

NATIONAL RURAL TELECOM ASSOCIATION

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October 15, 1997

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Chairman Reed E. Hundt
Federal Communications Commission
1919 M Street, N.W., Room 814
Washington, D.C. 20554

Re: CC Docket No. 96-45 — Rural Task Force

Dear Chairman Hundt:

In response to the Public Notice of September 17, 1997, the National Rural Telecom Association (NRTA) endorses Evelyn Jerden, who was nominated in a letter from Senator Pete Domenici of New Mexico, sent October 8, 1997. Ms. Jerden is the Director of Revenue Requirements for Western New Mexico Telephone Company, Silver City, New Mexico (Western). As the attached information sheet indicates, she is uniquely qualified to serve on the Rural Task Force.

Ms. Jerden is qualified as a Certified Public Account and has developed extensive subject matter expertise in accounting and jurisdictional separations for telephone companies. She has been active participant in local exchange carrier associations, including NRTA, as they have formulated positions on small company issues and for FCC and state proceedings to implement the Telecommunications Act of 1996. She has gained knowledge of the network design challenges facing rural providers in the course of her employment with Western. She also has experience in dealing with small and rural telephone company cost issues in the telecommunications group of a major national accounting firm and, in her current position, continues to deal with small company cost and high cost support issues, service to Native Americans and the special needs of extremely sparsely populated areas, like the New Mexico service area served by Western.

The Joint Board's notice clearly indicates that the task force membership will include a wide array of industry representatives. No doubt, the result will be a diversity of opinions. Indeed, rural representatives may be in the minority on the "Rural Task Force." Therefore, the Joint

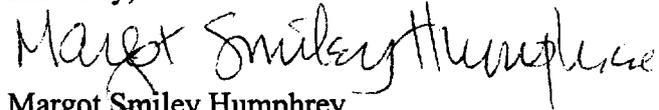
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Board should make it clear that dissenting opinions can be expressed. Members must be allowed to prepare a minority view report when they cannot reach consensus and the minority views should be made a part of the final report and recommendation of the Rural Task Force.

NRTA commends the Joint Board for taking a separate look at universal service needs in rural telephone company areas and stands ready to assist in the process.

Sincerely,

A handwritten signature in black ink that reads "Margot Smiley Humphrey". The signature is written in a cursive style with a long horizontal flourish at the end.

Margot Smiley Humphrey
Attorney for the National Rural
Telecom Association

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Austin, TX 78701

**NATIONAL RURAL TELECOM ASSOCIATION
RURAL TASK FORCE NOMINEE PROFESSIONAL QUALIFICATIONS**

NOMINEE: Evelyn C. Jerden
Director - Revenue Requirements

NOMINEE COMPANY: Western New Mexico Telephone Company, Inc.
314 West Yankee Street, Silver City, NM 88062
505-388-2546; 505-388-2540 FAX

NOMINEE ADDRESS: 4070 N. Circulo Manzanillo, Tucson, AZ 85750
520-577-9864; 520-577-9849 FAX; EJRDEN@worldnet.att.net

NOMINEE CATEGORY: Incumbent Local Exchange Carrier (ILEC) with less than \$40 Million Annual Operating Revenues.

EMPLOYMENT HISTORY: 1979 - 1992 Ernst & Young Telecommunications Consulting Group.
1992 - Current Western New Mexico Telephone Company, Inc.

PROFESSIONAL QUALIFICATIONS: Certified Public Accountant (CPA), Washington State since 1979. Bachelor of Business Administration, Pacific Lutheran University, Tacoma, Washington, May 1979. Subject Matter Expert in FCC Part 32, Uniform System of Accounts, Part 36, Jurisdictional Separations and Part 69, Access Charges.

RELATED INDUSTRY PARTICIPATION: Evelyn is an active member of the National Rural Telecom Association's Legislative Committee. She is also active in the New Mexico Exchange Carrier Group (NMECG). She co-chairs the NMECG USF Committee and is a member of the NMECG small company committee. Evelyn participates in the New Mexico Universal Service Fund (NMUSF) Task Force and is also a member of the United States Telephone Association's (USTA) Universal Service Work Group.

KNOWLEDGE OF POLICY ISSUES: As a member of the NMUSF Task Force, Evelyn is currently working on many of the relevant policy issues impacting rural companies. The NMUSF Task Force is comprised of ILECs, XCs, CLECs, wireless, consumer advocates, commission staff and other representatives which will be very similar to the composition of the federal Rural Task Force. Evelyn's experience with the NMUSF Task Force should assist her in understanding the issues and complexities of each issue.

KNOWLEDGE OF RURAL ISSUES: As a consultant with Ernst & Young's Telecommunications Group for over 13 years, Evelyn worked on numerous projects for both large and small ILECs. She became knowledgeable about the different conditions under which small rural ILECs must operate versus large ILECs. Evelyn left E&Y in 1992 as a Senior Manager to become the Director of Revenue Requirements for Western New Mexico Telephone Company (Western). Since 1992, Evelyn has become even more intimately familiar with the operations of a small rural LEC, since Western serves approximately 6,100 access lines over 15,000 square miles with an average of approximately 1.5 access lines per route mile.

KNOWLEDGE OF ENGINEERING ISSUES: In the preparation of ILEC cost studies, Evelyn has had to become knowledgeable regarding the network. This includes understanding the various conditions which impact engineering, such as the length of the loop, or the cost break-even points between copper and fiber. She has also had experience with both large central office switches (e.g., Nortel DMS-100 with RSCs and RLCMs) and small switches (e.g., Nortel DMS-10).

KNOWLEDGE OF ECONOMICS: As a CPA, Evelyn has a technical financial background and understands several different costing methods including the importance of cost model input factors.

KNOWLEDGE OF SPECIAL CONCERNS: Evelyn understands some of the needs of special concern groups since Western provides service to Native Americans on the Alamo Navajo Indian Reservation.

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Re: CC Docket No. 96-45 — Rural Task Force

Dear Chairman Hundt:

The Rural Telephone Coalition (RTC) has been active since 1979 in advocating national telecommunications policies that will provide rural residents and businesses with reasonably priced, affordable, up-to-date and evolving telecommunications resources and opportunities, in step with those available to subscribers in densely populated locations, in spite of the inherently higher cost of serving rural areas. The RTC is an alliance of the National Rural Telecom Association (NRTA), the National Telephone Cooperative Association (NTCA) and the Organization for the Promotion and Advancement of Small Telecommunications Companies (OPASTCO), which together represent more than 850 small and rural telephone companies. The above-referenced Joint Board proceeding, with the help of the Rural Task Force, will formulate a cost methodology for rural local exchange carriers (LECs) in keeping with the universal service mandates and pro-competitive, deregulatory policies embraced by Congress in the Telecommunications Act of 1996. This issue is of paramount importance to the RTC associations, their rural universal service provider members and the rural customers their members serve.

The Commission has outlined the chief responsibility of the Rural Task Force as to “consider whether a FLEC mechanism for rural carriers should have different platform design features or input values than the mechanism adopted for non-rural carriers.” The non-rural FLEC proposals have been hotly contested over a period dating back to before enactment of the 1996 Act. The sponsors of the models currently under consideration have been advocating, defending and fine-tuning their proposed FLEC proxy models throughout this period and continue to contend for their respective assumptions, platform and inputs. The compelling objective of each such sponsor has been and remains to achieve acceptance for a model with the characteristics and results of its proposals, and they have devoted enormous time, energy and corporate resources to that end.

NRTA

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Washington, D.C. 20001
(202) 628-0210



NATIONAL TELEPHONE COOPERATIVE ASSOCIATION
2626 Pennsylvania Ave., NW
Washington, D.C. 20037
(202) 298-8300

OPASTCO

ORGANIZATION FOR THE PROMOTION AND ADVANCEMENT OF SMALL TELECOMMUNICATIONS COMPANIES
21 Dupont Circle NW, Suite 700
Washington, D.C. 20036
(202) 659-5990

The purpose for establishing the Rural Task Force, reiterated in the Joint Board's September 17, 1997 call for nominations, is to "provide valuable assistance in identifying the issues unique to rural carriers and analyzing the appropriateness of proxy cost models for rural carriers." This mandate to consider and respond to rural differences and to depart when appropriate from the approach adopted for non-rural carriers is not consistent with authorship, longstanding public commitment to and tireless advocacy of the economic and policy merits of a particular plan to identify what high costs warrant universal service support. Consequently, the RTC respectfully urges the Joint Board and the Commission to clarify that the Rural Task Force membership should not include the originators and primary sponsors of the particular plans that they are still pursuing in the non-rural FLEC proceeding that is now underway.

The RTC does not mean that the sponsors should not participate in the Task Force, Joint Board and Commission processes. However, the RTC strongly believes that none of the members of the Rural Task Force should come to the process with a vested interest in the adoption of their own proxy models, including their underlying economic, factual, public policy and impact assumptions. Indeed, the Rural Task Force recommendation is due June 15, 1998, which is before the August, 1998 schedule for adopting the mechanism for non-rural companies. The sponsors will accordingly be actively promoting their plans for non-rural LECs throughout the Rural Task Force's investigation of alternatives for rural LEC areas.

The RTC urges exclusion of the sponsors from Rural Task Force membership to prevent their natural bias in favor of their proxy proposal, assumptions and approaches from coloring their participation in a proceeding to determine whether a rural model "should have different platform design features or input values." Beyond that, since individual Joint Board members will choose a stated number of task force members, the ability to appoint or block the sponsor of a particular plan could allow a Joint Board member that favors or disfavors one or the other proposed non-rural plan to wield disproportionate influence over the outcome of the Task Force's recommendation. If the sponsor of one plan is named, the other plan's sponsor will complain that its plan has been handicapped. If sponsors of both plans are appointed to the task force in an effort to achieve balance, the rural recommendation process risks ending up as simply a simultaneous reargument of the issues raised about the two proposals in the non-rural proceeding.

The RTC emphasizes that the Joint Board should encourage the Rural Task Force to consider arguments and information provided by parties that do not have individual representation on the Rural Task Force, including the sponsors of the contending non-rural FLEC proxy plans. Our request is only that the panel chosen to make an independent evaluation about FLEC issues in light of the unique needs of rural LEC markets should not empanel sponsors of particular non-rural FLEC plans to decide what and, above all, whether the conditions in such markets warrant divergences from the FLEC proxy model for non-rural LECs.

The RTC looks forward to working with the Rural Task Force, the Joint Board and the Commission to arrive at a high cost determination method that will be suitable for the areas served by small and rural telephone companies.

Sincerely,

Rural Telephone Coalition

Margot Smiley Humphrey
Margot Smiley Humphrey
NRTA

David Cosson mch
David Cosson
NTCA

Lisa Zaina mch
Lisa Zaina
OPASTCO

cc: Official Joint Board Service List

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