

G R Evans
Vice President
Federal Regulatory Affairs

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January 27, 1996

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NYNEX

Ex Parte

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
Room 222
1919 M Street, NW
Washington, DC 20554

RECEIVED

JAN 27 1997

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

RE: CC Docket 96-45 / CC Docket 96-262 and CC Docket 95-116

Dear Mr. Caton:

On January 24, 1996, Mr. T. Tauke, Mr. F. Gumper and I, representing NYNEX, met with Common Carrier Bureau Chief R. Keeney and members of her staff. The purpose of the meeting was to discuss the inter-related effects of universal service and access reform on NYNEX. The NYNEX representatives reviewed the use of various formulas that have been suggested in the universal service proceeding to determine a carrier's contribution to the fund. Also, the potential size of the fund and its components were discussed, as well as the effect of different models and benchmarks in determining the high cost portion of the fund. The attached was used as part of the discussion. During the discussion, cost recovery for long term number portability was also discussed. The positions espoused by the NYNEX representatives reflect the positions filed in the above referenced proceedings.

Sincerely,



attachment

cc: R. Keeney
R. Metzger
K. Levitz
L. Atlas
J. Schlichting
J. Jackson
M. Ginsburg
P. DeGraba



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Cost Proxy Models

**Comparison of Funding
BCM2 and Hatfield 2.2.2**

SUMMARY

High Cost Funding

Model	Company Category	USF @ \$30 Benchmark (HH)	USF @ \$40 Benchmark (HH)
Hatfield 2.2.2	RBOC's Total	\$2,652,136,000	\$1,259,395,000
	National Total (1)	\$2,652,326,000	\$1,259,395,000
Benchmark Cost Model 2	RBOC's Total	\$3,317,257,380	\$1,631,237,145
	Other Price Caps Total	\$1,974,274,953	\$1,150,865,582
	Non-Rural Rate of Return	\$710,915,739	\$470,277,395
	Rural Rate of Return	\$1,422,782,492	\$1,006,661,546
	National Total (2)	\$7,425,230,564	\$4,259,041,678

- (1) Hatfield 2.2.2 provides data for RBOCs and for SNET in Connecticut.
- (2) BCM2 provides data for all categories of telephone operating companies.

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