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October 18, 2012

Honorable Howard A. Jack  
Administrative Law Judge  
State of New York  
Department of Public Service  
Three Empire State Plaza  
Albany, New York 12223

**Re: Case 09-M-0527**

Dear Judge Jack:

AT&T Communications of New York, Inc submits this letter to inform Your Honor that, as Judge Stein has observed, the collaborative discussions regarding the Phase III issues (intrastate originating access charge reform and the Targeted Accessibility Fund) have reached an impasse. The Commission has directed that in the event the parties reach impasse this matter is to proceed to litigation. AT&T respectfully requests that Your Honor convene a prehearing conference for the litigation of the Phase III originating access charge issues.

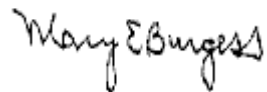
It is clear the Phase III access issues are now ripe for litigation. The May 7, 2012 Phase II Joint Proposal was signed by Verizon and all of the signatories to the October 16 letter, was approved by the Commission on August 17, 2012, and provided that “unless the Parties’ consensus on the thirtieth day after the Phase III Commencement Date is that there is a reasonable possibility that all unresolved issues can be resolved by the sixtieth day, collaboration

will end and litigation of all unresolved Phase III issues will begin.” Obviously there is no consensus among the parties. The letter Verizon and other like-minded parties submitted to Your Honor on October 16 -- a letter that did not include signatures from AT&T and Sprint, the two biggest proponents of access reform – underscores that point. ALJ Stein was correct in the conclusion in her October 12, 2012 note to the parties that the parties have reached an impasse.

Under the terms of the Joint Proposal and the Commission’s order, Phase III must therefore shift to litigation. That is the process all parties agreed to in the Phase II Joint Proposal, and that the Commission approved.

Resolution of these access charges issues is long overdue. AT&T has been an active participant in this proceeding for years. We have waited patiently while every other issue was addressed, and access charge reform was relegated to the bottom of the list. It is finally time to give the proponents of access charge reform our day in court and develop a record upon which the issue can be decided. We therefore request that Verizon and the signatories be held to the benefit of their bargain, that the Commission’s order be followed, and that Your Honor convene a prehearing conference to begin the litigated phase to address the Phase III issues in this proceeding.

Respectfully submitted,

A handwritten signature in black ink that reads "Mary E. Burgess". The signature is written in a cursive, slightly slanted style.

Mary E. Burgess