

February 3, 2000

VIA ELECTRONIC FILING

Magalie Roman Salas, Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

RE: *Ex Parte* Presentation in CC Docket Nos. 94-1, 96-45, 99-249 and 96-262

Dear Ms. Salas:

This letter is being filed in compliance with the Commission's *Ex Parte* rules, 47 C.F.R. § 1.1200 *et seq.*

On February 2, 2000, representatives of Citizens Utilities Company met with Dorothy Attwood of Chairman Kennard's office for the purpose of making an *ex parte* presentation in CC Docket Nos. 94-1, 96-45, 99-249 and 96-262 regarding the CALLS proposal. The Citizens representatives present at the meeting were Wayne Lafferty, Amy Gilchrist, Michael Shultz, and Robert Caprye.

During the meeting, Citizens presented a written handout (copy attached) and discussed issues related to the CALLS proposal and the price cap X-factor. Citizens made the following points which heretofore had not been addressed in the record.

- Citizens operational differences, experience, and TFP study results support an X-factor differential.
- Overall, Citizens supports the CALLS proposal because it is a comprehensive approach that balances the interests of all parties involved, moves toward a more appropriate rate design, and provides stability for five years.

- Concerns about the impact of the CALLS proposal on low-volume users is more of a universal service issue than a rate re-balancing issue. Pass through by IXC's of access charge reductions, however, will have the effect of reducing costs to consumers.
- Citizens is rolling out xDSL service and is committed to bringing advanced services to rural customers. Regulatory instability, however, is not conducive to such investment. Advanced services should create opportunities for growth.

Sincerely,

Robert C. Caprye
Manager, Regulatory Affairs