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Notice of Ex Parte Presentation

July 8, 1998

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

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

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

Dear Ms. Roman-Salas:

On July 7, 1998, Roy Neel, President and CEO, United States Telephone Association (USTA), met with Chairman William Kennard and John Nakahata, Chief of Staff for Chairman Kennard, 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.

Sincerely,

A handwritten signature in cursive script that reads "Lawrence E. Sarjeant".

Lawrence E. Sarjeant
Vice President Regulatory Affairs & General Counsel

cc: W. Kennard (w/att)
J. Nakahata (w/att)

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Summary of Ex Parte Presentation
CC Docket Nos. 94-1, 96-45, 96-262 and CCB/CPD 97-30

On July 7, 1998, Roy Neel, President and CEO, United States Telephone Association (USTA), met with Chairman William Kennard and John Nakahata, Chief of Staff to Chairman Kennard. The issues discussed are summarized as follows:

1. The Commission should act immediately to declare that Internet traffic is jurisdictionally interstate. Because Internet traffic is interstate, it should not be subject to mutual compensation requirements.
2. As to the implementation of universal service programs, implementation of the fund for high cost support should be the Commission's first priority. Specific to the implementation of the fund for high cost assistance for non-rural companies, it is important that the Commission act expeditiously to implement the program and meet its self-imposed deadline of January 1, 1999. To the extent that matters are referred to the Federal-State Joint Board, every effort should be made to promote prompt action and expeditious return of the matter to the Commission for final action.
3. 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.