

EX PARTE OR LATE FILED



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

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EX PARTE

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April 25, 1997

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Federal Communications Commission
Office of Secretary

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

Dear Mr. Caton:

On April 24, 1997, Lee Schmidt (GTE) and Roy Neel (USTA), both representing USTA, met with FCC Commissioner Susan Ness and James Casserly, Legal Advisor to the Commissioner. In a second meeting on that day, Messrs. Neel and Schmidt met with Tom Boasberg, Legal Advisor to Chairman Hundt.

On April 25, 1997, Frank Hilsabeck (Aliant) and Roy Neel (USTA) met with FCC Commissioner Rachelle Chong and Dan Gonzalez, Legal Advisor to the Commissioner. In a second meeting on that day, Messrs. Hilsabeck and Neel met with Commissioner James Quello and James Coltharp, Special Advisor to the Commissioner.

The two USTA representatives discussed the association's views on several issues involving access reform. In each of these four meetings, USTA discussed the importance of basing the productivity factor in the price cap plan on the evidence in this case, and specifically on Total Factor Productivity as advocated by USTA. This discussion was consistent with the letter Mr. Neel submitted in this docket on April 22, 1997 and with previous USTA filings. USTA also 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.

The 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: S. Ness R. Chong
J. Casserly J. Coltharp
R. Neel J. Quello
L. Schmidt T. Boasberg
F. Hilsabeck D. Gonzalez

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