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

RE: CC Docket No. 96-45 – Universal Service Reform
CC Docket No. 96-262 - Access Charge Reform

Dear Ms. Salas,

Yesterday, representatives of Sprint met with Kathy Brown, Chief of the Common Carrier Bureau, and members of her staff with regard to the above referenced dockets. Attending with Ms. Brown were Lisa Gelb, Jane Jackson, Don Stockdale, Doug Slotten, and Rich Cameron. The representatives for Sprint were Dick Juhnke, Rick Kapka, Jim Sichter, and myself.

The purpose of the meeting was to discuss issues related to the current Universal Service and Access Reform efforts. In the meeting, we reiterated the need to eliminate the implicit subsidies in access charges and urged the Commission to stay the course in moving recovery of non-traffic sensitive costs to non-traffic sensitive charges. We also suggested that it may be more prudent for the Commission to begin working with the industry now to determine what economic cost-based access charges are and to develop a transition plan and timeframe for carriers to get to this level rather than undertake another round of "X-factor" proceedings. With respect to universal service reform for high-cost areas, we restated the desirability of a national fund based on both interstate and intrastate revenues. So long as the fund base remains limited to interstate revenues the vast majority of the funding burden remains with IXCs and their customers. Additionally, in instances where intrastate access rates exceed interstate access rates, we suggested that it might be more appropriate to target national universal service funds to reductions in the intrastate rates.

The original and three copies of this notice are being submitted to the Secretary of the FCC in accordance with Section 1.1206(b)(1) of the Commission's rules. If there are any questions, please call.

Sincerely,


Pete Sywenki

cc: K. Brown, L. Gelb, J. Jackson, D. Stockdale, D. Slotten, R. Cameron