Difference
*	*	*	ATT&T CALC.	ATT&T CALC.
1	NECA Common Line Pool Revenues Requirement for 1/1/02 to 6/30/02	\$ 933,500,353	\$ 933,500,353	
2	NECA Member & Non-Member End-user Revenues	\$ 444,682,577	\$ 447,341,768	\$ 2,659,191
3	ISDN Line Port and End User Revenue	\$ 1,051,334	\$ 1,051,334	
4	Long Term Support	\$ 247,608,733	\$ 247,608,733	
5	NECA CCL Revenue Requirement	\$ 240,157,709	\$ 237,498,518	
6	NECA CCL Chargeable Originating MOUs	6,684,597,458	6,684,597,458	
7	Originating CCL Rate	\$ 0.0100	\$ 0.0100	
8	Originating CCL Revenues	\$ 66,845,975	\$ 66,845,975	
9	Terminating CCL Revenues	\$ 173,311,734	\$ 170,652,543	\$ (2,659,191)
10	NECA CCL Chargeable Terminating MOUs	11,555,286,156	11,555,286,156	
11	Premium Terminating Rate	\$ 0.0150	\$ 0.0148	\$ (0.0002)

* Transmittal 919, December 17, 2001 NECA Access Charge Filing. Exhibit 4, Workpaper 7. "DEVELOPMENT OF CARRIER COMMON LINE RATES FOR 1/1/02 -6/30/02"

Issue 2

- ✓ AT&T's analysis indicates that there are apparent discrepancies in line port and TIC allocation amounts included in NECA's common line revenue requirement and the amounts that LECs removed from their tariffs. Specifically, it appears that LECs that participate in the NECA common line pool but not in the NECA traffic sensitive pool have moved more line port and TIC dollars to the NECA common line revenue requirement than NECA has included in their common line revenue requirement. As a result, NECA's common line revenue requirement appears to be understated by approximately \$2 million dollars per year..

ISSUE 2
EXHIBIT 1

TIC Reallocation to CL and Line Port Cost in CL
As Filed by TS Tariff only LECs

<u>SAR_ABBR</u>	<u>TIC Reallocated To Common line</u>	<u>Line Port costs Included in CL</u>
ACS OF ANCHORAGE	\$ 388,721	\$ 2,584,432
ALHAMBRA-GRANTFORK	\$ 19,349	\$ 32,019
ALLTEL ALABAMA	\$ -	\$ 201,806
ALLTEL ARKANSAS INC	\$ 85,033	\$ 827,063
ALLTEL CAROLINA-NO	\$ 24,625	\$ 1,267,448
ALLTEL FLORIDA INC.	\$ -	\$ 404,973
ALLTEL GEORGIA INC. (ALGA)	\$ 36,732	\$ 336,853
ALLTEL KENTUCKY	\$ 2,062	\$ 170,504
ALLTEL MISSISSIPPI	\$ -	\$ 58,497
ALLTEL MISSOURI	\$ -	\$ 437,096
ALLTEL NY-FULTON	\$ 157,386	\$ 459,380
ALLTEL NY-JAMESTOWN	\$ -	\$ -
ALLTEL NY-RED JACKET	\$ -	\$ -
ALLTEL OKLAHOMA INC	\$ -	\$ 284,846
ALLTEL PENNSYLVANIA	\$ 283,910	\$ 1,162,485
ALLTEL SO CAROLINA	\$ 112,549	\$ 306,905
AMANA-HICKORYTECH (Heartland?)	\$ 275,753	\$ 129,400
ATLANTIC MEMBERSHIP	\$ 1,501	\$ 192,574
BARAGA TEL CO	\$ 107,576	\$ 143,820
BAY SPRINGS TEL CO		
BEAVER CREEK COOP	\$ 81,948	\$ 79,616
BEEHIVE TEL CO - NV	\$ -	\$ 91,018
BEEHIVE TEL CO - UT	\$ -	\$ -
BIXBY TEL CO	\$ 89,333	\$ 55,537
BLOOMINGDALE HOME	\$ 42,497	\$ 77,063
BLUE EARTH VALLEY	\$ -	\$ 35,514
BUFFALO VALLEY TEL	\$ 271,631	\$ 278,466
CASS TEL CO	\$ 19,486	\$ 71,997
CENTURY OF MICHIGAN	\$ 203,895	\$ 934,136
CENTURYTEL-WISCONSIN	\$ 7,529	\$ 646,460
CENTURYTEL-MW-WI	\$ 8,605,332	\$ 7,260,751
CHARITON VALLEY TEL	\$ -	\$ 115,780
CITIZENS - KECKSBURG	\$ 100,209	\$ 142,518
CITIZENS TEL CO - MO	\$ 24,645	\$ 78,607
CITY OF BROOKINGS	\$ -	\$ 124,825
COASTAL UTILITIES	\$ 8,090	\$ 525,248
CONCORD TEL CO	\$ 200,815	\$ 752,795
CONTOOCOOK	\$ 184,920	\$ 303,441
C-R TEL CO	\$ 7,007	\$ 30,613
DOYLESTOWN TEL CO	\$ 85,212	\$ 116,519
DUNKIRK & FREDONIA	\$ 35,132	\$ 155,402

EAST ASCENSION TEL	\$	137,606	\$	122,826
EASTON TEL CO	\$	-	\$	4,904
ECKLES TEL CO	\$	-	\$	23,462
EGYPTIAN COOP ASSN	\$	55,414	\$	105,329
EL PASO TEL CO	\$	3,442	\$	58,662
ELKHART TEL CO INC				
ETEX TEL COOP INC	\$	-	\$	72,924
FARMERS TEL COOP	\$	10,454	\$	343,133
FIDELITY TEL CO	\$	66,470	\$	152,326
FLAT ROCK TEL CO-OP	\$	5,530	\$	26,375
FORT BEND TEL CO	\$	256,740	\$	237,312
FORT MILL TEL CO	\$	22,122	\$	147,071
FULTON TEL CO	\$	139,955	\$	76,288
GALLATIN RIVER COMM.	\$	-	\$	1,134,341
GENESEO TEL CO	\$	48,090	\$	221,780
GRAFTON TEL CO	\$	5,529	\$	27,791
GRANBY TEL & TEL -MA	\$	72,008	\$	96,264
GRIDLEY TEL CO	\$	27,219	\$	45,066
GUADALUPE VALLEY TEL	\$	38,381	\$	142,822
GULF TEL CO - AL	\$	649,672	\$	868,358
HARGRAY TEL CO	\$	116,976	\$	575,602
HARRISONVILLE TEL CO	\$	84,874	\$	174,468
HILLS TEL CO, INC-IA	\$	-	\$	68,976
HOME TEL CO	\$	16,773	\$	100,745
HOME TEL CO-ST JACOB	\$	-	\$	97,116
HORRY TEL COOP	\$	89,055	\$	1,711,760
IL CONSOLIDATED TEL	\$	817,094	\$	865,705
IRONTON TEL CO	\$	154,597	\$	142,916
JAMES VALLEY COOP	\$	-	\$	89,099
JEFFERSON TEL CO -IA	\$	79,304	\$	106,024
JEFFERSON TEL CO -SD	\$	-	\$	66,919
JORDAN SOLDIER VLY	\$	70,232	\$	93,896
LA HARPE TEL CO	\$	38,416	\$	25,499
LANCASTER TEL CO		9,628	\$	155,342
LEAF RIVER TEL CO	\$	12,337	\$	38,662
LEXCOM TELEPHONE CO.	\$	406,270	\$	178,647
MADISON TEL CO	\$	39,826	\$	96,521
MANKATO-HICKORYTECH	\$	789,512	\$	1,481,703
MCCLURE TEL CO	\$	3,808	\$	101,143
MCCOOK COOP TEL CO	\$	72,180	\$	66,378
MCDONOUGH TEL COOP	\$	54,343	\$	87,126
MCNABB TEL CO	\$	6,944	\$	17,521
MCTA, INC.				
MERCHANTS & FARMERS	\$	6,628	\$	17,058
MID-COMM-HICKORYTECH	\$	789,512	\$	1,481,703
MIDSTATE COMM., INC.	\$	-	\$	88,235
MILLINGTON TEL CO	\$	31,464	\$	143,670
MINNESOTA LAKE TEL	\$	-	\$	14,025
MONTROSE MUTUAL TEL	\$	39,311	\$	27,151

MOULTRIE INDEPENDENT	\$	-	\$	29,032
MOUND BAYOU TEL & CO				
MOUNT HOREB TEL CO	\$	50	\$	25,042
MOUNTAIN VIEW TEL CO	\$	100,648	\$	134,556
NORTH EASTERN PA TEL	\$	141,090	\$	188,622
NORTHWEST IOWA TEL	\$	3,267,780	\$	295,225
NTELOS, INC.	\$	43,038	\$	990,419
ODIN TEL EXCH INC	\$	11,745	\$	46,274
OKLAHOMA ALLTEL, INC	\$	-	\$	-
ONEIDA TEL EXCHANGE	\$	7,414	\$	21,134
P R T C - CENTRAL	\$	1,957,094	\$	673,920
PALMERTON TEL CO	\$	267,565	\$	288,071
PENNSYLVANIA TEL CO	\$	12,082	\$	16,152
PINELAND TEL COOP	\$	3,166	\$	52,866
PRAIRIE GROVE TEL CO	\$	255,357	\$	213,019
PUERTO RICO TEL CO	\$	14,108,833	\$	6,318,974
ROCK HILL TEL CO	\$	12,202	\$	343,468
RONAN TEL CO	\$	58,737	\$	146,226
ROSEVILLE TEL CO	\$	95,327	\$	587,060
S. CENTRAL TEL - KS	\$	-	\$	77,014
SEARSBORO TEL CO	\$	4,724	\$	6,316
SHAWNEE TELEPHONE CO	\$	97,098	\$	118,427
SHELL ROCK TEL CO	\$	-	\$	19,910
SIOUX VALLEY TEL. CO	\$	-	\$	84,838
SMART CITY TEL LLC	\$	1,350	\$	402,327
SMITHVILLE TEL CO	\$	-	\$	164,674
SOUTHERN KANSAS TEL	\$	155,105	\$	21,037
SPLITROCK TELECOM	\$	-	\$	90,862
STAR MEMBERSHIP CORP	\$	616,303	\$	90,653
STATE TEL CO	\$	63,494	\$	75,239
SUGAR LAND TEL CO	\$	124,495	\$	432,917
TACONIC TEL CORP	\$	97,198	\$	383,088
TEXAS-ALLTEL, INC.	\$	-	\$	218,247
THE CHAMPAIGN TEL CO	\$	-	\$	69,799
THE CHILLICOTHE TEL	\$	61,575	\$	231,074
TRI COUNTY TEL ASSN	\$	-	\$	28,163
TXU COMMUNICATIONS	\$	164,422	\$	627,692
UNION TELEPHONE CO	\$	588,100	\$	488,845
VIRGIN ISLANDS TEL	\$	433,525	\$	409,134
W. RIVER TELECOM.	\$	284,824	\$	264,469
WABASH TEL COOP, INC	\$	46,870	\$	60,374
WEST IOWA TEL CO	\$	107,648	\$	143,916
WESTERN RESERVE TEL	\$	202,893	\$	1,542,253
WILTON TEL CO - NH	\$	30,488	\$	137,985
WINTERHAVEN TEL. CO.	\$	-	\$	37,675
WOODHULL COMMUNITY	\$	12,514	\$	28,379
YATES CITY TEL CO	\$	-	\$	27,442
Total Identified (ANNUAL)	\$	40,165,344	\$	49,549,850