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State of Vermont  
Public Service Board

**DOCKET FILE COPY ORIGINAL**

August 19, 1998

Ms. Magalie Salas  
Secretary  
Federal Communications Commission  
1919 M Street, N.W., Room 222  
Washington, D.C. 20554

Re: **USAC Plan of Reorganization**  
CC Dockets No. 97-21 and 96-45  
DA 98-1336

Dear Secretary Salas:

On August 5, I filed Comments of the Vermont Public Service Board in response to DA 98-1336. In reviewing the filed copy, I later discovered an inadvertent punctuation error on page 2. I have corrected that error in the enclosed filing. As I did with the original Comments, I enclose an original and seven copies of the corrected page 2.

Kindly date stamp and return one of the copies in the enclosed postage-paid envelope for our records.

Sincerely,

A handwritten signature in cursive script, appearing to read "Peter M. Bluhm".

Peter M. Bluhm, Esq.  
Policy Director

Enclosures:  
original and seven copies  
postage-paid envelope

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- 4) that the administrator not have a direct financial interest in the support mechanisms established by Congress.<sup>1</sup>

At the time, the Commission's universal service programs were administered by the National Exchange Carrier Association (NECA). In applying this four-part standard to NECA, the Commission noted that:

... many commenters question NECA's ability to act as a neutral arbitrator among contributing carriers because NECA's membership is restricted to ILECs, its Board of Directors is composed primarily of representatives of ILECS, and it has taken advocacy positions in several Commission proceedings.<sup>2</sup>

The Commission's order then noted the importance of the appearance of impartiality for the new administrator, and it disqualified NECA from serving as permanent administrator.<sup>3</sup>

Subsequently, the Commission created three corporations to administer universal service mechanisms, including the Universal Service Administrative Company (USAC). The Commission is now considering whether to consolidate these three corporations to administer universal service programs and has sought comment generally concerning administrative structures the Commission should adopt regarding universal service.

Regardless of whether the three companies are merged, it appears that USAC will continue to administer the federal high cost and low-income programs.

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1. Order of May 8, 1997, FCC 97-157, at ¶ 863.

2. *Id.* at ¶ 866.

3. *Id.*