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January 16, 1996

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

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

RE: Ex Parte Notice
CC Docket No. 96-262

Dear Mr. Caton:

On January 15, 1997, a group from USTA and its member companies met with several members of the Common Carrier Bureau. The USTA group was the undersigned, John Hunter (USTA), Alan Ciamporcero (Pacific Bell), Rex Mitchell (Pacific Bell), Robert Blau (BellSouth), Kristin Shulman (Ameritech), Steve Melnikoff (SBC), Don Evans (NYNEX), Ed Shakin (Bell Atlantic), Whitney Hatch (GTE), and Larry Sarjeant (U S WEST). The members of the Common Carrier Bureau in attendance were Regina Keeney, Richard Metzger, Larry Atlas, Mary Beth Richards, Jim Schlicting, Jane Jackson, Pat DeGraba, and Kathy Franko.

The meeting was an opportunity for the USTA group to ask clarifying questions and to give general reactions to the Access Reform Notice. The USTA group expressed the concern that some of the proposals in the notice could not be implemented without changes in the separations process. They talked about how an implementation plan could be developed assuming that the changes in access reform and universal service could not all be "flashcut" in April of 1997. They asked whether the Bureau had intended to initiate a represetation of the rate of return for non-price cap companies as part of the current phase of the proceeding, and whether the Bureau had intended any change in the position set out on reconsideration in the Section 251 proceeding as to when unbundled elements were to be used and when access charges applied. (The indication from the Bureau members was essentially "no" to both questions.) The USTA group generally indicated that proxy models developed for use in the universal service docket were not appropriate for access reform. Finally, the USTA group noted that many of the pricing flexibility questions raised in Docket 94-1 (regarding flexibility for price cap companies) were raised again in this recent access reform notice. The USTA group reiterated the importance of the pricing flexibility steps that USTA had advocated in Docket 94-1.

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Because of the lateness of the meeting, this notice is being filed today. An original and one copy of this ex parte notice are being filed in the Office of the Secretary. Please include this notice in the public record of these proceedings.

Respectfully submitted,


Mary McDermott
Vice President - Legal & Regulatory Affairs

cc: John Hunter Regina Keeney
Alan Ciamporcero Richard Metzger
Rex Mitchell Larry Atlas
Robert Blau Mary Beth Richards
Kristin Shulman Jim Schlicting
Steve Melnikoff Jane Jackson
Don Evans Pat DeGraba
Ed Shakin Kathy Franco
Whitney Hatch
Larry Sarjeant