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BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Commission's Oversight)
Concerning the Ohio Small Local Exchange) Case No. 97-414-TP-UNC
Carrier Association.)

ENTRY

The Commission finds:

- (1) On April 24, 1995, the Ohio Telecommunications Advisory Board (OTAB) filed in the Commission's access charge proceeding, Case No. 83-464-TP-COI (83-464), its recommendation concerning, among other findings, the transfer of administrative responsibility for the small local exchange company (LEC) Hardship Fund from the OTAB to the Public Utilities Commission of Ohio (Commission), or a third party subject to the Commission's oversight. Specifically, the OTAB recommended that the Commission order the transfer of the monies held in the Hardship Fund from Ameritech to an escrow account in which a Commission-approved escrow agent would be responsible for the fund's safety and investment.
- (2) On October 11, 1996, the Ohio Telecommunications Association (OTA), on behalf of its small LECs, filed with the Commission, for its review and approval, a proposed constitution and bylaws for the yet-to-be-established Ohio Small Local Exchange Carrier Association (OSLECA). The OTA noted that its proposal to create OSLECA was consistent with OTAB's April 24, 1995 recommendation to the Commission, which indicated that the day-to-day administrative responsibility for the Hardship Fund should be entrusted to a third-party administrator. The bylaws filed with the Commission by the OTA on October 11, 1996, for OSLECA, were consistent with those developed by the Staff and the OTA. The OSLECA bylaws indicate, among other things, that the Commission must approve all disbursement of Hardship Fund monies administered by OSLECA.
- (3) On February 12, 1997, the Commission issued a Finding and Order in 83-464, approving the OSLECA bylaws and instructed the OTAB to transfer to OSLECA the Hardship Fund monies after OSLECA was formally established.

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- (4) On April 14, 1997, the Commission initiated the above-captioned proceeding to address issues relevant to the Commission's oversight of OSLECA. On April 16, 1997, the OTA filed with the Commission the necessary Articles of Incorporation for OSLECA, which were filed with the Secretary of State. Also, on April 16, 1997, the OTAB filed a letter in this docket indicating that it had transferred to OSLECA the Hardship Fund monies.
- (5) On November 13, 2007, OSLECA filed in this proceeding an application for authority to withdraw from the Hardship Fund an amount not to exceed \$132,200 for its calendar year 2008 operating budget. The application reflects that the proposed budget was approved by the OSLECA Board of Trustees. The application also reflects that the proposed budget is a \$7,200 increase over the Commission-approved operating budget for calendar year 2007.
- (6) The Commission has thoroughly reviewed OSLECA's application to withdraw from the Hardship Fund up to \$132,200 and has determined that the application is consistent with OSLECA's bylaws and the Commission's decision's in 83-464 on the appropriate use of the Hardship Fund monies. Consequently, the Commission approves OSLECA's proposed 2008 operating budget not to exceed \$132,200. The Commission, therefore, authorizes OSLECA to withdraw from the Hardship Fund an amount up to \$132,200 throughout calendar year 2008 to recover its annual operating expenses.
- (7) On December 21, 2005, the Commission issued an entry in this case noting that the Commission had reviewed the use of Hardship Fund monies and OSLECA filing procedures. Pursuant to that review, the Commission found that it was appropriate to establish a list of specific "preapproved" projects that meet the funding criteria of the OSLECA bylaws and that prepare and assist the OSLECA member companies in dealing with the transition to an increasingly competitive telecommunications marketplace and the requirements of the Telecommunications Act of 1996. The preapproved project mechanism has benefited the OSLECA members and, at the same time, provided the Commission with an acceptable level of oversight to ensure that the preapproved projects meet the funding criteria of the OSLECA bylaws.

- (8) In order to further prepare and assist the OSLECA member companies with the transition to an increasingly competitive telecommunications marketplace, the Commission finds that it is appropriate to expand the list of preapproved projects to include additional projects that are also consistent with the criteria that the Commission utilized when adopting the preapproved project list in the December 21, 2005 entry. The additional projects are as follows: projects to further the deployment and promotion of broadband internet access consistent with state and federal initiatives in this area; expenses associated with the enhanced lifeline commitment under elective alternative regulation; and projects to implement federal mandates associated with Customer Proprietary Network Information (CPNI). The OSLECA trustees are authorized to utilize Hardship Fund monies on these projects without prior Commission approval subject to the following conditions: a) small local exchange carriers shall make a request for funding to the OSLECA trustees, demonstrating that the project is on the list of preapproved projects; b) the OSLECA trustees must verify that the project is consistent with the projects authorized by the Commission in this Entry; c) if a project is consistent with this Entry, OSLECA shall docket in Case No. 97-414-TP-UNC at least 10 days in advance of withdrawal of funds for that specific project, a letter notifying the Commission of a project and demonstrating that the project comports with one of the preapproved categories and the amount of monies to be removed from the fund. This letter must be filed at the Commission; d) there will be a separate accounting, in addition to monthly status reports and itemized billings, for each project docketed with the Commission in this case; and e) the OSLECA member companies shall be required to refund any monies to the Hardship Fund for any projects subject to these guidelines found by the Commission to be ineligible for funding.

It is, therefore,

ORDERED, That, pursuant to finding 6, OSLECA is authorized to withdraw up to \$132,200 from the Hardship Fund to recover its 2008 operating expenses. It is, further,

ORDERED, That, pursuant to the procedures in finding 8, OSLECA is authorized, upon its trustees' authority, to withdraw monies from the Hardship Fund specifically for the purpose of the projects set forth in finding 8. It is, further,

ORDERED, That nothing contained in this Entry shall be deemed to be binding upon the Commission in any subsequent investigation or proceeding involving the justness or reasonableness of any rate, charge, rule or regulation. It is, further,

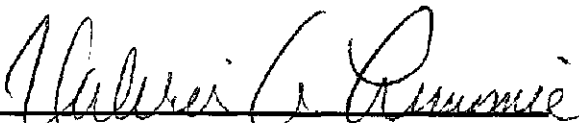
ORDERED, That a copy of this Entry be served upon all parties of record to this proceeding.

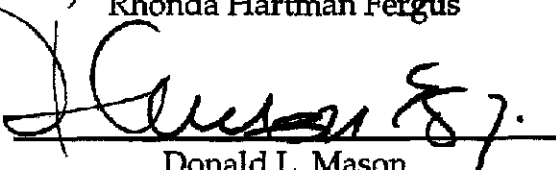
THE PUBLIC UTILITIES COMMISSION OF OHIO

Alan R. Schriber, Chairman


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Renee J. Jenkins
Secretary