



UNITED STATES
TELEPHONE
ASSOCIATION

EX PARTE OR LATE FILED

DOCKET FILE COPY ORIGINAL

EX PARTE

April 14, 1997

RECEIVED

APR 14 1997

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 April 14, 1997, Mary McDermott (USTA) met with James Casserly, Legal Advisor to Commissioner Ness. Jeff Pursley (Aliant) and Wendy Bluemling (SNET) participated via conference call.

The group discussed USTA's views on access charge reform and the views expressed were consistent with USTA's previous filings in this docket. USTA emphasized that, until the new Universal Service framework is in place, implicit subsidies remain in access charges and those charges should not be reduced as advocated by MCI and others. The FCC should restructure access charges to a more efficient design, including the establishment of per line recovery of non-traffic sensitive costs. The Commission should not treat residence second lines differently than primary lines for access charge purposes. USTA reiterated that "re-initializing" price cap rates to an 11.25 return is directly contrary to the FCC's goals in establishing the price cap plan. In no event should the Commission increase the price cap X factor, and it should continue to have productivity options within the plan.

No. of Copies rec'd 0+1
List ABCDE

Mr. William Caton
April 14, 1997
Page 2

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,

A handwritten signature in black ink that reads "Mary McDermott". The signature is written in a cursive style with a large, prominent "M" and "D".

Mary McDermott
Vice President - Legal & Regulatory Affairs

cc: James Casserly
Wendy Bluemling
Jeff Pursley