



UNITED STATES
TELEPHONE
ASSOCIATION

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Notice of Ex Parte Presentation

June 18, 1998

Magalie Roman-Salas
Secretary
Federal Communications Commission
1919 M Street, N.W., Rm. 222
Washington, D.C. 20554

JUN 18 1998

Re: CC Docket Nos. 94-1, 96-45, 96-262 and 98-77/

Dear Ms. Roman-Salas:

On June 18, 1998, the undersigned and Linda Kent, Associate General Counsel, United States Telephone Association (USTA), met with Kyle Dixon, Legal Advisor to Commissioner Michael Powell, to discuss matters concerning the above-referenced proceedings.

In accordance with Section 1.1206(b)(2) of the Commission's rules, two copies of the attached summary of the presentation are being submitted to your office for filing in each of the referenced proceedings. Please contact me if you have any questions.

Respectfully submitted,

Lawrence E. Sarjeant
Vice President Regulatory Affairs & General Counsel

cc: Kyle Dixon

Summary of Ex Parte Presentation
CC Docket Nos. 94-1, 96-45, 96-262 and 98-77

On June 18, 1998, Linda Kent, Associate General Counsel, United States Telephone Association (USTA) and Lawrence E. Sarjeant, Vice President Regulatory Affairs and General Counsel, USTA, met with Kyle Dixon, Legal Advisor to Commissioner Powell. The points that were made in the meeting are summarized as follows:

1. Specific to the implementation of the fund for high cost assistance for nonrural companies, it is important that the Commission act expeditiously to implement the program and meet its self-imposed deadline of January 1, 1999.
2. With respect to interstate access charges for price cap ILECs, the Commission should stay the course with respect to the market-based approach to regulating access charges and should move quickly to provide price cap ILECs with access charge pricing flexibility. The Commission should not retrench and move back to a prescriptive approach to access charge regulation. The Commission should not act precipitously in attempting to lower access charges. It is improper for the Commission to link determinations as to the proper rates for access charges to the funding needs of any particular universal service program.
3. With respect to access reform for ILECs subject to rate of return regulation, as the FCC proceeds forward, it needs to be sensitive to the volatile effects that shifts in access charges can have on current rate-of-return ILECs.