

MAIL ROOM

Before the
Federal Communications Commission
Washington, D.C. 20554

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In the Matter of)
)
Citizens Utilities Rural Company, Inc.)
)
and)
)
Qwest Corporation)
)
Joint Petition for Waiver of the)
Definition of "Study Area" Contained)
in the Part 36 Appendix-Glossary)
of the Commission's Rules)

CC Docket No. 96-45 /

ORDER

Adopted: June 28, 2001

Released: June 29, 2001

By the Deputy Chief, Common Carrier Bureau:

I. INTRODUCTION

1. In this Order, we deny as filed and grant as described herein a request from Citizens Utilities Rural Company, Inc. (Citizens) and Qwest Corporation (Qwest) for a waiver of the definition of "study area" contained in the Part 36 Appendix-Glossary of the Commission's rules.¹ This waiver will permit Qwest to remove from its Arizona study area 38 telephone exchanges comprising approximately 158,000 access lines, including approximately 300 access lines that are served by the Page, Arizona exchange and are physically located in Utah. The waiver also will permit Citizens to alter the boundaries of its existing study area in Arizona to include the 38 exchanges it intends to acquire from Qwest.

II. DISCUSSION

A. Background

2. Study Area Boundaries. A study area is a geographic segment of an incumbent local exchange carrier's (LEC's) telephone operations. Generally, a study area corresponds to an incumbent LEC's entire service territory within a state. Thus, incumbent LECs operating in more than one state typically have one study area for each state. The Commission froze all study area boundaries effective November 15, 1984,² and an incumbent LEC must apply to the Commission for a waiver of the study

¹ Citizens Utilities Rural Company, Inc. and Qwest Corporation, Joint Petition for Waivers of the Definition of "Study Area" Contained in Part 36, Appendix - Glossary of the Commission's Rules (filed Dec. 20, 2000) (Petition).

² 47 C.F.R. § 36 app. (defining "study area"). See *MTS and WATS Market Structure, Amendment of Part 67 of the Commission's Rules and Establishment of a Joint Board*, CC Docket Nos. 78-72, 80-286, Recommended Decision and Order, 49 Fed. Reg. 48325 (1984); Decision and Order, 50 Fed. Reg. 939 (1985); see also *Amendment of Part 36 of the Commission's Rules and Establishment of a Joint Board*, CC Docket No. 80-286, Notice of Proposed Rulemaking, 5 FCC Rcd 5974 (1990).

area boundary freeze if it wishes to sell or purchase additional exchanges.

3. *Transfer of Universal Service Support.* Section 54.305 of the Commission's rules provides that a carrier acquiring exchanges from an unaffiliated carrier shall receive the same per-line levels of high-cost universal service support for which the acquired exchanges were eligible prior to their transfer.³ For example, if a rural carrier purchases an exchange from a non-rural carrier that receives support based on the Commission's new universal service support mechanism for non-rural carriers,⁴ the loops of the acquired exchange shall receive the same per-line support as calculated under the new non-rural mechanism, regardless of the support the rural carrier purchasing the exchange may receive for any other exchanges.⁵ Section 54.305 is meant to discourage carriers from transferring exchanges merely to increase their share of high-cost universal service support, especially during the Commission's transition to universal service support mechanisms that provide support to carriers based on the forward-looking economic cost of operating a given exchange.⁶ High-cost support mechanisms currently include non-rural carrier forward-looking high-cost support,⁷ interim hold-harmless support for non-rural carriers,⁸ rural carrier high-cost loop support,⁹ local switching support,¹⁰ and Long Term Support (LTS).¹¹ To the

³ 47 C.F.R. § 54.305.

⁴ On November 2, 1999, the Commission released two orders finalizing implementation plans for high-cost reform for non-rural carriers. *Federal-State Joint Board on Universal Service*, Ninth Report and Order and Eighteenth Order on Reconsideration, CC Docket No. 96-45, FCC 99-306 (rel. Nov. 2, 1999); *Federal-State Joint Board on Universal Service: Forward-Looking Mechanism for High Cost Support for Non-Rural LECs*, CC Docket Nos. 96-45, 97-160, Tenth Report and Order (rel. Nov. 2, 1999). The new mechanism, which went into effect on January 1, 2000, does not apply to rural carriers. The new mechanism for non-rural carriers directs support to carriers based on the forward-looking economic cost of operating a given exchange. See 47 C.F.R. § 54.309. The Commission's forward-looking methodology for calculating high-cost support for non-rural carriers targets support to states where the statewide average forward-looking cost per line exceeds 135 percent of the national average forward-looking cost. See *id.* The total amount of support directed to non-rural carriers in a high-cost state equals 76 percent of the amount the statewide average forward-looking cost per line exceeds the national cost benchmark, multiplied by the number of lines served by non-rural carriers in the state. Carriers serving wire centers with an average forward-looking cost per line above the national cost benchmark shall be eligible to receive support. The amount of support provided to a non-rural carrier serving a particular wire center depends on the extent to which per-line forward-looking economic costs in that wire center exceed the national cost benchmark.

⁵ See *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Report and Order, 12 FCC Rcd 8776, 8942-43 (1997) (*First Report and Order*); as corrected by *Federal-State Joint Board on Universal Service*, Errata, CC Docket No. 96-45, FCC 97-157 (rel. June 4, 1997), *affirmed in part, reversed in part and remanded in part sub nom. Texas Office of Public Utility Counsel v. FCC*, 183 F.3d 393 (5th Cir. 1999).

⁶ *Id.*

⁷ See 47 C.F.R. § 54.309.

⁸ In the event that support provided to a non-rural carrier in a given state is less under the forward-looking methodology, the carrier is eligible for interim hold-harmless support, which is equal to the amount of support for which the non-rural carrier would have been eligible under the Commission's existing high-cost support mechanism. See 47 C.F.R. § 54.311.

⁹ Rural carriers receive high-cost loop support when their reported average cost per loop exceeds the nationwide average loop cost. See 47 C.F.R. §§ 36.601-36.631.

extent that a carrier acquires exchanges receiving any of these forms of support, the acquiring carrier will receive the same per-line levels of support for which the acquired exchanges were eligible prior to their transfer. Under the Commission's revised rural carrier high-cost loop support mechanism, however, rural carriers may be eligible to receive additional support for new investments in acquired exchanges.¹²

4. As described in the Commission's order adopting an integrated interstate access reform and universal service proposal put forth by the members of the Coalition for Affordable Local and Long Distance Service (CALLS), beginning July 1, 2000, if a price cap LEC acquires exchanges from another price cap LEC, the acquiring carrier will become eligible to receive interstate access universal service support for the acquired exchanges.¹³ In accordance with section 54.801 of the Commission's rules, the acquiring price cap LEC will receive interstate access universal service support at the same level as the selling price cap LEC formerly received, and both carriers will adjust their line counts accordingly beginning with the next quarterly report to the fund Administrator.¹⁴ Carriers also are required to report their adjusted average common line, marketing, and transport interconnection charge (CMT) revenue per line per month¹⁵ for the affected study areas in accordance with the Commission's rules.¹⁶ Per-line amounts of interstate access universal service support for the acquired exchanges may change as a result of the revised CMT revenue filings. Because the interstate access universal service support mechanism is capped at \$650 million, individual transactions will not increase its overall size.¹⁷

(Continued from previous page)

¹² Incumbent LECs that are designated eligible telecommunications carriers and serve study areas with 50,000 or fewer access lines receive support for local switching costs. 47 C.F.R. § 54.301. Local switching support enables participants to assign a greater proportion of local switching costs to the interstate jurisdiction.

¹³ Carriers that participate in the NECA common line pool are eligible to receive LTS. See 47 C.F.R. § 54.303. LTS supports interstate access rates for carriers that are members of the NECA pool, by reducing the amount of interstate-allocated loop costs that such carriers must recover through carrier common line charges. See *First Report and Order*, 12 FCC Red at 9163-9165.

¹⁴ See *Federal-State Joint Board on Universal Service, and Multi-Association Group (MAG) Plan for Regulation of Interstate Services of Non-Price Cap Incumbent Local Exchange Carriers and Interexchange Carriers, Fourteenth Report and Order, Twenty-Second Order on Reconsideration, and Further Notice of Proposed Rulemaking in CC Docket No. 96-45, and Report and Order in CC Docket No. 00-256*, FCC 01-157, at paras. 48-53 (rel. May 23, 2001) (*Fourteenth Report and Order*), as corrected by Errata, CC Docket Nos. 96-45, 00-256 (Acc. Pol. Div. rel. Jun. 1, 2001).

¹⁵ See *Access Charge Reform*, Sixth Report and Order in CC Docket No. 96-262 and 94-1, Report and Order in CC Docket No. 99-249, Eleventh Report and Order in CC Docket No. 96-45, FCC 00-103, at para. 225 (rel. May 31, 2000) (*Interstate Access Universal Service Order*). We note that if a non-price cap LEC acquires exchanges from a price-cap LEC, per-line interstate access universal service support will not transfer. Section 54.801 of the Commission's rules states that, if "all or a portion of a study area served by a price cap LEC is sold to an entity other than a price cap LEC, . . . then the support that would otherwise be provided under this subpart, had such study area or portion thereof not been sold, will not be distributed or collected." 47 C.F.R. § 54.801(b).

¹⁴ See 47 C.F.R. § 54.801(d).

¹⁵ Price Cap CMT Revenue is defined as the maximum total revenue a filing entity would be permitted to receive from End User Common Line charges under section 69.152, Presubscribed Interexchange Carrier charges under section 69.153, Carrier Common Line charges under section 69.154, and Marketing under section 69.156, using Base Period lines. See 47 C.F.R. § 69.3(cc). Price Cap CMT Revenue does not include LEC universal service contributions as of July 1, 2000 or Local Switching Pooled Revenue outlined in section 69.3(bb).

¹⁶ See 47 C.F.R. § 54.802.

¹⁷ See 47 C.F.R. § 54.801(a); see also *Interstate Access Universal Service Order* at para. 201.

5. *The Petition for Waiver*. Qwest, an incumbent LEC currently serving 2,792,000 access lines in Arizona, entered into an agreement with Citizens, a LEC currently serving 95,000 access lines in Arizona, to sell 38 exchanges totaling approximately 158,000 access lines, located in Qwest's Arizona study area.¹⁸ The proposed transaction also includes the sale of 300 access lines served by the Page, Arizona exchange that are physically located in Utah.

6. On December 20, 2000, Citizens and Qwest filed a joint petition for waiver of the definition of "study area" contained in the Part 36 Appendix-Glossary of the Commission's rules. As filed, the requested waiver would have permitted Qwest to remove the 38 exchanges from its Arizona study area, and would have permitted Citizens to create a new Arizona study area for the acquired exchanges. On January 4, 2001, the Common Carrier Bureau (Bureau) released a public notice seeking comment on the petition.¹⁹ No comments were submitted in response to this public notice.

B. Discussion

7. We find that good cause exists to waive the definition of study area contained in Part 36 Appendix-Glossary of the Commission's rules to permit Qwest to remove the 38 exchanges from its Arizona study area. We also find that good cause exists to grant Citizens' request to waive the definition of study area to the extent that it would permit Citizens to alter the boundaries of its existing study area in Arizona to include the 38 exchanges it intends to acquire from Qwest. We deny Citizens' request, however, to create a new study area in Arizona with the 38 exchanges it intends to acquire from Qwest.

8. Generally, the Commission's rules may be waived for good cause shown.²⁰ As noted by the Court of Appeals for the D.C. Circuit, however, agency rules are presumed valid.²¹ The Commission may exercise its discretion to waive a rule where the particular facts make strict compliance inconsistent with the public interest.²² In addition, the Commission may take into account considerations of hardship, equity, or more effective implementation of overall policy on an individual basis.²³ Waiver of the Commission's rules is therefore appropriate only if special circumstances warrant a deviation from the general rule, and such a deviation will serve the public interest. In evaluating petitions seeking a waiver of the rule freezing study area boundaries, the Commission traditionally has applied a three-prong standard: first, the change in study area boundaries must not adversely affect the universal service fund; second, no state commission having regulatory authority over the transferred exchanges may oppose the transfer; and third, the transfer must be in the public interest.²⁴ We conclude that good cause exists for

¹⁸ Petition at 1-2. See also NECA Universal Service Fund 2000 Submission of 1999 Study Results, filed September 29, 2000. Citizens' parent company, Citizens Utilities Company, currently operates four study areas in Arizona with a combined line count of 161,600 access lines. See Petition at 1-2.

¹⁹ *Citizens Utilities Rural Company, Inc. and Qwest Corporation Seek a Waiver of the Definition of "Study Area" in Part 36 of the Commission's Rules*, Public Notice, DA 01-16 (rel. Jan. 4, 2001).

²⁰ 47 C.F.R. § 1.3.

²¹ *WAIT Radio v. FCC*, 418 F.2d 1153, 1159 (D.C. Cir. 1969), cert. denied, 409 U.S. 1027 (1972).

²² *Northeast Cellular Telephone Co. v. FCC*, 897 F.2d 1164, 1166 (D.C. Cir. 1990).

²³ *WAIT Radio*, 418 F.2d at 1159; *Northeast Cellular*, 897 F.2d at 1166.

²⁴ See, e.g., *US WEST Communications, Inc., and Eagle Telecommunications, Inc., Petition for Waiver of the Definition of "Study Area" Contained in Part 36, Appendix-Glossary of the Commission's Rules*, AAD 94-27, Memorandum Opinion and Order, 10 FCC Rcd 1871, 1872 (1995).

waiver of the Commission's study area freeze rule, subject to the modifications set forth below.

9. First, we conclude that there will be no adverse impact to the universal service fund if we modify Citizens request so that a new study area is not created in the state of Arizona with the acquired exchanges. As the Commission recently noted, the creation of new study areas may enable carriers to gain an unfair advantage from the high-cost support mechanisms.²⁵ Such a result would undermine the goals the Commission sought to achieve when it froze all study area boundaries.²⁶ As a result, the Bureau consistently has rejected requests to create multiple study areas in connection with acquisitions requiring study area waivers.²⁷ The Bureau specifically has concluded that, where an incumbent local exchange carrier is acquiring exchanges in a state in which it already operates, the creation of an additional study area is unwarranted.²⁸ Citizens has not presented any support for its request to create a new study area with the acquired exchanges. We therefore deny Citizens' request to create a new study area in the state of Arizona with the acquired exchanges. We conclude, however, that modifying Citizens' request so that it may alter the boundaries of its existing Arizona study area to include the 38 exchanges it intends to acquire from Qwest will enable Citizens to satisfy the Commission's criteria for grant of a request for waiver of the study area freeze rule.

10. We conclude that, as modified, the proposed changes in the study area boundaries will not adversely affect any of the universal service mechanisms. Under the Commission's rules, carriers purchasing high-cost exchanges receive the same level of per-line support that the selling company was receiving for those exchanges prior to the sale.²⁹ Qwest does not receive non-rural carrier forward-looking high-cost support or interim hold-harmless support in Arizona. Therefore, pursuant to section 54.305, Citizens will not receive any such support for the 38 Qwest exchanges after the transfer.³⁰ In addition, even though the transferred exchanges may receive increased interstate access universal service support as a result of the proposed transaction,³¹ there can be no aggregate adverse impact to this universal service mechanism because the overall size of the interstate access universal service mechanism will not exceed \$650 million.³² Therefore, we conclude that as modified this transaction will not adversely affect the universal service mechanisms.

²⁵ See *Fourteenth Report and Order*, at para. 111.

²⁶ See *1984 Joint Board Recommended Decision*, 49 Fed. Reg. 48325 at para. 66; *Order Adopting Recommendation*, 50 Fed. Reg. 939 at para. 1.

²⁷ See, e.g., *Petition for Waivers Filed by Columbine Telephone Company, Inc., Silver Star Telephone Company, Inc., and U.S. WEST Communications, Inc., Concerning Section 61.41(c)(2) and 69.3(e)(11) and the Definition of "Study Area" Contained in the Part 36 Appendix-Glossary of the Commission's Rules*, AAD 96-169, Memorandum Opinion and Order, 12 FCC Rcd 3622, 3627-28 (Acc. Aud. Div. 1997) (*Columbine Telephone Company*); *US West Communications, Inc. and Nemont Cooperative, Inc., Project Telephone Company, and Valley Telecommunications, Inc., Joint Petition for Waiver of the Definition of "Study Area" contained in Part 36, Appendix-Glossary of the Commission's Rules and Petition for Waiver of Sections 61.41(c) and 69.3(e)(11) of the Commission's Rules*, AAD 93-87, Memorandum Opinion and Order, 9 FCC Rcd 721, 723 (Com. Car. Bur. 1994).

²⁸ See, e.g., *Columbine Telephone Company*, 12 FCC Rcd at 3628.

²⁹ See 47 C.F.R. § 54.305.

³⁰ See *id.*

³¹ See 47 C.F.R. §§ 54.801(d), 54.802(b); see *supra* discussion at para. 4. See also *Petition* at Attachment B.

³² See 47 C.F.R. § 54.801(a).

11. We note, however, that Citizens' waiver request potentially implicates broader questions. For example, the Commission has not addressed how universal service support should be calculated when lines subject to the non-rural support mechanism are merged with an existing study area that is subject to the rural support mechanism, and whether the existing study area's eligibility for high-cost support may be affected by the merger. Citizens currently operates the existing exchanges as a rural study area and is eligible to receive approximately five million dollars in support.³³ Following consummation of this transaction the combined study area will contain approximately 253,000 access lines. Should Citizens self-certify that it is a rural telephone company, the issue arises regarding the amount of support that should be provided to the study area given the fact that the study area now contains both rural and non-rural lines. We note that the Commission is currently considering a petition challenging a rural telephone company self-certification filed by a carrier operating in a study area with approximately 315,000 access lines.³⁴ The Commission also has before it a request to modify the rural telephone company definition in section 51.5 of the Commission's rules.³⁵ Finally, the Commission currently is considering a proposal to amend section 54.305 of its rules so that the rule does not apply to transfers of exchanges between non-rural carriers following the phase-down of interim hold-harmless support.

12. Pending the Commission's consideration of these issues, we will permit Citizens to: (1) continue receiving rural high-cost loop support for its existing exchanges as if its existing exchanges constituted a separate study area; and (2) receive transferred support, if any, for the acquired exchanges in accordance with section 54.305 of the Commission's rules. We direct Citizens to submit, as part of its annual universal service data submission to the fund administrator, a schedule showing its methodology for excluding costs associated with the 158,000 acquired access lines from the costs associated with its pre-acquisition study area. Citizens shall separately provide the information listed in section 36.611 of the Commission rules for both the acquired and existing exchanges, as if these two categories of exchanges constitute separate study areas.³⁷

13. Second, no state commission with regulatory authority over the transferred exchanges opposes the transfer. The Arizona Corporation Commission and the Public Service Commission of Utah have indicated that they do not object to the grant of the study area waiver.³⁸

14. Finally, we conclude that the public interest is served by a waiver of the study area freeze rule to permit Qwest to transfer the 38 exchanges from its Arizona study area and Citizens to alter the boundaries of its existing Arizona study area to incorporate the transferred exchanges. In its petition,

³³ See Federal Universal Service Support Mechanisms Fund Size Projections for the Third Quarter & Contribution Base For the Second Quarter 2001, Appendix HC-1 available at <<http://www.universalservice.org>> (filed May 2, 2001).

³⁴ See *Common Carrier Bureau Seeks Comment on Western Wireless Corporation Petition to Reject Rural Telephone Company Self-Certification Filed by Valor Telecommunications Southwest, LLC*, CC Docket No. 96-45, Public Notice, 15 FCC Red 15123 (Acc. Pol. Div. 2000).

³⁵ See *Forward-Looking Mechanism for High Cost Support for Non-Rural LECs*, CC Docket Nos. 96-45, 97-160, Tenth Report and Order, Petition for Reconsideration (filed Dec. 30, 1999). See also 47 C.F.R. § 51.5.

³⁶ See *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Thirteenth Report and Order and Further Notice of Proposed Rulemaking, FCC 00-428, at paras. 23-24 (rel. Dec. 8, 2000).

³⁷ See 47 C.F.R. § 36.611.

³⁸ See Petition at Attachment D.

Citizens states its intent to invest approximately \$109 million in the 38 exchanges it is purchasing during the first four years of ownership. In its order approving the transaction, the Arizona Corporation Commission found this amount significant and stated that it would bring about “meaningful improvements to the network.”³⁹ Citizens states that it will use some of the capital investment to perform needed maintenance to the network infrastructure, thus providing those consumers served by these exchanges with better quality of service.⁴⁰ Moreover, Citizens’ plans include other upgrades to the network to provide additional services, including broadband/digital subscriber line (DSL) services when there is sufficient demand to make it possible to provide these services at affordable rates.⁴¹ Citizens has committed to the Arizona Corporation Commission that it will “within four years after closing ... remove all bridged taps and load coils from all loops under 18 kilofeet within the transfer area.”⁴² Such action will remove one of the obstacles carriers face in deploying these types of services. Based on these representations, we conclude that Citizens has demonstrated that grant of this waiver serves the public interest.

15. In accordance with section 61.45 of the Commission’s rules, we also require Qwest to make any necessary adjustments to its price cap indices to reflect the removal of the transferred access lines from its Arizona study area.⁴³ We also require Citizens to make any necessary adjustments to its price cap indices to reflect the inclusion of the acquired access lines in its Arizona study area. Section 61.45 of the Commission’s rules grants the Commission discretion to require price cap carriers to make adjustments to their price cap indices to reflect cost changes resulting from rule waivers.⁴⁴ We require Qwest and Citizens to make such an adjustment.⁴⁵

³⁹ Petition at Attachment D.

⁴⁰ *Id.* The Arizona Corporation Commission noted that many of the comments it received “centered on the issue of service quality and lack thereof in rural exchanges.” *See id.*

⁴¹ Petition at 6, Attachment D (Citizens specifically committed to deploying DSL in the Yuma exchange within one year after closing of this transaction and the Stafford exchange within four years after the closing of this transaction. Citizens is also committed to surveying customers outside these exchanges within twelve months after closing to determine their interest in purchasing DSL).

⁴² Petition at Attachment D.

⁴³ *See* 47 C.F.R. § 61.45(d). The Price Cap Indices, which are the upper bounds for rates that comply with price cap regulation, are calculated pursuant to a formula specified in the Commission’s rules for price cap carriers. *See also Price Cap Performance Review for Local Exchange Carriers*, CC Docket No. 94-1, First Report and Order, 10 FCC Rcd 8961 (1995).

⁴⁴ *See* 47 C.F.R. § 61.45(d).

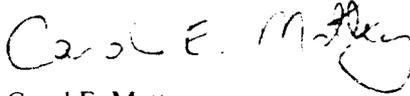
⁴⁵ The Bureau has required carriers to make adjustments to their price cap indices in past study area waivers involving the sale of exchanges operated by carriers subject to price cap regulation. *See, e.g., Northland Telephone Company d/b/a PTI Communications, Inc. and U.S. West Communications, Inc., Petition for Waiver of Sections 61.41(c)(2), 69.3(e)(6) and the Definition of “Study Area” Contained in Part 36, Appendix-Glossary of the Commission’s Rules*, Memorandum Opinion and Order, 12 FCC Rcd 13329, 13336 (Acc. Aud. Div. 1997); *GTE North, Inc., and PTI Communications of Michigan, Inc., Petition for Waiver of Sections 61.41(c) and the Definition of “Study Area” Contained in Part 36, Appendix-Glossary of the Commission’s Rules*, Memorandum Opinion and Order, 12 FCC Rcd 13882, 13888 (Acc. Aud. Div. 1997); *Golden Belt Telephone Association, Inc., and United Telephone Company of Kansas, Petition for Waiver of Sections 61.41(c)(2) and the Definition of “Study Area” Contained in Part 36, Appendix-Glossary of the Commission’s Rules*, Memorandum Opinion and Order, 12 FCC Rcd 16335, 16341 (Acc. Aud. Div. 1997); *Rural Telephone Service Company, Inc., and United Telephone Company of Kansas, Petition* (continued...)

III. ORDERING CLAUSES

16. Accordingly, IT IS ORDERED, pursuant to sections 1, 4(i), 5(c), 201, and 202 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151, 154(i), 155(c), 201, and 202, and sections 0.91, 0.291, and 1.3 of the Commission's rules, 47 C.F.R. §§ 0.91, 0.291, and 1.3, that the petition for waiver of Part 36, Appendix-Glossary, of the Commission's rules, filed by Citizens Utilities Rural Company, Inc. and Qwest Corporation on December 20, 2000, IS DENIED AS FILED AND GRANTED AS DESCRIBED HEREIN.

17. IT IS FURTHER ORDERED, pursuant to sections 1, 4(i), 5(c), 201, and 202 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151, 154(i), 155(c), 201, and 202, and sections 0.91, 0.291, 1.3, and 61.43 of the Commission's rules, 47 C.F.R. §§ 0.91, 0.291, 1.3, and 61.43, that Citizens Utilities Rural Company, Inc. and Qwest Corporation SHALL ADJUST their price cap indices in their annual price cap filing to reflect cost changes resulting from this transaction, consistent with this Order.

FEDERAL COMMUNICATIONS COMMISSION



Carol E. Matthey
Deputy Chief, Common Carrier Bureau

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for Waiver of Sections 61.41(c)(2) and the Definition of "Study Area" Contained in Part 36, Appendix-Glossary of the Commission's Rules, Memorandum Opinion and Order, 12 FCC Rcd 16343, 16350 (Acc. Aud. Div. 1997).