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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

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March 9, 2001

Via Hand Delivery

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 Twelfth Street, S. W., TW-A325
Washington, D.C. 20554

Re: CC Docket Nos. 96-45 and 96-98

Dear Ms. Salas:

On March 8, 2001, Jay Wilson Preston (President of Ronan Telephone Company), Cynthia Preston, Ivan C. Evilsizer (an attorney for Ronan), and James H. Lister met with Kyle Dixon of the Office of Chairman Powell.

We briefly discussed Ronan's position that the Commission should:

- Seek deregulatory solutions that allow state commissions flexibility in resolving rural carrier interconnection disputes considering the unique circumstances in each case.¹
- protect the integrity of the federal universal service fund, to assure affordable rural telephone rates, by vigorously enforcing existing prohibitions against the use by carriers of high-cost universal service subsidies for other purposes (such as the financing of a carrier's affiliated competitive business ventures in geographic areas for which the support was not intended).²

¹ This is a specific application of a broader philosophy. "Our new governing vision says government should be active, but limited; engaged, but not overbearing." President George W. Bush, from ADDRESS OF PRESIDENT TO JOINT SESSION OF CONGRESS, February 27, 2001.

² Chairman Powell has noted that "[d]epending on the level of subsidy, universal service can be a barrier to entry" if it results in retail prices that are not "reflective of cost dynamics and cost efficiencies." Speech to National Association of Regulatory Utility Commissioners, as reported in

Continued . . .

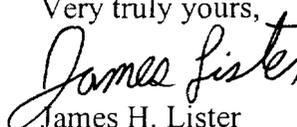
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We noted that Ronan had recently filed a request for clarification with the Competitive Pricing Division, and summarized its contents. See February 20, 2001 ex parte letter to Richard Lerner, Deputy Chief of the Competitive Pricing Division, filed in the above-referenced dockets.³

We also supplied a map of Ronan's service territory that the Ronan Telephone Company Consumer Advisory Committee previously filed in the above-referenced dockets on February 20, 2001.

An original one copy of this letter is supplied, as is an extra copy, which I ask that you stamp as received and return for our records.

If I can be of assistance, please call me at (202) 775-7975.

Very truly yours,

James H. Lister

Enclosure

cc: Kyle Dixon
Jay Wilson Preston
Cynthia Preston
Ivan C. Evilsizer

Telecommunications Reports' TR Daily® (Feb. 28, 2001). Cross-subsidy based on universal service support creates analogous anti-competitive incentives.

³ The Organization for the Protection and Advancement of Small Telephone Companies has endorsed Ronan's efforts to obtain a clarification regarding the meaning of paragraph 1088 of the FCC's 1996 Interconnection Order, 11 FCC.Rcd. 15499. The OPASTCO letter, dated January 17, 2001 is attached. The paragraph 1088 issue is addressed along with another issue in the clarification request.