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September 18, 2001

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Magalie Roman Salas
Secretary
Federal Communications Commission
The Portals
Washington, D.C. 20554

Re: Oral Ex Parte Presentation – CC Docket Nos. 00-256, 96-45, 98-77, 98-166, *Multi-Association Group (MAG) Plan for Regulation of Interstate Services of Non-Price Cap Incumbent Local Exchange Carriers and Interexchange Carriers*

Dear Ms. Roman Salas:

On September 17, 2001, the undersigned, counsel for the Multi-Association Group (the "Group"), met on behalf of the Group with Carol Matthey, Jane Jackson, Eric Einhorn, Rich Lerner, and Jack Zinman of the Common Carrier Bureau to discuss the above-captioned proceedings (collectively the "MAG proceeding"). The MAG proceeding is addressing the regulation of non-price cap incumbent LECs, including a plan proposed by the Group (the "MAG plan") for improving such regulation.

Through its representative, the Group stated that the Commission should seek further comment on all aspects of the MAG proceeding rather than proceed to a final order in the near future. The Group expressed concern that without further comment from the non-price cap incumbent LECs, the Commission could take actions that would decrease non-price cap incumbent LECs' incentives to invest in rural infrastructure and harm their customers. The Group noted that this is especially significant because many of the non-price cap incumbent LECs are small businesses.

The Group noted that since the MAG plan was filed, a series of appellate judicial decisions has addressed aspects of the Commission's access and universal service regulations that are highly relevant to the MAG proceeding.¹ Parties should have an

¹ See *Texas Office of Public Utility Counsel v. FCC*, No. 00-60434, 2001 U.S. App. LEXIS 19974 (5th Cir. Sept. 10, 2001), *Qwest Corp. v. FCC*, 258 F.3d 1191 (10th Cir. 2001), and *COMSAT Corp. v. FCC*, 250 F.3d 931 (5th Cir. 2001).

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opportunity to comment on the effects of these decisions and on any new policies that the Commission is considering in light of these decisions. The Group also reiterated views summarized in the Group's ex parte letter in these dockets of September 12, 2001, to Magalie Roman Salas, Secretary of the Commission, and the Group's written ex parte presentation in these dockets of September 5, 2001, which was addressed to Ms. Jane E. Jackson and Ms. Katherine Schroder of the Common Carrier Bureau. In addition, the Group expressed concern that changes to the NECA pooling system not contemplated in the MAG plan and to Long Term Support could adversely affect the stability and investment incentives of non-price cap incumbent LECs that participate in the pooling system.

Eight copies of this letter are enclosed for the use of the Secretary, and a copy of this letter will be provided to each of the Commission attendees.

If you have any questions on this matter, do not hesitate to call me.

Very truly yours,



William F. Maher, Jr.

Enclosures

cc: Commission attendees listed above