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Robert E. Lloyd
Vice President
Government Relations

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JUN - 9 1993

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

June 9, 1993

Ms. Donna Searcy
Secretary
Federal Communications Commission
Room 222
1919 M Street, N.W.
Washington, D.C. 20554

Re: Safeguards to Improve
the Administration of Interstate
Access Tariff and Revenue
Distribution Processes

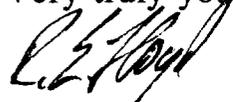
Ex Parte Notice
CC Docket No. 93-6

Dear Ms. Searcy:

On June 9, 1993, NECA representatives Joanne Bochis, Bob Lloyd and Kathryn Falk met with Common Carrier Bureau staff members Bill Kehoe and Helene Schrier to discuss elements of the NECA Safeguards NPRM (see attached).

Please acknowledge receipt hereof by affixing a notation on the duplicate copy of this letter furnished herewith for such purposes and remitting same to bearer.

Very truly yours,



Robert E. Lloyd

cc: B. Kehoe J. Jackson
H. Schrier

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NECA SAFEGUARDS NPRM

JUN - 9 1993

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

- Two Outside Directors
- Eligibility
- Annual Elections
- Voting on Committees
- Subcommittees - NECA By-Laws Amended
- 1994 Election Schedule
- Commission Rule Compliance
 - NECA Procedures
 - Cost Issue Resolution
- NECA Internal Procedures
 - Certification of Cost Studies
 - Cost Study Review Process
- On Line Access to NECA Data Bases
- Incentive Compensation Plan

ELECTION OF 1994 BOARD OF DIRECTORS

KEY DATES

May 12	Election Committee Meets.
May 13	Appoints Inspectors of Election. Adopts election guidelines.
July 8	Board set Record Date. Nominating Sub-Committees present status reports.
August 2	Nominating process completed.
August 24	Election materials to printer.
September 1	Tentative Record Date. Election materials ready?
September 6-8	Mail Ballots, Proxy Statements and Notice of Annual Meeting by certified mail. <u>NEWSBRIEF</u> Special Election Issue.
September 15	Election reminder letter.
September 30	Election reminder letter.
October 12	Last day to receive mailed ballots.
October 13	Election and annual meeting.

Compensation

1. • NECA compensation plan based on similar industry plans designed with assistance of nationally known consultant.
2. • Plan designed to reward performance associated with achievement of corporate objectives. Also to attract and retain people required to manage NECA.
3. • Components are:
 - fixed (salary)
 - "at risk" (incentive)
4. • "at risk" payout varies based on measurements of several business interests of NECA and members.
5. • NECA's compensation plan is heavily weighted toward service, efficiency, administration and external relations with particular emphasis on NECA helping its members understand and follow Commission rules.
6. • We were sensitive to Ernst & Young comments - Ernst and Young said earnings were an appropriate measure of performance - companies outside the NECA pools are held accountable for earnings.
7. • "Tariff and Earnings" has been deemphasized from one half of total weighting for "at risk" component of compensation at the time of Ernst and Young Audit ('90 paid out in '91) to only one quarter of total weighting of the "at risk" component in 1993.
8. • NECA's compensation plan is designed to further NECA's service and usefulness to its members and the Commission always in compliance with FCC rules, and provides no incentive to earn in excess of FCC allowed returns.