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BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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In the Matter of	)	
Federal State Joint Board on Universal Service	)	CC Docket No. 96-45
Forward-Looking Mechanism For High Cost Support	)	CC Docket No. 97-160

REQUEST FOR AN EXTENSION OF TIME TO FILE COST MODELS BY THE NATIONAL ASSOCIATION OF REGULATORY UTILITY COMMISSIONERS

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October 6, 1997

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Federal State Joint Board on Universal Service	)	**CC Docket No. 96-45**
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Pursuant to Sections 1.46 and 1.44 of the Federal Communication Commission's ("FCC" or "Commission") General Rules of Practice and Procedure, 47 C.F.R. §§ 1.46 and 1.44 (1997), the National Association of Regulatory Utility Commissioners ("NARUC") respectfully requests that the Commission extend the time for filing for all States to submit cost models from February 6, 1998 to September 1, 1998.

In support of this request, NARUC states as follows:

I. NARUC'S INTEREST

NARUC is a quasi-governmental nonprofit organization founded in 1889. NARUC includes within its membership those governmental bodies of the fifty States, the District of Columbia, Puerto Rico, and the Virgin Islands, which engage in the regulation of carriers and utilities.

These State officials are charged with, among other things, the duty of regulating the telecommunications common carriers within their respective borders. That charge requires these regulators to assure the establishment of such communications services and facilities as may be required by the public convenience and necessity, and the furnishing of service at rates that are just and reasonable.

As the FCC acknowledged by offering States the option to submit cost models, and Congress acknowledged by providing a significant role for State interests under §254 of the Act, every NARUC member commission has an intense interest in this proceeding because of the potential impact on Universal Service in their respective jurisdictions. Indeed, some States have already sought an extension for filing State models in this proceeding. As a result, in a recent conference call with representatives from over 35 NARUC member States, NARUC was asked to file the instant pleading.

II. RATIONALE FOR REQUEST

Paragraph 248 of FCC Order No. 97-157, which issued in this docket, granted NARUC's member commissions the opportunity to elect by August 15, 1997, to conduct forward-looking economic cost studies for determining federal universal service support for their respective States. These State cost studies are to be submitted to the FCC on or before February 6, 1997.

In ¶ 245 of that Order, the FCC announced its intention to choose a forward-looking cost methodology platform by the end of 1997. A number of State commissions

notified the FCC of their intent to conduct cost studies, recognizing that the input values for any universal service cost model may vary significantly from State to State even though the platform chosen by the FCC may or may not have a large impact. Given the complexity of developing a model and its inputs, many States were uncertain whether adequate time and resources would be available to perform their own cost model or even propose State specific input values.

Hence, some States filed an election with the FCC as a "place holder" while expecting to review the FCC proposal and to propose state specific inputs. Other States have commenced full proceedings for developing a forward-looking cost study and have encountered a shortage of time and staffing resources.

Discussions with the two leading models' representatives, have suggested that final versions of the models will not be available until, at the earliest, the first part of November 1997. Even for States with full blown proceedings underway, the gap between November 1997 and the current due date for State submissions, February 1998, is impossibly short. If the final versions become available in November, as scheduled, that gives the States involved a bit less than three months to receive rebuttal evidence, allow discovery, hold hearings, and make a final ruling. As the FCC own experiences thus far suggest, when dealing with these cost models, three months is not a great deal of time. Indeed, the FCC itself, which has been focused upon these models for a significantly longer period of time, anticipates that it will be able to complete its review only late next year.

Indeed, the FCC clarified recently that adoption of a *complete* cost mechanism, including the selection of input values, will not occur until August 1998. Therefore, review of the FCC's completed proposal will not be possible before States are required to submit their own cost models or model inputs.

Moreover, anticipated FCC action on rehearing in this and the access charge proceedings will almost certainly have a significant impact on how the States formulate either their own models or cost inputs.

NARUC contends that States should be given adequate time to produce thoroughly developed cost studies and adequate time to review the FCC proposal. We respectfully suggest that, an extension until August 1, 1998 would provide the former. An extension until September 1, 1998 would provide the latter.

NARUC further suggests that permitting States the option of making two-part filings will simplify efforts by both the States and the FCC. The first part would consist of the specific model recommended for use as the platform for developing the forward-looking cost methodology. The second part would consist of the specific input values that a State wishes to use. Therefore, NARUC requests the FCC grant its request for an extension of time from February 6, 1998 to September 1, 1998, for States which elected, pursuant to ¶ 247 of Order No. 97-157, to conduct forward-looking cost studies, and for permission for those States to file their cost studies in two-part form as discussed above.

III. REQUEST

Accordingly, because of the delayed release of the final version of the major models, the need for more time to complete proceedings, the uncertainties raised by potential FCC action on rehearing, and the other reasons outlined above, NARUC respectfully requests the FCC grant its request for an extension of time to file completed State cost studies from February 6, 1998 to September 1, 1998, and for permission for those States to file their cost studies in two-part form as discussed above.

Respectfully submitted,

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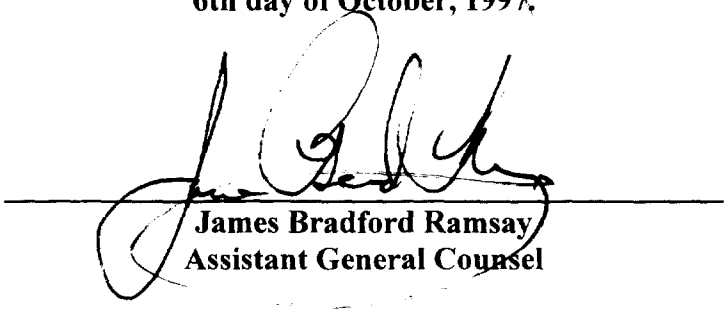
October 6, 1997

CERTIFICATE OF SERVICE

I, JAMES BRADFORD RAMSAY, certify that I have served a copy of the foregoing on all the parties on the attached service list by first class mail, postage prepaid, this 6th day of October, 1997.



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