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Bruce W. Baldwin
President

May 22, 1995

William F. Caton, Acting Secretary
Federal Communications Commission
1919 M Street N.W., Room 222
Washington, D.C. 20554

DOCKET FILE COPY ORIGINAL

Dear Mr. Caton:

On March 8, 1995, the Commission released a Report and Order in CC Docket No. 93-6, Safeguards to Improve the Administration of the Interstate Access Tariff and Revenue Distribution Processes (FCC 95-94) (Safeguards Order or Order). The effective date of the Safeguards Order and the rules adopted therein is May 19, 1995.

This letter is to inform the Commission of NECA's plans for implementation of the Safeguards Order in two areas: exchange carrier (EC) certification of data submitted to NECA and the process for electing outside directors to the NECA Board

1. Data Certification

NECA has identified the following EC data submissions as coming under the certification requirement established in Section 69.601 of the Commission's rules, 47 C.F.R. §69.601.

- a. Settlement and Lifeline Assistance data - EC Forms 1050 (cost) and 1000 (average schedule)
- b. Universal Service Fund cost data
- c. Cost study data
- d. Presubscribed line counts

The certification of EC settlement data will begin with the monthly settlement cycle that starts on June 1, 1995. Each month the data submission to NECA will reference the certification language of §69.601 and the name of the certifying EC officer or employee on the electronically-transmitted settlement form. Prior to each monthly submission, the EC officer or employee will sign a certification form provided by NECA for that month's data submission. At year end the EC officer or employee will submit all monthly certifications for the year to NECA.

The other data items in the above list will be submitted to NECA with a certification form bearing the EC official's signature. The certification language set forth in Section 69.601 will be used for

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estimated data, such as is submitted for monthly pool settlements. The intent of the rule, we believe, is that the EC, in effect, will certify that the submission is a complete and accurate, current best estimate

NECA receives numerous kinds of data from ECs each year that are not required to be submitted by Title 47. These include member survey data, election information, office locations, technological capabilities and forecast data. ECs will not be asked to certify these submissions. In addition, certain EC certified data may be submitted in preliminary form with supporting detail. NECA will not request separate certification of these data, since the ultimate data are certified by the EC.

2. Elections

New Section 69.602 (f) states: "There shall be at least two candidates meeting the qualifications in paragraph (d) of this section for each such director position..."

NECA plans to adopt election practices as follows:

- a. Each year NECA will determine the number of outside director positions that are subject to the above requirements.
- b. The election ballot will name at least twice as many candidates as there are outside director positions subject to the above requirement (e.g., at least ten individuals will compete for five positions).
- c. The qualified candidates receiving the highest member vote totals will be elected to the positions (e.g., the five top vote-getters among the ten or more candidates will be elected to the five positions).

We are proceeding with implementation of the Safeguards Order in accordance with our understanding of the requirements as described above. Please contact me if you have any questions or comments with regard to this process.

Sincerely,

Bruce Baldery
(LAD)
5/22/95