

1400 16th Street, N.W.
Suite 500
Washington, DC 20036
(202) 432-5922 office
(202) 483-9277 fax
dtettelba@fcc.gov e-mail

ORIGINAL

RICHARD M. TETTELBAUM Associate General Counsel

DOCKET FILE COPY ORIGINAL



May 26, 2000

RECEIVED
MAY 26 2000
FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Magalie Roman Salas, Secretary
Federal Communications Commission
Room TW A-325
445 Twelfth Street, S.W.
Washington, DC 20554

Re: Petition of Certain Subsidiaries of Citizens Utilities Company
For Waiver of Sections 64.100, *et seq.*, of the Commission's
Rules, CC Docket No. 94-129

Dear Ms. Salas:

On April 14, 2000, Citizens Utilities Company, on behalf of certain subsidiaries, filed a petition for waiver of Sections 64.1100, *et seq.* of the Commission's Rules in a transaction related to the acquisition of multiple local exchange service areas from certain GTE Incumbent Local Exchange Carriers ("ILEC") subsidiaries. In effect, the transaction, when approved by the requisite regulatory authorities, will result in the substitution of Citizens' ILEC subsidiaries for GTE ILEC subsidiaries in the affected exchange areas.

On May 15, 2000, Jon Bernstein of the Commission's Accounting Policy Division requested additional information related to the filing. That information is contained in this letter.

At the outset, it should be noted that there are no providers of ubiquitous, if any, competitive residential local exchange services in the subject rural exchange areas. Accordingly, and in contradistinction to the fact situation contained in the Sprint/GTE waiver of the Commission's carrier selection rules contained in the Common Carrier Bureau's Order released March 17, 2000 in DA 00-620 (the "Sprint/GTE Waiver"), the carrier change selection implications in this transaction are limited in scope to those customers that currently subscribe to GTE's intraLATA toll services.

While not contesting the Commission's jurisdiction over "anti-slamming" under Section 258 of the Communications Act of 1934, as amended, Citizens notes that the states that have to approve the underlying transfer transactions have concurrent jurisdiction over intrastate carrier selection procedures. The Public Service Commission, for example, has already exercised its concurrent jurisdiction in this regard by its finding, in approving the Citizens/GTE transaction in that State, that Nebraska's "anti-slamming" statute is not even implicated because there will be no "change in service to the affected customers except with respect to the legal entity that

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provides service.” See paragraph 14 of the Findings and Conclusions of the Nebraska Public Service Commission, *In the Matter of the acquisition from GTE Midwest Incorporated of certain telephone exchanges by Citizens Telecommunications Company of Nebraska*, Application No. C-2148, entered April 5, 2000, a copy of which is appended as Attachment 1 hereto.

Citizens’ Petition states, at pages 2 and 3, that the affected customers, at the time of filing, had been notified of the underlying transaction, and would, in a later “welcome” letter, receive additional information.

Attachment 2 hereto is a copy of a representative GTE § 214 application that contains a copy of the initial notice to the affected customers. GTE filed substantially the same § 214 application in relation to the underlying transactions in Illinois, Nebraska, Minnesota, California, and Arizona. Further, GTE sent customer notices in substantially the form included in Attachment 2, as follows:

State	Number of Customers	Mailed in Cycle:
IL	106,850	1/25/00 – 2/22/00
NE	54,200	11/25/99 – 12/22/99
MN	130,000	1/25/00 – 2/22/00
CA	36,000	1/25/00 – 2/22/00
AZ	8,600	1/25/00 – 2/22/00

Upon consummation of each state sale, a “welcome” letter will be sent to each customer containing carrier selection language in substantially the form contained in Attachment 3 hereto. The Attachment 3 welcome letter includes all information listed in paragraph 8 of the Sprint/GTE Waiver.

The initial notice to the affected customers, an example of which is included in Attachment 2, does not contain all information listed in paragraph 8 of the Sprint/GTE Waiver. Those initial notices were dispatched well before the Sprint/GTE Waiver decision was issued. Accordingly, engaging in a “two-step” customer notification process of the type specified in the Sprint/GTE Waiver at this time would be prohibitively expensive in that a whole new round of initial letters would be necessary. Further, the Nebraska transaction is scheduled to close on June 30, 2000 and the state’s Commission has already passed upon the anti-slamming issue as it pertains to intraLATA toll; sending out another initial notification in time in that state would be logistically difficult, if not impossible, and would serve no useful purpose.

The proposed welcome letter contains a proposal that should ameliorate any concern about the initial notifications’ incomplete compliance with the post-notification Sprint/GTE Waiver decision. In that letter, Citizens offers to waive PIC change charges for switching away from Citizens’ intraLATA toll during a 30 day period after consummation of a transaction. This “fresh look” offering actually provides the affected customers with a benefit they would not enjoy if the two-step process could have been fully complied with.

May 26, 2000
Page 3

Please direct any questions or requests for additional information to the undersigned.

Yours very truly,

A handwritten signature in black ink, appearing to read 'RMT', followed by a long horizontal line that ends in a small loop.

Richard M. Tettelbaum

cc: Jon Bernstein
Gail Polivy, Esquire
Aloa Stevens

Attachment 1

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the) Application No. C-2148
acquisition from GTE Midwest)
Incorporated of certain) FINDINGS AND CONCLUSIONS
telephone exchanges by)
Citizens Telecommunications)
Company of Nebraska.) Entered: April 5, 2000

APPEARANCES:

Citizens Telecommunications Company of Nebraska: Paul M. Schudel Woods & Aitken 206 South 13th St., Su.1500 Lincoln, NE 68508 and Susan M. Mikes Citizens Utilities Company Three High Ridge Park Stamford, Connecticut 06905	GTE Midwest Incorporated: Paul M. Schudel Woods & Aitken 206 South 13th St., Su.1500 Lincoln, NE 68508 Commission Staff: Mike Loeffler 300 The Atrium, 1200 N St. P.O. Box 94927 Lincoln, NE 68509-4927
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BY THE COMMISSION:

O P I N I O N A N D F I N D I N G S

By joint application filed October 27, 1999, GTE Midwest Incorporated (GTE) and Citizens Telecommunications Company of Nebraska (Citizens) seek approval of the purchase by Citizens from GTE of GTE's Nebraska telephone exchanges, as identified in Exhibit A attached hereto, and assets associated therewith (the Exchanges), the issuance of a certificate of convenience and necessity to Citizens to provide basic local exchange service and intraLATA interexchange service to customers located in the exchanges, and to grant Citizens eligible telecommunications carrier (ETC) status pursuant to 47 U.S.C. § 214(c).

Notice of the filing of the joint application was published in The Daily Record on October 29, 1999, pursuant to the Rules of the Commission, and a letter of notification was provided to interested parties on November 1, 1999.

A protest of the joint application was filed by AT&T Communications of the Midwest, Inc. and AT&T Local Services (together, AT&T) on November 29, 1999. A Prehearing Conference Order was entered in this matter on February 15, 2000, which addressed a number of procedural matters relating to this docket and also approved a stipulation entered between AT&T, Citizens, the Nebraska Universal Service Fund and the Communications Department of the Commission. Based upon the terms of the stipulation, AT&T filed a motion to withdraw its protest which was granted by an order entered by the Commission on February 23, 2000.

Public hearings on the joint application were held on March 2, 2000, in Kearney, Nebraska, and on March 3, 2000, in Columbus, Nebraska. Appearances were as shown above.

F I N D I N G S

1. The Commission finds that GTE is a common carrier currently engaged in the provision of telecommunications services in Nebraska and is subject to the jurisdiction of this Commission. Citizens is not now engaged in the provision of telecommunications services in Nebraska, but seeks certification to commence the provision of such services under the jurisdiction of this Commission upon the closing of the purchase of the exchanges from GTE.

2. On September 21, 1999, GTE and Citizens Utilities Company (CUC) entered into an asset purchase agreement pertaining to the exchanges (the Agreement). A true and correct copy of the agreement has been provided to the Commission on a proprietary and confidential basis for review by the Commission and its staff. Pursuant to the terms of the agreement, CUC will assign its rights under the agreement to Citizens prior to closing the purchase of the exchanges.

3. In accordance with the terms of the agreement, GTE proposes to sell and transfer control of the exchanges to CUC. The transaction described in the agreement has received the necessary corporate approvals of GTE and CUC.

4. Mr. Brian W. McCormick, Regulatory Director-Property Repositioning of GTE, appeared before the Commission and testified in this matter. Mr. McCormick explained that the purpose of GTE's repositioning initiative is to create greater efficiencies in operations and higher growth opportunities for GTE. A number of factors were analyzed prior to reaching a determination that the exchanges should be offered for sale. Mr. McCormick stated that CUC was selected as the buyer of the exchanges because it provides local exchange service primarily in rural exchanges located in 13 states consisting of approximately one million lines, is experienced in the provision of telecommunications services and is well qualified to serve the exchanges. Current GTE employees serving the exchanges will become employees of Citizens upon the closing of the sale. Mr. McCormick stated his opinion that the proposed transaction is in the public interest based upon CUC's proven capabilities in serving rural exchanges, Citizens' commitment to provide excellent customer service to rural exchanges, and Citizens' intention to serve the customers in the exchanges at current rates with the same commitments that GTE has made.

5. Mr. F. Wayne Lafferty, Vice President, Regulatory and Government Affairs of CUC, and Vice President, Regulatory and Government Affairs of Citizens, also appeared before the Commission

to testify in this matter. Mr. Lafferty stated that CUC, through its subsidiaries, has provided telephone service since 1935, currently operates as an incumbent local exchange carrier in 13 states, and owns 83 percent of Electric Lightwave, Inc., a full-service, facilities-based competitive local exchange carrier. Mr. Lafferty confirmed the accuracy of the contents of the joint application, with minor clarifications. Approximately 60,000 access lines are included in the exchanges proposed to be acquired from GTE. Mr. Lafferty explained that the decision of CUC to purchase the exchanges is a part of the revised strategic vision of CUC to increase its telecommunications operations, and to concentrate its operations in small and medium-sized cities.

6. Mr. Lafferty described CUC's and Citizens' technical, managerial and financial qualifications. Citizens will have access to management resources of its affiliated companies for planning, marketing, network, service development, provisioning and delivery and legal and regulatory assistance. CUC's, and thus, Citizens' initial funding of the acquisition of the exchanges will be provided from cash and investment portfolio or from short-term borrowing. The financial condition of CUC is presented in its 1998 Annual Report and June 30, 1999, Form 10-Q (both attached to the joint application) and its September 30, 1999, Form 10-Q presented with Mr. Lafferty's prepared testimony. Citizens' technical capabilities are derived from CUC's operation of the existing telecommunications properties by its affiliated companies for the past 65 years and currently in 13 states.

7. Mr. Lafferty also described the impact of the proposed transaction on current GTE customers. No changes in local service are proposed. Citizens intends to adopt GTE's Transition Plan approved by this Commission in Application No. C-1628, subject to the provisions of the stipulation approved by the Commission in this docket on February 15. Citizens will adopt GTE's tariffs pertaining to local exchange and intraLATA interexchange service. Customers have received information concerning the transaction, and will receive additional information concerning the transition from GTE to Citizens service. Citizens also provided to this Commission a schedule of public meetings to be conducted related to the sale. It is understood by the Commission that at these public forums, interested and concerned GTE/Citizens subscribers will be able to ask questions and obtain information about the sale.

8. Also, Mr. Lafferty testified that Citizens intends to negotiate interconnection agreements with all telecommunications service providers that currently have agreements with GTE. If such agreements cannot be negotiated prior to closing of the transaction, the existing GTE agreement with the provider will continue until a new agreement has been negotiated and submitted to the Commission for approval.

9. Upon questioning by the Commission, officers of both GTE and Citizens stated that they were not offering interconnection agreements which contained provisions that Citizens could unilaterally terminate such interconnection agreements with 90-day notice. They went on to say that such a unilateral short-term termination clause was contrary to corporate policy regarding interconnection agreements in which they would enter.

10. Citizens seeks designation by this Commission as an ETC. GTE has been so designated in the exchanges. The Commission finds that Citizens meets all requirements for designation as an ETC and shall, upon closing of the purchase of the exchanges, be so designated in the exchanges in accordance with federal law and the Commission rules.

11. Mr. John J. Lass, Vice President and General Manager, Central Region of Citizens, offered testimony concerning Citizens' customer service and the planned transition of service from GTE to Citizens in the exchanges. Operations offices will be located in Columbus and Kearney to serve the exchanges. Mr. Lass outlined procedures for customers to obtain assistance with service orders, billing inquiries and other customer inquiries. GTE employees currently working in Nebraska will be transferred to Citizens at closing. Transition plans and procedures were outlined by Mr. Lass. Evaluations are currently in process by Citizens to formulate plans for modernization and updating of network and switching facilities.

12. Based upon the evidence in the record, the Commission finds that the sale by GTE, and the purchase by Citizens of the exchanges, is of advantage to the persons to whom service is currently being rendered by GTE, that the terms of such purchase and sale as described in the Agreement are fair and reasonable, that the proposed transaction is in the public interest and should be approved by the Commission.

13. The Commission finds that GTE has already provided notification to customers in the exchanges of GTE's plan to sell the exchanges to Citizens. In addition, Mr. McCormick has advised the Commission that GTE will provide a further notice to these customers at least 30 days prior to the closing of the sales of the exchanges to Citizens. Based upon the evidence offered, the Commission finds that GTE has satisfied, or will prior to closing of the purchase of the exchanges by Citizens, satisfy the requirements of Neb. Rev. Stat. § 86-806 (Reissue 1999) relating to discontinuation of service.

14. The Commission is mindful of the existence of the Telephone Consumer Slamming Prevention Act, Neb. Rev. Stat. §§ 86-1901 to 86-1911 (1999 Supp.) (the Anti-Slamming Act), and that the closing of the sale of the exchanges by GTE to Citizens will, strictly speaking, result in a change of local service and intraLATA interexchange service provider to the customers located

in the exchanges. However, the Commission finds that the Anti-Slamming Act is not applicable to this transaction, nor would the policy considerations that underlie the Anti-Slamming Act be served by its application to this transaction for the following reasons: (a) This transaction is subject to the comprehensive regulatory procedures set forth in Rule 002.26, Chapter 5, Title 291 as described above, and to the specific statutory requirements of Neb. Rev. Stat. § 75-604 (1999 Supp.) relating to the issuance of a certificate of public convenience and necessity to serve the exchanges, such procedures designed to insure that this Commission finds that this transaction is of advantage to customers served and in the public interest prior to granting approval; (b) this transaction is also subject to 47 U.S.C. § 214 and Neb. Rev. Stat. § 86-806 (Reissue 1999), both of which require that notice be given to customers in the exchanges advising of the discontinuation of service by GTE and the continuation of service to the customers by Citizens (the record demonstrates that GTE and Citizens either have complied with or are committed to comply with the requirements of these sections); and (c) as the purchaser and successor in interest to the GTE facilities and personnel serving the customers in the exchanges, Citizens will not represent any change in service to the customers except with respect to the legal entity that provides such service.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that this joint application No. C-2148 be, and it is hereby granted, and that GTE is authorized to sell and transfer, and Citizens is authorized to acquire the exchanges, and the operating assets and properties associated therewith in accordance with the terms of the agreement.

IT IS FURTHER ORDERED that this order be, and it is hereby, made the Commission's official Certificate of Public Convenience and Necessity granted to Citizens to provide telecommunications services, including basic local exchange service and intraLATA interexchange service to customers located in the exchanges, and to the service areas comprising each of the exchanges.

IT IS FURTHER ORDERED that Citizens meets all requirements for designation as an ETC and shall, upon closing of the purchase of the exchanges, be so designated in the exchanges.

IT IS FURTHER ORDERED that upon completion of written notification by GTE to the customers in the exchanges provided at least 30 days prior to the closing of the sale of the exchanges to Citizens, GTE shall have complied with the requirements of Neb. Rev. Stat. § 86-806 (Reissue 1999), and the Commission thereupon approves the discontinuation of service by GTE to customers in the exchanges.

IT IS FURTHER ORDERED that the Anti-Slamming Act is not applicable to this transaction, nor would the policy considerations that underlie the passage of the Anti-Slamming Act be served by its application to this transaction.

IT IS FURTHER ORDERED that Citizens comply with Section 251(f)(1)(B) of the Telecommunications Act of 1996 and that the Applicant submit any bona fide request(s) for interconnection, services or network elements from a rural telephone company to the Commission for its approval.

IT IS FURTHER ORDERED that Citizens is obligated to abide by the same laws, rules and regulations, both federal and state (including any laws, rules or regulations regarding universal service, restrictions on joint marketing and quality of service), applicable to any other local exchange carriers, except obligations imposed on incumbent local exchange carriers pursuant to Section 251(c) of the Act.

IT IS FURTHER ORDERED that, to the extent Citizens provides access line service as referenced in the Telecommunications Relay System Act, Neb. Rev. Stat. §§ 86-1302 to 86-1306 (Relay Act) and defined in Neb. Admin. R. & Reg. Title 291, ch. 5 § 001.01B, Citizens shall collect from its subscribers a surcharge (Relay Surcharge) pursuant to the Relay Act and the Commission's annual orders establishing the amount of the surcharge, and shall remit to the Commission the proceeds from the Relay Surcharge as provided by the Relay Act.

IT IS FURTHER ORDERED that Citizens comply with all necessary statutes and Commission Rules and Regulations as they pertain to the Nebraska Universal Service Fund.

IT IS FURTHER ORDERED that Citizens shall file, in accordance with the applicable statutes, on or before April 30 of each year, an annual report with the Commission consisting of: (a) a copy of any report filed with the Federal Communications Commission; (b) a copy of any annual report to stockholders; and (c) a copy of the latest Form 10-K filed with the Securities and Exchange Commission. If such reports are unavailable, Citizens shall file a balance sheet and income statement for the previous year of operation, and for the state of Nebraska on a combined interstate-intrastate basis, the investment in the telephone plant and equipment located within the state, accumulated depreciation thereon, operating revenues, operating expenses, and taxes.

IT IS FURTHER ORDERED that upon completion of the acquisition of the exchanges by Citizens, that Citizens shall file with the Commission a tariff, boundary map and price list for each of the exchanges that are being acquired by Citizens.

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

Application No. C-2148

Page 7

IT IS FINALLY ORDERED that this order be, and hereby, is made the Commission's official Certificate of Public Convenience and Necessity to Citizens to provide local exchange telecommunications services in throughout the state of Nebraska.

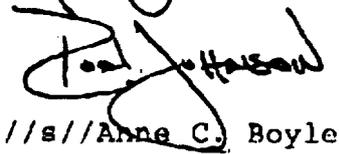
MADE AND ENTERED at Lincoln, Nebraska, this 5th day of April, 2000.

NEBRASKA PUBLIC SERVICE COMMISSION:

COMMISSIONERS CONCURRING:


Vice Chairman


Vice Chairman


//s//Anne C. Boyle

ATTEST:


Executive Director

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the joint) Application No. C-2148
 application seeking authority)
 for approval of acquisition) STIPULATION
 from GTE Midwest Incorporated,)
 Kearney, of its Nebraska)
 telephone exchanges and assets)
 by Citizens Telecommunications)
 Company of Nebraska, Stamford,)
 Connecticut.)

The Nebraska Universal Service Fund Director (hereinafter, the NUSF Director), the Communications Department Director (hereinafter, the Communications Director) of the Nebraska Public Service Commission (hereinafter, the Commission), AT&T Communications of the Midwest, Inc. and AT&T Local Services (hereinafter, AT&T), GTE Midwest Incorporated (hereinafter, GTE) and Citizens Telecommunications Company of Nebraska (hereinafter, Citizens) hereby jointly stipulate and agree as follows for the purpose of this application:

1. The parties enter into this Stipulation for the purpose of providing the Commission with an agreed-upon basis for proceeding with the consideration of the proposed sale of assets by GTE to Citizens, the granting of a Certificate of Public Convenience and Necessity to Citizens in Application No. C-2148 and confirming AT&T's intention to withdraw its protest filed herein. The parties contemplate and agree that the provisions of this stipulation shall be incorporated in the prehearing conference order in this docket (hereinafter, the order).

2. Assuming that the Commission enters the order, the parties agree to be bound by the terms of this stipulation. In the event that the Commission does not enter the order, each party reserves its rights to take such actions as may be deemed necessary or appropriate with regard to Application No. C-2148.

3. If GTE and Citizens consummate the proposed acquisition, and the Commission grants its approval, the Commission agrees to waive any requirements previously placed on GTE to file NUSF transition plans for years two and three. Furthermore, the Commission agrees to grant Citizens an extension of time to file its NUSF transition plan until such time that the proposed exchange purchases have been finalized and the Commission opens a docket and enters an order examining the rural/non-rural classification of Citizens. The parties agree that the Commission, on its own motion, may resolve, or AT&T or Citizens may request that the Commission resolve, the rural or non-rural treatment of these exchanges in another proceeding.

4. Until such time that such classification or treatment has been finally decided by the Commission, Citizens agrees to the following:

A. Citizens agrees to abide by all terms and conditions contained in Commission NUSF orders in regard to the GTE properties.

B. Citizens agrees to not increase access charges in the exchanges that are being purchased from GTE.

C. Citizens agrees not to request any additional funds from the Nebraska Universal Service Fund (NUSF) in excess of the amount originally requested by GTE.

D. Citizens agrees to implement the local rate increases contained within GTE's filed transition plan. Such action will result in Citizen's local rate prices reaching the Commission adopted benchmark prices by September 1, 2000.

5. AT&T agrees to withdraw its protest of this application by February 18, 2000, provided that the prehearing conference order to which this stipulation is attached is entered by the Commission on February 15, 2000.

Dated this 14th day of February, 2000.

THE NEBRASKA UNIVERSAL SERVICE FUND
OF THE NEBRASKA PUBLIC SERVICE
COMMISSION

BY *Jeffrey L. Pursley*
Jeffrey L. Pursley, Director
Nebraska Universal Service Fund
300 The Atrium, 1200 N Street
Lincoln, NE 68509-4927
402-471-3101

COMMUNICATIONS DEPARTMENT OF THE
THE NEBRASKA PUBLIC SERVICE
COMMISSION

BY *Maurice Gene Hand*
Maurice Gene Hand, Director
Communications Department
300 The Atrium, 1200 N Street
Lincoln, NE 68509-4927
402-471-3101

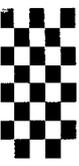
AT&T COMMUNICATIONS OF THE MIDWEST,
INC. AND AT&T LOCAL SERVICES

BY Rebecca B. DeCook
Rebecca B. DeCook
1875 Lawrence Street, Suite 1575
Denver, CO 80202
303-298-6357
Its Attorney

CITIZENS TELECOMMUNICATIONS COMPANY
OF NEBRASKA AND
GTE MIDWEST INCORPORATED

BY Paul M. Schudel
Paul M. Schudel #13723
Woods & Aitken
206 South 13th Street, Suite 1500
Lincoln, NE 68508
402-474-0321
Its Attorneys

Attachment 2



Post-it* Fax Note	7671	MAY 23 '00 02:17PM
To	Dick Tettelbaum	From G. Polivy
Co./Dept.		Co.
Phone #		Phone # 63-5214
Fax # 202/483-9277		Fax #

Before
FEDERAL COMMUNICATIONS COMMISSION
 Washington, D.C. 20554

In the Matter of:)
)
GTE Midwest Incorporated) File No.: W-P-D-_____
)
 Section 63.71 Application to)
 Discontinue Local Exchange and)
 Exchange Access Service for Certain)
 Exchanges in Nebraska)
)

Section 63.71 Application

Pursuant to Section 214 of the Communications Act of 1934, as amended, 47 U.S.C. §214, and Section 63.71 of the Commission's rules, 47 C.F.R. §63.71, GTE Midwest Incorporated (the "Applicant"), a wholly-owned subsidiary of GTE Corporation, hereby applies to discontinue providing interstate services effective with the sale of certain local exchange properties in Nebraska as described below.

This Application is made in connection with the sale of local exchange-related assets by the Applicant to Citizens Utilities Corporation, (the "Purchaser"). This Application relates to transactions encompassing exchanges in Nebraska listed in Attachment A (the "Exchanges") serving approximately 58,700 access lines. Purchaser will begin to provide service to affected customers simultaneously with the discontinuance of service by the Applicant, so that service will continue in the Exchanges without interruption. Customers will see no changes in their area codes, telephone numbers or local calling areas.

The planned sale of the Exchanges and associated assets will have no known immediate or substantial adverse effect on the service provided to customers in these exchanges in Nebraska. No existing service will be discontinued, reduced or impaired as a result of the sale. In fact, it is expected that service will improve over time as Citizens Utilities Corporation will concentrate on providing telecommunications services to rural communities.

In accordance with the requirements of Section 63.71, the Applicant provides the following information:

(1) Name and address of carrier:

GTE Midwest Incorporated
600 Hidden Ridge, HQE02E13
P.O. Box 152092
Irving, Texas 75015-2092

(2) Date of planned service discontinuance:

The Applicant will discontinue service on the closing date of the sale of Applicant's Exchanges, concurrently with the final transfer of assets to the Purchaser and the commencement of service by the Purchaser. Discontinuance will occur no earlier than June 30, 2000.

(3) Points or geographic areas of service affected:

Nebraska exchanges listed in Attachment A.

(4) Brief description of type of service affected:

Exchange access service associated with local residential and business service.

(5) Brief description of the dates and methods of notice to all affected customers:

A sample copy of the customer notifications sent to affected customers is included as Attachment B to this Application.

(6) Whether the carrier is considered dominant or non-dominant with respect to the service to be discontinued, reduced, or impaired:

The Applicant is considered dominant with respect to this planned service discontinuance.

The Applicant has notified and, concurrently with this filing, is submitting a copy of this Application to: the Governor of Nebraska; the Nebraska Public Service Commission; and the Secretary of Defense, Attn: Special Assistant for Telecommunications, Pentagon, Washington, D.C. 20301.

Payment in the amount of \$780.00, along with FCC Form 159, was transmitted to the Federal Communications Commission, Common Carrier Network Services, P.O. Box 358145, Pittsburgh, PA. 15251-5145, for delivery this date.

An original and 5 copies of this Application are enclosed for filing. To acknowledge receipt, please stamp and return one copy of this Application enclosed for that purpose. Please contact Darlene Richeson, GTE Service Corporation, at (202) 463-5294 or Gail Polivy, GTE Service Corporation, at (202) 463-5214 with any inquiries concerning this Application.

Respectfully submitted:



William M. Edwards, III
Vice President
GTE Midwest Incorporated

December 28, 1999

ATTACHMENT A**LISTING OF EXCHANGES FOR NEBRASKA
AS OF NOVEMBER 1999**

STATE	OFFICE
NE	ALBION
NE	ALMA
NE	AMHERST
NE	BATTLE CREEK
NE	BEAVER CITY
NE	BERTRAND
NE	BLOOMINGTON
NE	BRUNSWICK
NE	COLUMBUS
NE	DUNCAN
NE	EDISON
NE	FRANKLIN
NE	GENOA
NE	GREELEY
NE	HEARTWELL
NE	HILDRETH
NE	KEARNEY 1
NE	KEARNEY 2
NE	LEIGH
NE	LINDSAY
NE	MADISON
NE	MILLER
NE	MONROE
NE	NAPONEE
NE	NELIGH
NE	NEWMAN GROVE
NE	ORCHARD
NE	ORD
NE	ORLEANS
NE	PALMER
NE	PLATTE CENTER
NE	PLEASANTON
NE	REPUBLICAN CITY
NE	RIVERDALE
NE	STAMFORD
NE	SUMNER
NE	TILDEN
NE	WILSONVILLE

ATTACHMENT B

CONSUMER ALERT!

You're getting a new local service provider.

GTE has agreed to sell all of its Nebraska telephone properties to Citizens Utilities Corporation next year, which means you will have a new local service provider. After the sale, your local service will be provided by Citizens. Don't worry_your service won't be interrupted. GTE will continue to provide local phone service at current rates through the closing of the deal.

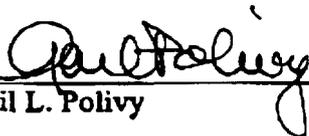
The Federal Communications Commission will normally authorize this proposed discontinuance of service unless it is shown that customers would be unable to receive service or a reasonable substitute from another carrier_or that public convenience and necessity is otherwise adversely affected. If you wish to object, you should file your comments within 30 days after receipt of this notice to:

**Federal Communications Commission
Ref: GTE Section 63.71 Application
Washington, DC 20554**

Comments should include specific information about the impact of this proposed discontinuance on you or your company, including any inability to acquire reasonable substitute service.

Certificate of Service

I, Gail L. Polivy, do hereby certify that on this 28th day of December, 1999, I have caused a copy of the foregoing **SECTION 63.71 APPLICATION** to be served, via hand delivery or first class United States Mail, postage prepaid, upon the persons listed on the attached service list


Gail L. Polivy

***Lawrence E. Strickling**
Federal Communications Commission
Room 5C-345
Portals II
445 12th Street, S.W.
Washington, DC 20554

***L. Charles Keller**
Chief, Network Services Division
Common Carrier Bureau
Federal Communications Commission
Room 6A-207
Portals II
445 12th Street, S.W.
Washington, DC 20554

***Marty Schwimmer**
Federal Communications Commission
Room 6A-336
Portals II
445 12th Street, S.W.
Washington, DC 20554

William S. Cohen
U.S. Secretary of Defense
**Attn. Special Assistant for
Telecommunications**
The Pentagon
Washington, DC 20301

Hon. Mike Johanns
Office of the Governor
P.O. Box 94848
Lincoln, NE 68509

Nebraska Public Service Commission
300 The Atrium
1200 N Street
P.O. Box 94927
Lincoln, NE 68509-4927

Wes Youmans
Citizens Utilities Corp.
P.O. Box 251209
Plano, TX 75025

***International Transcription
Services, Inc.**
1231 20th Street, N.W.
Washington, DC 20036

***hand delivered**

Attachment 3

Citizens Long Distance

Stay in touch across town and across the world!

LOCAL TOLL SERVICE

If in the past you used "GTE" to make local toll calls, a similar service will be provided for you by Citizens Communications. You have the right to switch your local toll service to the carrier of your choice. If you choose to remain with Citizens for your local toll service, you will receive that service at rates, terms and conditions at least as good as those GTE provided. If you decide to change your local toll service from Citizens to another provider, Citizens will waive applicable switching fees for 30 days following the date Citizens begins to provide service.

NON-LOCAL TOLL SERVICE

If you receive non-local long distance service from AT& T, MCI, Sprint, Excel, Vartec, Worldcom, GTE Long Distance, or Citizens Long Distance, there will be no change in your non-local long distance billing.

BILLING ARRANGEMENTS

If you use a long distance carrier that is not listed above, you may notice an unfamiliar company name in the long distance portion of your Citizens Communications bill. This quite simply is the company your long distance carrier uses to manage its billing.

If you currently pay your phone bill by bank draft your transition to Citizens Communications should be seamless. If you experience any difficulty please feel free to contact Citizens.

Citizens Communications will gladly accept payment from "Internet-based" payment services. However, you will be responsible for making arrangements with the service.

Citizens Communications would like to assure you that there would be no interruption of long distance service. All customers will be switched free of charge.



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www.citizenscommunications.com