



Public Service Commission
State of North Dakota

CC 96-45

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COMMISSIONERS

Susan E. Wefald
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August 13, 1997

2112918 1997

Executive Secretary
Jon H. Mielke

William F Caton Secretary
Federal Communications Commission
1919 M St NW
Washington D C 20554

Re: State High Cost Fund Model Election

Dear Mr. Caton:

On May 8, 1997, the Federal Communications Commission (FCC) issued its Report and Order on Universal Service, CC Docket No. 96-45. In its Report and Order, the FCC agreed with the Joint Board recommendation that federal support should be calculated by determining the forward-looking economic costs of providing the supported services reduced by a nationwide revenue benchmark calculated on the basis of average revenue per line. The FCC stated that forward-looking economic cost will be determined at the state's election according to state-conducted forward-looking economic cost studies approved by the FCC, or cost models developed by the FCC, in consultation with the Joint Board.

The purpose of this letter is to notify you that the North Dakota Public Service Commission elects to conduct its own forward-looking cost studies based on the criteria adopted by the FCC.

If you have any questions regarding this matter, please feel free to contact our Public Utilities or Legal Divisions. Thank you.

Sincerely,

Bruce Hagen
Bruce Hagen
Commissioner

Leo M Reinbold
Leo M. Reinbold
President

Susan E. Wefald
Susan E. Wefald
Commissioner

WWB

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