Environmental Health Risks and Safety Risks (62 FR 19885, April 23, 1997), because it does not involve decisions on environmental health risks or safety risks that may disproportionately affect children.

List of Subjects in 40 CFR Part 63

Environmental Protection, Air pollution control, Hazardous substances, Industrial process cooling towers, Reporting and recordkeeping requirements.

Dated: June 12, 1998.

Carol M. Browner,

Administrator.

[FR Doc. 98–19406 Filed 7–22–98; 8:45 am]

BILLING CODE 6560–50–P

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 300

[FRL–6128–3]

National Oil and Hazardous Substances Pollution Contingency Plan; National Priorities List

AGENCY: Environmental Protection Agency.

ACTION: Notice of intent to delete the McColl site from the National Priorities List.

SUMMARY: The Environmental Protection Agency (EPA) Region 9 announces the intent to delete the McColl Site (''the site'') from the National Priorities List (NPL) and requests public comment on this proposed action. The NPL constitutes Appendix B of 40 CFR part 300 which is the National Oil and Hazardous Substances Pollution Contingency Plan (NCP), which EPA promulgated pursuant to section 105 of the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) of 1980, as amended. EPA and the State of California Department of Toxic Substances Control (DTSC) have determined that the remedial action for the site has been successfully executed.

DATES: Comments on this site may be submitted to EPA on or before August 24, 1998.

ADDRESSES: Comments may be mailed to: Keith Takata, Director, Superfund Division, U.S. Environmental Protection Agency, Region 9, 75 Hawthorne Street, Mailstop SFD, San Francisco, CA 94105.

Comprehensive information on this site is available through the Region 9 public docket, which is available for viewing by appointment only. Appointments for copies of the background information from the Regional public docket should be directed to the EPA Regional 9 docket office at the following address: SUPERFUND Records Center, U.S. Environmental Protection Agency, Region 9, 95 Hawthorne Street, Suite 403S, San Francisco, CA 94105–3901 (415) 536–2000.

The deletion docket is also available for viewing at the following location: Fullerton Public Library, Local History Room, 353 W. Commonwealth Avenue, Fullerton, CA 92633, (714) 738–6333.

FOR FURTHER INFORMATION CONTACT: Patti Collins, U.S. Environmental Protection Agency, Region 9, 75 Hawthorne Street, Mailstop SFD–7–3, San Francisco, CA 94105, (415) 744–2229.

SUPPLEMENTARY INFORMATION:

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I. Introduction
II. NPL Deletion Criteria
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I. Introduction

The U.S. Environmental Protection Agency (EPA) Region 9 announces its intent to delete the McColl site in Orange County, California, from the National Priorities List (NPL) and requests public comment on this proposed action. The NPL constitutes Appendix B of 40 CFR part 300 which is the National Oil and Hazardous Substances Pollution Contingency Plan (NCP), which EPA promulgated pursuant to section 105 of the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) of 1980, as amended. EPA identifies sites that appear to present a significant risk to public health, welfare, or the environment and maintains the NPL as the list of these sites. EPA and the California Department of Toxic Substances Control (DTSC) have determined that the remedial action for the site has been successfully executed.

EPA will accept comments on the proposal to delete this site for thirty (30) days after publication of this document in the **Federal Register**.

Section II of this document explains the criteria for deleting sites from the NPL. Section III discusses the procedures EPA is using for this action. Section IV discusses the McColl site and explains how the site meets the deletion criteria.

II. NPL Deletion Criteria

Section 300.425(e)(1) of the NCP provides that releases may be deleted from, or recategorized on the NPL where no further response is appropriate. In making a determination to delete a release from the NPL, EPA shall consider, in consultation with the state, whether any of the following criteria have been met:

Responsible parties or other parties have implemented all appropriate actions required; All appropriate responses under CERCLA have been implemented, and no further action by responsible parties is appropriate; or

The remedial investigation has shown that the release poses no significant threat to public health or the environment and, therefore, taking remedial measures is not appropriate.

Even if a site is deleted from the NPL, where hazardous substances, pollutants, or contaminants remain at the site above levels that allow for unlimited use and restricted exposure, EPA's policy is that a subsequent review of the site will be conducted at least every five years after the initiation of the remedial action at the site to ensure that the site remains protective of public health and the environment. If at any time, new information becomes available which indicates a need for further action, EPA may initiate additional remedial actions. Whenever there is a significant release from a deleted site form the NPL, the site may be restored to the NPL without application of the Hazardous Ranking System.

In the case of this site, the selected remedy is protective of human health and the environment. The responsible parties are currently and will continue to perform operation and maintenance of the site, with the oversight of EPA. EPA will conduct the first five-year review of the final remedy in 2001, and will also perform future five-year reviews.

III. Deletion Procedures

The following procedures were used for the intended deletion of this site: (1) all appropriate response under CERCLA has been implemented and no further action by EPA is appropriate; (2) DTSC has concurred with the proposed deletion decision; (3) a document has been published in the local newspaper and has been distributed to appropriate federal, state, and local officials and other interested parties announcing the commencement of a 30-day public comment period on EPA's Notice of Intent to Delete; and (4) all relevant documents have been made available in the local site information repository.

Deletion of the site from the NPL does not itself create, alter, or revoke any individual's rights or obligations. The NPL is designed primarily for informational purposes and to assist Agency management. As mentioned in

section II of this document, § 300.425(e)(3) of the NCP states that the deletion of a site from the NPL does not preclude eligibility for future response actions.

For deletion of this site, EPA's Regional Office will accept and evaluate public comments on EPA's Notice of Intent to Delete before making a final decision to delete. If necessary, the Agency will prepare a Responsiveness Summary to address any significant public comments received.

A deletion occurs when the Regional Administrator places a final document in the **Federal Register**. Generally, the NPL will reflect deletions in the final update following the document. The Regional Office will make public notices and copies of the Responsiveness Summary available to local residents.

IV. Basis of Intended Site Deletion

The following site summary provides the Agency's rationale for the proposal to delete this site from the NPL.

A. Site Background and History

The twenty-two acre McColl site (the site) is located in Fullerton, Orange County, California, approximately 25 miles southeast of Los Angeles. Housing developments border the site to the east and south. Developed but open areas of a golf course and a regional park border the site to the west. An oil field occupies an open area to the north.

One parcel of the site is referred to as ''The Ramparts'' and the other the ''Los Coyotes'' area. The Ramparts area contains six sumps, referred to as sumps R–1 through R–6. The Los Coyotes area also contains six sumps, referred to as sumps L–1 through L–6. From 1942 through 1946, approximately 72,600 cubic yards of waste sludge was placed in the 12 Ramparts and Los Coyotes sumps. In an attempt to mitigate site odors during the 1950s and early 1960s, three sumps (R–1, R–2, and R–4) in the Ramparts area were covered with drilling mud. Additional arsenic-containing waste of an unknown date and origin was later placed in Ramparts sump R–1. Additional soil cover was placed over the sumps in the Ramparts area in September 1983. The Los Coyotes sumps were covered with natural fill materials during the construction of the Los Coyotes Country Club golf course in the late 1950s.

In 1980, Congress enacted the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. 9601, et seq. (CERCLA), in response to the dangers of uncontrolled or abandoned hazardous waste sites. To implement CERCLA, the EPA promulgated on July 16, 1982 the National Oil and Hazardous Substances Pollution Contingency Plan (NCP), 40 CFR part 300. Section 105(a)(8)(A) of CERCLA requires that the NCP include criteria for ''determining priorities among releases or threatened releases throughout the United States for the purposes of taking remedial action and, to the extent practicable taking into account the potential urgency of such action.'' Section 105(a)(8)(B) of CERCLA requires those criteria be used to prepare a list of national priorities among the known releases or threatened releases of hazardous substances, pollutants, or contaminants throughout the United States. The list, which is Appendix B of the NCP and revised annually, is the National Priorities List (NPL). The Hazard Ranking System (HRS) which EPA promulgated as Appendix A of the NCP is the principal tool upon which the EPA relies to determine the priority sites for possible remedial actions under CERCLA. Based on the HRS, the McColl site was added to the NPL in September 1982. The basis for deletion of a site from the NPL is stated in the NCP (40 CFR 300.425(e)).

B. Waste Material in the Sumps

The waste material contained within the sumps occurs as distinct types of materials, segregated by depth. These types are considered distinct based on their physical characteristics. The largest portion of the waste consists of a hard organic waste material (char) that occurs mainly in the bottom layer of all sumps. In the middle of the sumps is the tar waste (soft material), however the location of the tar within the sumps is quite variable. The upper portion of the sumps is comprised of varying thickness of soil or a combination of soil and drilling mud. There are an estimated 100,000 cubic yards of waste and contaminated materials at the site. The waste has a pH of less than 2 and contains various organic compounds including benzene, toluene and xylene, inorganic chemicals including arsenic and chromium, and sulfur compounds including sulfur dioxide. The risk assessment identified sulfur dioxide, benzene, and arsenic as the primary chemicals of concern. Prior to implementation of the remedy, releases of the wastes through the soil cover and onto the surface of the ground had been regularly observed on the sump surfaces. No significant removal actions were taken at the site.

To fully study and undertake response activities, EPA divided the site into two operable units. The operable units were designated to address the sump areas (i.e., source areas) and the groundwater. Following a remedial investigation and feasibility study conducted by the McColl Site Group oil companies, EPA proposed in 1984 an excavation and redisposal remedy to address the source areas. The State of California was designated the lead agency for the site but was later enjoined by a state court from implementing the remedy. EPA undertook additional feasibility study work at the site, and, having assumed the lead in 1989, proposed a waste excavation and incineration remedy. Following public comment and field testing on the proposed incineration remedy, EPA reevaluated remedial alternatives. In August 1992, pursuant to section 117 of CERCLA, 42 U.S.C. 9617, EPA published its updated feasibility study, called the *Supplemental Reevaluation of Alternatives II*, and issued a proposed plan identifying soft-material solidification as the preferred remedy for the material in the sumps. This proposed plan also identified installation of a Resource Conservation and Recovery Act (RCRA) equivalent closure system as a contingency remedy in the event that soft-material solidification was determined not to be feasible. The requirements of the contingency remedy for the source area operable unit are embodied in the *Source ROD* executed on June 30, 1993. On September 28, 1995 EPA, following extensive performance testing of soft-material solidification, concluded that this technology was not feasible, and selected the contingency remedy of a RCRA equivalent closure.

C. Groundwater

From September 1993 to April 1996, the McColl Site Group oil companies, under EPA's oversight, undertook a Remedial Investigation and Feasibility Study (''RI/FS'') for the groundwater operable unit, pursuant to CERCLA and the National Contingency Plan, 40 CFR part 300. Low levels of site-related contamination were detected in an isolated, intermittently present, perched, shallow groundwater zone. Due to the intermittent nature and low yield of this perched zone, it was concluded that it would not yield a reliable quantity of water to sustain a domestic water supply. Groundwater use in the area was investigated and it was found that a regional aquifer located at a depth 200 feet greater than the perched zone is used as drinking water source by the City of Fullerton. No site-related contaminants have been detected in the regional aquifer or in drinking water wells. EPA published notice of the completion of the *Feasibility Study Report, Groundwater*

Operable Unit and of the proposed plan for remedial action on February 15, 1996, and provided opportunity for public comment on the proposed remedial action. EPA selected infiltration controls with long-term monitoring of the groundwater as a preventive measure. The specific requirements are described in the *Groundwater ROD* executed on May 15, 1996.

D. Response Actions

The contingency remedy selected by EPA required that a RCRA equivalent closure be implemented. As defined in the Source OU and Groundwater OU ROD, the primary remedial objectives for the McColl site are: long-term isolation of the waste material; minimization of infiltration of rain water into the waste; control of any gases emitted from the wastes; control of surface water infiltration into the waste; and provision of adequate bearing capacity for the end use of the site.

To meet the remedial objectives, the design of cover system was based on RCRA-equivalency for a landfill closure cap, which includes, at a minimum, from bottom to top: a low hydraulic conductivity geomembrane/soil layer with a maximum hydraulic conductivity of 1×10^{-7} cm/sec; a drainage layer with a minimum hydraulic conductivity of 1×10^{-2}cm/sec; and a top vegetative/soil layer of a minimum 24 inches thickness graded to a slope between 3 and 5 percent.

As part of the waste containment system, a subsurface vertical slurry cut-off wall was designed to control lateral liquid and gas migration. A design criterion was established at a maximum saturated hydraulic conductivity of less than 1×10^{-7} cm/sec for the cut-off wall barrier. A gas collection and treatment system was also designed to collect and treat the gas from the contained waste sumps.

The remedial construction activities were initiated by the McColl Site Group of oil companies, in July 1996 and completed in November 1997. The construction activities included the construction of two separate slurry cutoff walls surrounding each group of sumps, at Los Coyotes and Ramparts. The RCRA-equivalent cover system was constructed over each of the two sump areas and is tied into the cutoff walls. The primary functions of the cover system are to control infiltration of surface water, collect any gas migrating from the sumps, and contain and restrain any vertical migration of mobile waste and waste by-products. The cover also serves as a barrier to mechanical or intrusion by animals or plants and provides a tensile-reinforced layer to withstand differential settlement and enhance bearing capacity. Within the cover system, perforated gas collection piping was installed and connected to two separate valve boxes that are connected to a gas treatment system. The gas treatment system is comprised of a blower that induces the flow of atmospheric air into the gas collection piping and reinforced sand layer immediately above the sump foundation. Air is swept across the sand layer with the collected gases into carbon adsorption vessels, treated. Then the clean air is vented to the atmosphere. The control the infiltration of surface water infiltration was implemented as part of the groundwater remedy, including: redirecting and managing of surface water coming on to and off of the site; grading of areas adjacent to the closure containment system to control water flow, and lining of onsite drainage channels with low permeability materials.

An additional feature of the McColl site remedy was restoration of the golf course. The restored golf course was constructed over the Los Coyotes and Upper Ramparts sumps. The Lower Ramparts was planted as open space outside the golf course area of play. The design and construction of the golf course included grading to control surface water drainage as specified in the Groundwater ROD.

During the remedy construction at the site, continuous, daily oversight was provided by the US Army Corps of Engineers (USACE) through an Interagency Agreement with EPA. USACE personnel closely monitored construction activities to insure compliance with the RODs, design plans, workplans, and construction Quality Control and Quality Assurance requirements.

EPA and the California Department of Toxic Substances Control conducted a final site inspection of the McColl site on November 13, 1997. EPA has determined that the responsible parties for both OUs, constructed the remedies in accordance with the approved remedial design plans and specifications and that the remedial actions had been successfully executed.

The remedy constructed at the McColl site is consistent with the objectives of the NCP and will provide protection to human health and the environment using an engineered waste containment system. Operations and maintenance for the remedy will be necessary, in perpetuity. It will include monitoring and maintenance of the cap and cut-off wall, site security, and routine site maintenance.

E. Operations and Maintenance

The Operations and Maintenance (O&M) activities consist of routine inspections, surveys, routine maintenance, monitoring, security and any necessary repairs. With the exception of operation and maintenance of the Gas Collection and Treatment System and groundwater monitoring, all long-term O&M activities at the site are and will continue to be performed by McAuley LCX Corporation, the owner of the restored golf course. The McColl Site Group of oil companies is and will continue to be responsible for the long-term O&M requirements associated with the Gas Collection and Treatment System and semi-annual groundwater monitoring. All O&M activities are being conducted with oversight from EPA.

Inspections are routinely undertaken to visually observe the components of the remediated site. Examples of components visually inspected include site fencing and signage, groundwater monitoring wells, gas collection system and vents, irrigation systems, drainage systems, and the surface of the caps and subsurface barrier walls. Surveys are conducted to monitor settlement within the cover system. These survey results will be used to determine the need for any repairs due to subsidence or other structural disturbances in the cover system.

Routine maintenance is performed on the landscaping to prevent erosion of the cover system, the reinforced earth structures, and site slopes. Routine maintenance is also performed on the Gas Collection Treatment System to maintain adequate carbon adsorption capacities and prevent condensation build-up, on the site drainage systems to prevent interruptions of surface water runoff control, and on the groundwater monitoring system to insure optimum performance of groundwater pumps.

As part of Operation and Maintenance requirements, a comprehensive long-term monitoring program has been established to verify continued compliance with the remedial action objectives. The Operations and Maintenance program consists of the following elements:

Remedial action objectives	Routine monitoring elements
Long-term isolation of waste materials	Cover System Inspections. Cover System Settlement Inspections. Reinforced Earth Structure Inspections. Monument Survey Records.
Minimization of infiltration of rain water into waste	Groundwater Monitoring. Cover System Inspections.
Control of any gases emitted from the waste	Gas Flow Indicator Monitoring. Gas Perimeter Probe Monitoring System and Testing. Carbon Adsorber Exhaust Monitoring. Carbon Changeout/Servicing.
Provision of adequate bearing capacity for the end use of the site	Routine Cover System Inspections. Surface Water Drainage System Inspections.

In addition to these requirments, the golf course maintenance staff performs daily inspections of the remediated site as part of the normal golf course operations.

Data generated from ongoing operations and maintenance activities, which include monument and settlement surveys, inspections of the cover containment system, operation of the gas collection and treatment system, and the surface water drainage controls indicate that the remedy is functioning as designed.

Under the Interim Groundwater Monitoring Program (IGMP), semi-annual groundwater monitoring is being conducted to evaluate the effectiveness of the infiltration controls constructed as part of the integrated source and groundwater remedy. Eleven groundwater wells are currently monitored in accordance with the requirements of Groundwater OU ROD. These monitoring requirements include: (1) water level measurements; (2) sampling and analysis of groundwater chemistry; (3) quality assurance review of analytical results; (4) review of chemical results; and (5) preparation of a semi-annual groundwater monitoring report for EPA review. The IGMP will continue for a period of five years after remedy construction completion. Following this 5-year period, the IGMP will be reviewed and a Final Groundwater Monitoring Program will be established.

F. Five-Year Review

Section 121(c) of CERCLA requires that EPA review, no less often than every five years, any remedial action selected that results in any hazardous substances, pollutants, or contaminants remaining at the site. Five-year reviews will be conducted for each OU pursuant to OSWER Directive 9355.7–02, *Structure and Components of Five-Year Reviews* to document the effectiveness of the controls. The first five-year review for the site is scheduled for July 2001.

G. Community Involvement

The site initially was brought to the attention of the regulatory agencies as a result of odor and health complaints received from residents beginning in July 1978. Community concern increased gradually through 1980. Due to the increasing community concerns, DTSC organized a public hearing in the fall of 1980. Peter Weiner, the Governor's special assistant on Toxic Substances Control, chaired the hearing and a panel of state agency representatives also participated.

Individual members of the community continued to be involved in discussions and decisions related to the site through 1984, when EPA and DTSC announced that the site would be remediated using the excavation and redisposal alternative. Community comments received at the first public hearing indicated strong community support for this decision. Following the state court injunction blocking the state from implementing the remedy, some community members expressed increasing frustration at delays in the clean-up process. This frustration led to the formation of the McColl Action Group. This neighborhood committee participated actively in decisions related to the site from 1985 through 1991. EPA and DTSC often were invited to make presentations to the group. The group disbanded in 1991. Another community group was formed in 1991, the Fullerton Hills Community Association. This group has had input into site-related decisions from the time of its formation through the final remedy construction.

Starting in 1986 and through remedial construction activities, EPA and DTSC have held regular meetings with the Interagency Committee, comprised of several local agencies and elected officials. These agencies consist of the City of Fullerton, South Coast Air Quality Management District, City of Buena Park, Orange County Environmental Health, and California Regional Water Quality Control Board, California Department of Health Services' Drinking Water Branch, and California Environmental Protection Agency's Office of Environmental Health Hazard Assessment. The elected officials include the 39th Congressional District (formerly held by Representative Dannemeyer and currently held by Representative Edward Royce). All elected officials in the area remain on the mailing list for the site, and receive all information related to site activities.

Community participation has continued to be important in the decision-making process over the last several years. Throughout remedial construction, EPA and the McColl Site Group conducted a variety of community relations activities in accordance with the *McColl Site Community Relations Plan*. These activities have included public meetings, small group meetings, regular fact sheet mailings to community members, informational ''lemonade stands'', maintenance of a toll-free information line, on-site open houses, and regular contact with the media to provide information.

EPA will continue to work closely with the community throughout the ongoing operation and maintenance period to keep residents informed about the status of the constructed remedy. EPA will also continue to monitor community interests and concerns, and will conduct community involvement activities as needed to address those concerns.

H. Applicable Deletion Criteria

As specified under § 300.425(e)(1) of the NCP, if EPA, in consultation with the state, determines that any of the three criteria for site deletion has been met, then the site is considered eligible

for deletion from the NPL. In the case of the McColl site, EPA believes that the following criteria for site deletion has been met:

All appropriate response under CERCLA has been implemented, and no further action by the responsible parties is appropriate.

EPA, with the concurrence of DTSC, believes that this criterion for deletion have been met. Subsequently, EPA is proposing deletion of this site from the NPL. Documents supporting this action are available from the docket.

I. State Concurrence

The California Department of Toxic Substances Control concurs with the proposed deletion of the McColl Superfund site from the NPL.

Dated: July 16, 1998.

Keith A. Takata,

Acting Regional Administrator, Region 9.

[FR Doc. 98–19653 Filed 7–22–98; 8:45 am]

BILLING CODE 6560–50–P

FEDERAL COMMUNICATIONS COMMISSION

47 CFR Parts 54 and 69

[CC Docket Nos. 97–21 and 96–45; DA 98–1336]

Federal Universal Service Support Mechanisms

AGENCY: Federal Communications Commission.

ACTION: Proposed rule; request for comments.

SUMMARY: In this document, the Commission seeks comment on the Report and Proposed Plan of Reorganization (Plan) filed on July 1, 1998 by the Universal Service Administrative Company (USAC), the Schools and Libraries Corporation (SLC), and the Rural Health Care Corporation (RHCC). The Plan proposes a revised administrative structure of the federal universal service support mechanisms. RHCC filed a Separate Statement of the Rural Health Care Corporation and Request for Three Changes in the Plan, dissenting from certain provisions of the proposed Plan. In this document, the Commission also seeks comment on other issues regarding the administration of the federal universal service support mechanisms, including processes for Commission review of actions by USAC, SLC, and RHCC.

DATES: Comments are due on or before August 5, 1998 and Reply Comments are due on or before August 12, 1998.

ADDRESSES: One original and six copies of all comments and reply comments should be sent to the Commission's Secretary, Magalie Roman Salas, Office of the Secretary, Federal Communications Commission, 1919 M Street, N.W., Room 222, Washington, D.C. 20554. All filings should refer to USAC Plan of Reorganization, CC Docket Nos. 97–21 and 96–45, and DA 98–1336. Parties also may file comments electronically via the Internet at: <http://www.fcc.gov/e-file/ecfs.html>. Only one copy of an electronic submission must be submitted. In completing the transmittal screen, commenters should include their full name, Postal Service mailing address, and the lead docket number for this proceeding, which is Docket No. 97–21. Parties not submitting their comments via the Internet are also asked to submit their comments on diskette. Parties submitting diskettes should submit them to Sheryl Todd, Accounting Policy Division, 2100 M Street, N.W., Room 8606, Washington, D.C. 20554. Such a submission should be on a 3.5 inch diskette formatted in an IBM compatible format using WordPerfect 5.1 for Windows or compatible software. The diskette should be accompanied by a cover letter and should be submitted in ''read only'' mode. The diskette should be clearly labelled with the party's name, proceeding (including the lead docket number in this case, Docket No. 97–21), type of pleading (comment or reply comment), date of submission, and the name of the electronic file on the diskette. Each diskette should contain only one party's pleadings, preferably in a single electronic file. In addition, parties must send copies to the Commission's copy contractor, International Transcription Service, Inc., 1231 20th Street, N.W., Washington, D.C. 20037.

FOR FURTHER INFORMATION CONTACT: Sharon Webber, Attorney, Common Carrier Bureau, Accounting Policy Division, (202) 418–7400 or Adrian Wright, Common Carrier Bureau, Accounting Policy Division, (202) 418–7400.

SUPPLEMENTARY INFORMATION: This is a summary of the Commission's document released on July 15, 1998. The full text of this document and the Plan are available for public inspection during regular business hours in the FCC Reference Center, Room 239, 1919 M Street, N.W., Washington, D.C., 20554. An electronic copy of the complete plan of reorganization also may be found on the Commission's Universal Service Web Page at <www.fcc.gov/ccb/universal_service/usacjuly.pdf>.

Background

1. In connection with supplemental appropriations legislation enacted on May 1, 1998, Congress requested that the Commission propose a single entity to administer the support mechanisms for schools and libraries and rural health care providers. In its *Report to Congress*, the Commission proposed to merge the Schools and Libraries Corporation (SLC) and the Rural Health Care Corporation (RHCC) into the Universal Service Administrative Company (USAC) as the single entity responsible for administering the universal service support mechanisms for schools, libraries and rural health care providers by January 1, 1999. The Commission indicated that USAC, SLC and RHCC would be required jointly to prepare and submit a plan of reorganization, for approval by the Commission.

2. On July 1, 1998, SLC, RHCC and USAC filed a Report and Proposed Plan of Reorganization (Plan) for revising the administrative structure of the federal universal service support mechanisms. RHCC filed a Separate Statement of the Rural Health Care Corporation and Request for Three Changes in the Plan (RHCC Statement), proposing certain modifications to the Plan. In this document, we seek comment from interested parties on issues raised by the Plan and the RHCC Statement. We also seek comment on other issues regarding the administration of the federal universal service support mechanisms, including processes for Commission review of actions by USAC, RHCC and SLC, divestiture of USAC from the National Exchange Carrier Association (NECA), and compensation limitations.

Issues for Comment

Revised Administrative Structure

3. USAC, SLC, and RHCC have proposed a plan to merge SLC and RHCC into USAC as the single entity responsible for administering the universal service support mechanisms for schools, libraries and rural health care providers by January 1, 1999. As described more fully in the Plan, USAC would consist of three divisions—the High Cost & Low Income Division, the Schools and Libraries Division, and the Rural Health Care Division. The current USAC Board consists of seventeen members representing a cross-section of industry and beneficiary interests. Under the revised administrative structure, the USAC Board of Directors (the Board) would consist of seventeen