



1850 M. Street N.W., Suite 1100
Washington, DC 20036

DOCKET FILE COPY ORIGINAL

RECEIVED

JAN 27 1997

January 27, 1997

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

William F. Caton
Acting Secretary
Federal Communications Commission
Room 222
1919 M St., NW
Washington, D.C. 20554

Re: CC Docket No. 97-21

Dear Mr. Caton:

Attached is the original, plus 6 copies, of Sprint Corp.'s Comments in the above-captioned proceeding. We have also provided Tejal Mehta of the Common Carrier Bureau with this filing on diskette in WordPerfect 5.1 format.

Sincerely,

Norina Moy
Director, Federal Regulatory
Policy and Coordination

cc: Tejal Mehta

No. of Copies rec'd
List ABCDE

OH

RECEIVED

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

JAN 27 1997

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

In the Matter of)
)
Changes to the Board of) CC Docket No. 97-21
Directors of the NECA)

COMMENTS

Sprint Corporation hereby respectfully submits its comments in the above-captioned proceeding in response to the Notice of Proposed Rulemaking released January 10, 1997 (FCC 97-11). In this proceeding, the Commission has sought comment on whether Part 69 of the Rules should be revised to allow NECA to modify the size and composition of its Board of Directors to be more representative of the telecommunications industry as a whole in order to be eligible to serve as the temporary administrator of the universal service fund for schools/libraries and rural health care providers.

On the same day the NPRM was released, NECA proposed that:

...immediately upon being appointed as temporary administrator and being authorized to commit resources, [NECA] would establish a wholly-owned subsidiary, a universal service administrative company (USAC), to administer the program. The USAC would have a balanced, representative board that would be based on Commission recommendations and would include some representation from the NECA Board. The USAC would have full control over administration of these programs.... When and if selected as the permanent administrator of the new Universal Service Fund, USAC would be divested from its affiliation with NECA...."¹

¹ See letter from Bruce Baldwin, President of NECA, to Chairman Hundt, CC Docket No. 96-45, January 10, 1997, p. 1.

It is clear that NECA's current governance presents serious questions about its ability to administer the universal service funds, even on an interim basis, in a fair and nondiscriminatory fashion. Establishment of the proposed USAC is the minimum restructuring which would be required in order for NECA to be appointed as the temporary administrator of the universal service funds. Sprint suggests that the proposed USAC Board of Directors have 21 members, of which 2 slots would be for consumer (TRS, schools and libraries, or rural health care provider) representatives and 1 slot for a government (state or federal) representative. The remaining 18 slots should generally reflect the source (e.g., ILEC, IXC, CLEC) of subsidy fund contributions.² Sprint further suggests that any interested party be allowed to nominate a representative(s) to the USAC Board. The Commission should then appoint the USAC directors from this pool of nominees.

Sprint realizes that, for the sake of expediency (i.e., to ensure that the universal service funds are up and running soon after adoption of new universal service rules), appointment of an interim administrator may be necessary. However, it should be explicitly stated that even if NECA is named as the interim fund administrator, there is no guarantee that it will be chosen as the permanent administrator. Instead, a careful evaluation of all eligible applicants should be performed to select a qualified and neutral entity to serve as permanent administrator.

² Thus, for example, if IXCs as a group contribute half of the total USF funds, they should have half of the carrier slots.

Respectfully submitted,

SPRINT CORPORATION

Norina T. Moy

Leon M. Kestenbaum

Jay C. Keithley

Norina T. Moy

1850 M St., N.W., Suite 1110

Washington, D.C. 20036

(202) 857-1030

January 27, 1997

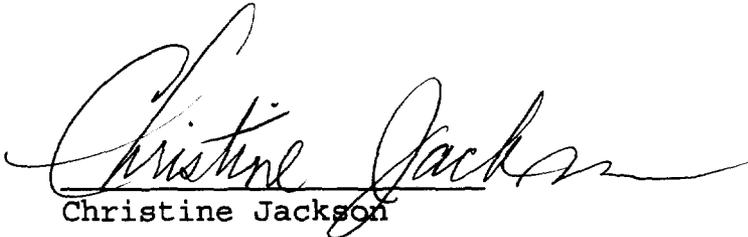
CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing **Comments of Sprint Corporation** was sent by hand or by United States first-class mail, postage prepaid, on this the 27th day of January, 1997 to be below-listed parties:

Regina Keeney, Chief*
Common Carrier Bureau
Federal Communications Commission
1919 M Street, N.W., Room 500
Washington, D.C. 20554

Tejal Mehta (5 copies)*
Federal Communications Commission
2100 M Street, N.W., Room 8611
Washington, D.C. 20554

International Transcription Service*
1919 M Street, N.W., Room 246
Washington, D.C. 20554


Christine Jackson

January 27, 1997

* **DELIVERED BY HAND**