

National Association of Regulatory Utility Commissioners

Incorporated

BRUCE B. ELLSWORTH, *President*
New Hampshire Public Utilities Commission
8 Old Suncook Road, Building No. 1
Concord, New Hampshire 03301-7319

JOLYNN BARRY BUTLER, *First Vice President*
Ohio Public Utilities Commission

JIM SULLIVAN, *Second Vice President*
Alabama Public Service Commission



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MARK WELSH
Executive Director

GALE ARGIRO
Treasurer

97-21

EX PARTE OR LATE FILED

July 10, 1997

RECEIVED

JUL 10 1997

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

William Caton
Office of the Secretary
Federal Communications Commission
1919 M Street NW
Washington, D.C. 20544

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RE: EX PARTE FILING

In the Matter of Changes to the Board of Directors of the
National Exchange Carrier Association, CC Docket 97-21

In the Matter of Federal-State Joint Board on Universal
Service, CC Docket 96-45

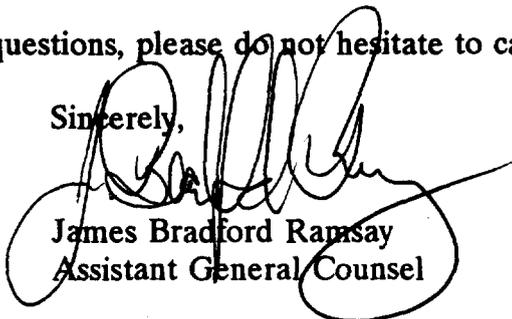
Dear Mr. Caton:

Today, I hand-delivered copies of the attached correspondence to the office of each FCC Commissioner and to the offices of Gina Keeney, Kathy Levitz, Mary Beth Richards, Richard Metzger, Jamie Reuben, and John Nakahata.

In accordance with the FCC's rules of practice and procedure, I am filing two copies of each letter in the dockets listed above.

If you have any questions, please do not hesitate to call me at 202.898.2207.

Sincerely,



James Bradford Ramsay
Assistant General Counsel

No. of Copies rec'd
LRA:RUE

0+3

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GAILE ARGIRO
Treasurer

July 10, 1997

The Honorable Reed Hundt
Chairman
Federal Communications Commission
1919 M Street NW
Washington, D.C. 20544

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RE: NECA's June 23, 1997 Ex Parte:

- (a) **Reiteration of NARUC's belief that State Commissions should be on both (i) any Federal Advisory Council or Board created to designate and supervise a Universal Service Fund Administrator, and (ii) the Board of Directors of both the Interim and Permanent Universal Fund Administrator.**
- (b) **Support for a flexible and efficient corporate structure for the Fund Administrator.**

Dear Chairman Hundt:

In Sections 254 and 214 of the Telecommunications Act of 1996, Congress acknowledged the need for broad State commission participation in, and responsibility for, implementation of its revised universal service policies. We appreciate the FCC's continued recognition of the important contribution States can make in implementing these and other sections of the Act.

On June 23, 1997, the National Exchange Carrier Association filed an ex parte *In the Matter of Changes to the Board of Directors of the National Exchange Carrier Association*, CC Docket 97-21. NARUC has an ongoing interest in this proceeding because of the obvious nexus between NECA's governance structure and its role as the interim USF administrator. We share the Commission's goals of moving forward with this docket to assure that the funds get up and running as soon as possible. Accordingly, we are filing this letter to express our views on the NECA pleading.

The Honorable Reed Hundt
July 10, 1997
Page Two

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The FCC should adopt a governance structure that is sufficiently flexible to enable the administrator to develop polices and procedures which effectively implement the new Universal Service support mechanism.

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State Commission Representation on the Boards

In an April ex parte, NARUC urged the FCC to assure that State Commissioners are able to formally participate in the governance of NECA by serving on its Universal Service Advisory Board and the Boards of any subsidiary organizations. Paragraphs 829 - 830 of the Universal Service Joint Board's Recommended Decision (RD) suggests the FCC create, pursuant to the Federal Advisory Committee Act, a universal service Federal Advisory Council to ". . .select, oversee, and provide guidance to. . ." any permanent neutral third party administrator. {Emphasis Added} The RD also suggests the Federal Advisory Council advise the interim administrator.

NARUC agrees with the RD's recommendation that the Federal Advisory Council must include State utility commission representatives. We also agree the Federal Advisory Council should play an important supervisory function akin to the role of the North American Numbering Council.

Because of the critical importance of the Council's supervisory duties to State interests, we respectfully reiterate our request that you include at least three State Commission positions on the Federal Advisory Council.

The Board of Directors of the entity chosen on either an interim or permanent basis to administer the universal service fund will also play a critical and influential role

The Honorable Reed E. Hundt
July 10, 1997
Page Three

in the development of procedures for the collection and distribution of funds among the States. Accordingly, NARUC also respectfully requests that two State commissioners be included on the Board of Directors of both the interim and permanent administrator.



Bruce B. Ellsworth
NARUC President

Sincerely,



Bob Rowe
Chair, NARUC Communications Committee

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GAILE ARGIRO
Treasurer

July 10, 1997

The Honorable Rachelle Chong
Commissioner
Federal Communications Commission
1919 M Street NW
Washington, D.C. 20544

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RE: NECA's June 23, 1997 Ex Parte:

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The Honorable Rachelle Chong
July 10, 1997
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The Honorable Rachelle B. Chong
July 10, 1997
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Bruce B. Ellsworth
NARUC President

Sincerely,



Bob Rowe
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July 10, 1997

The Honorable James Quello
Commissioner
Federal Communications Commission
1919 M Street NW
Washington, D.C. 20544

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The Honorable James Quello
July 10, 1997 Correspondence
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The Honorable James H. Quello

July 10, 1997

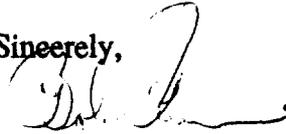
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July 10, 1997

The Honorable Susan Ness
Commissioner
Federal Communications Commission
1919 M Street NW
Washington, D.C. 20544

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**The Honorable Susan Ness
July 10, 1997
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