



Public Service Commission
State of North Dakota

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FEDERAL COMMUNICATIONS COMMISSION
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August 31, 2001

Michael K. Powell, Chairman
Federal Communications Commission
445 12th Street, SW
Washington, D.C. 20554

RE: Ex Parte Comments – To be filed in the proceeding captioned
"In the Matter of 2000 Biennial Regulatory Review – Comprehensive Review of the Accounting
Requirements and ARMIS Requirements for Incumbent Local Exchange Carriers, CC Docket No.
00-199.

Dear Mr. Powell:

I, Commissioner Susan E. Wefald, submit for filing this ex parte contact for inclusion in the public record of this proceeding.

Briefly the North Dakota Commission applauds the FCC's successful efforts to involve the states in this streamlining process, and respectfully suggests that the cooperative effort has been of mutual benefit resulting in proposed reductions in Class A Accounts of about 40 percent. The few new accounts proposed are necessary adjuncts to the reform proposal.

The states appreciate the fact that we were invited into the process early to work with the FCC on reforming these accounts. The process worked. Not only were there informal discussions in advance of the notice - but 16 states and NARUC filed comments in various stages of the proceeding. The streamlining suggested has eliminated about 40 percent of the unneeded accounts. We believe the right balance - with the addition of several new accounts - has been struck.

The FCC's proposal for Class A streamlining generally maintains sufficient detail for regulators, but some crucial areas are ignored in plant, expense, and revenue accounts. These areas are covered by the proposed new accounts covering universal service, new technology deployments, and interconnection arrangements. Those additional accounts, along with the proposed reduced Class A structure, are necessary for FCC and state regulators to appropriately determine universal service funding levels, pole attachment rates, customer rates in rate of return states, and UNE and interconnection rates.

I also agree with the FCC's cautious approach to eliminating requirements that are necessary to promote universal service, foster efficient competition, and protect consumers before significant market changes occur.

If you have any questions about this, please do not hesitate to contact me at 701-328-2400.

Sincerely,

Susan E. Wefald
President

cc: Kyle Dixon, Assistant

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