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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

November 19, 1997

Ms. Magalie R. Salas
Secretary
Federal Communications Commission
1919 M Street, NW, Room 222
Washington, DC 20554

Re: Federal-State Joint Board on Universal Service: CC Dkt No. 96-45

Dear Ms. Salas,

On November 18, the undersigned of BellSouth met with Lisa Gelb, Irene Flannery, and Maryanne McCormick of the FCC Common Carrier Bureau.

The discussion focused on two issues related to the Universal Service schools/libraries program: 1) whether or not states or other public or private entities would be eligible to receive discounts on the cost of constructing networks to be owned by those entities; and 2) whether state networks can be reimbursed directly from the Universal Service Fund. Specific areas addressed included legal issues regarding services eligible for discounts and carriers eligible to receive reimbursement as well as issues associated with competitive neutrality, equitable distribution of funds and Fund depletion, potential use of private networks by ineligible entities, and state network pre-discount prices.

This notice is being filed today pursuant to Section 1.1206(b)(2) of the Commission's rules. If you have questions concerning this filing, please do not hesitate to contact me.

Sincerely,



Mary L. Henze
Director - Executive and
Federal Regulatory Affairs

cc: L. Gelb
I. Flannery
M. McCormick

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