

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

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

ENTRY

The Commission finds:

- (1) On March 12, 1987, the Commission issued an Opinion and Order in the Commission's access charge proceeding, Case No. 83-464-TP-COI (83-464), establishing rules governing the final transition to an ongoing intrastate access charge and toll compensation plan for incumbent local exchange carriers (LECs) operating in Ohio. Among other items, the March 12, 1987, Opinion and Order directed that a LEC Hardship Fund for small LECs be established through the transfer of five million dollars from the LEC Reserve Fund. The LEC Reserve Fund was financed by LEC revenues to offset any toll revenue shortfalls that might befall the LECs during the 1986 phase-out of the previous pool of "excess" access charge revenues. The Commission's March 12, 1987, Opinion and Order was appealed to the Ohio Supreme Court. The Commission's decision was affirmed on August 31, 1988. *MCI v. Pub. Util. Comm.*, 38 Ohio St. 3d 266, 527 N.E. 2d 777 (1988).
- (2) On April 24, 1995, the Ohio Telecommunications Advisory Board (OTAB) filed in the Commission's access charge proceeding, 83-464, its recommendation concerning, among other findings, the transfer of administrative responsibility for the small LEC Hardship Fund from the OTAB to the 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.
- (3) 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.

- (4) 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.
- (5) 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.
- (6) On November 16, 2012, OSLECA filed in this proceeding an application for authority to withdraw from the Hardship Fund an amount not to exceed \$131,500 for its calendar year 2013 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 amount is equal to the Commission-approved operating budget for calendar year 2012 of \$131,500.
- (7) The Commission has thoroughly reviewed OSLECA's application to withdraw from the Hardship Fund up to \$131,500 and has determined that the application is consistent with OSLECA's bylaws and the Commission's decision in 83-464 on the appropriate use of the Hardship Fund monies. Consequently, the Commission approves OSLECA's proposed 2013 operating budget not to exceed \$131,500. The Commission, therefore, authorizes OSLECA to withdraw from the Hardship Fund an amount up to \$131,500 throughout calendar year 2013 to recover its annual operating expenses.

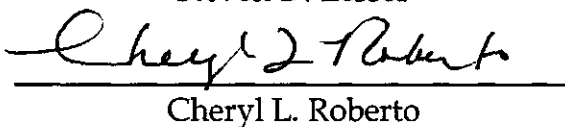
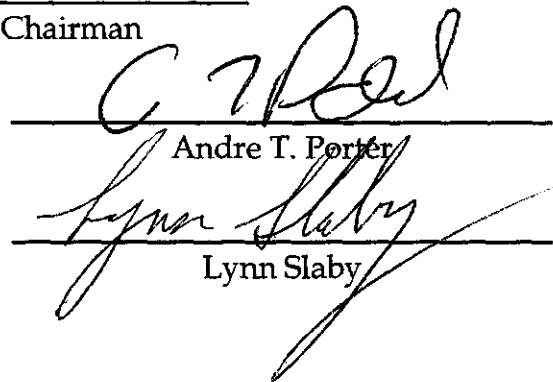
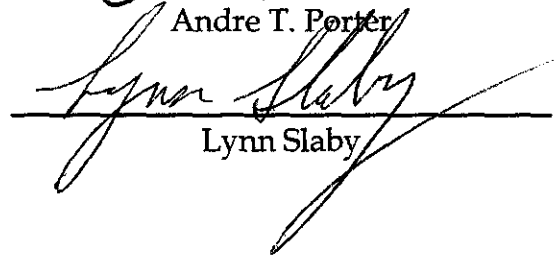
It is, therefore,

ORDERED, That, pursuant to finding 7, OSLECA is authorized to withdraw up to \$131,500 from the Hardship Fund to recover its 2013 operating expenses. 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

  
Todd A. Snitchler, Chairman  
Steven D. Lesser  
Cheryl L. Roberto  
Andre T. Porter  
Lynn Slaby

MT/jd

Entered in the Journal

**DEC 19 2012**



Barcy F. McNeal  
Secretary