Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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Federal Communications Commission
Office of the Secretary

In the Matter of CenturyLink Petition for Conversion of Average Schedule Affiliates to Price Cap Regulation and for Limited Waiver Relief	)	WC Docket No. 14-23

PETITION OF CENTURYLINK, INC. FOR CONVERSION OF AVERAGE SCHEDULE AFFILIATES TO PRICE CAP REGULATION AND FOR LIMITED WAIVER RELIEF

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I. INTRODUCTION AND SUMMARY OF PETITION.

CenturyLink, Inc. ("CenturyLink"), by its undersigned counsel, requests authority to convert each of its average schedule incumbent local exchange carrier ("ILEC") affiliates (the "CenturyLink Average Schedule Affiliates") from an average schedule company to price cap regulation effective July 1, 2014, and, to the extent necessary, requests limited waivers of the applicable Part 61 and 69 regulations (including but not limited to sections 61.41(a)(3) and 61.39) to the extent necessary to enable such conversion. This conversion is in the public interest. The Commission has long recognized that price cap regulation, as compared to rate of return regulation (or "ROR"), enhances competition and enables carriers to operate in a more efficient manner.

CenturyLink is an ILEC holding company that has both price cap and average schedule ILEC affiliates. Each of the CenturyLink Average Schedule Affiliates is an ILEC that is currently regulated as an average schedule company, a form of rate-of-return regulation. The CenturyLink Average Schedule Affiliates are the following:

CenturyLink Average Schedule Affiliates
CenturyTel of Chester, Inc. CenturyTel of Postville, Inc. CenturyTel of the Midwest-Wisconsin (Wayside)

These companies represent an infinitesimal portion of the CenturyLink ILEC business. As of the end of 2013, the CenturyLink Average Schedule Affiliates, collectively, had less than 6,000 of the 12.2 million access lines CenturyLink has as a whole. With their conversion to price cap, CenturyLink ILEC affiliates will become 100% price cap ILECs.

CenturyLink proposes a reasonable approach for conversion of the CenturyLink Average Schedule Affiliates to price cap regulation that relies upon the applicable portions of the framework established in the *CALLS Order* ("CALLS plan" or "CALLS"),[1] and all applicable changes to the FCC's price cap regulations recently adopted as part of the Commission's reform of the intercarrier compensation regime and Universal Service Fund ("*USF/ICC Transformation Order*").[2] Additionally, CenturyLink's proposal tracks closely with the specific conversion

[1] *Access Charge Reform; Price Cap Performance Review for Local Exchange Carriers*, Sixth Report and Order, 15 FCC Rcd 12962 (2000) ("*CALLS Order*"), *aff'd in part, rev'd in part and remanded in part, Texas Office of Public Util. Counsel v. FCC*, 265 F.3d 313 (5th Cir. 2001), *on remand*, 18 FCC Rcd 14976 (2003).

[2] *Connect America Fund; A National Broadband Plan for Our Future; Establishing Just and Reasonable Rates for Local Exchange Carriers; High-Cost Universal Service Support; Developing an Unified Intercarrier Compensation Regime; Federal-State Joint Board on Universal Service; Lifeline and Link-Up; Universal Service Reform - Mobility Fund,* WC Docket Nos. 10-90, 07-135, 05-337, 03-109, CC Docket Nos. 01-92, 96-45, GN Docket No. 09-51, WT Docket No. 10-208, Report and Order and Further Notice of Proposed Rulemaking, FCC 11-161, 26 FCC Rcd 17663 (rel. Nov. 18, 2011) ("*USF/ICC Transformation Order*") (subsequent history omitted).

approach endorsed by the Commission in its *2012 Price Cap Conversion Order*[3] – with a few minor variations necessitated by the distinct context of CenturyLink's proposed conversion.

As such, the requested conversion to price cap regulation and related waiver requests will put CenturyLink in a similar regulatory position to other comparable price cap carriers and would be consistent with the Commission's longstanding policy and practice of promoting more efficient forms of regulation.[4] Furthermore, since CenturyLink is a holding company with primarily price cap-regulated ILEC subsidiaries, the transition of the CenturyLink Average Schedule Affiliates from average schedule companies to price cap carriers will provide administrative efficiencies for CenturyLink as a whole.

II. CENTURYLINK'S PRICE CAP CONVERSION PROPOSAL.

With the requested waiver relief, the main elements of the proposed conversion of the CenturyLink Average Schedule Affiliates to price cap regulation are as follows:

Price Cap Rules: As of the effective date, which CenturyLink proposes to be July 1, 2014, the proposed price cap regulatory structure that would apply to the CenturyLink Average Schedule Affiliates' study areas will be that established in the *CALLS Order* and *USF/ICC Transformation Order*.

Switched Access: The CenturyLink Average Schedule Affiliates participate in the switched access rates of the National Exchange Carrier Association, Inc. ("NECA") Tariff No. 5.

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[3] *Joint Petition of Price Cap Holding Companies for Conversion of Average Schedule Affiliates to Price Cap Regulation and for Limited Waiver Relief; Consolidated Communications Companies Tariff F.C.C. No. 2; Frontier Telephone Companies Tariff F.C.C. No. 10; Windstream Telephone System Tariff F.C.C. No. 7,* Order, 27 FCC Rcd 15753 (2012) (*2012 Price Cap Conversion Order*).

[4] CenturyLink maintains that, in today's competitive environment, even price cap regulation is too onerous. But, conversion of CenturyLink's three remaining rate-of-return LECs is a step in the right direction.

CenturyLink proposes to maintain those switched access rates until July 1, 2014, at which time each of the CenturyLink Average Schedule Affiliates will withdraw from the NECA tariff and will file its own switched access tariff.

Section 61.39 of the Commission's rules allows rate-of-return carriers with 50,000 or fewer access lines to file interstate access tariffs using historical cost and demand data.[5] Under section 61.39(b)(2)(i), average schedule carriers can make initial traffic-sensitive access tariff filings based on their most recent annual traffic sensitive settlements from the NECA pool.

The Commission, in the *USF/ICC Transformation Order*, also capped interstate switched access rates at the levels in effect on December 29, 2011, including those of rate-of-return carriers filing under section 61.39.

The Commission addressed the challenge of devising a reasonable approach to meeting these two requirements in its *2012 Price Cap Conversion Order* in the context of a petition by numerous average schedule rate-of-return carriers seeking to convert to price cap – in a conversion that ultimately became effective January 1, 2013. In those circumstances, the Commission adopted "a different approach to measure average schedule settlements for purposes of establishing initial interstate switched access rates."[6] Specifically, it found that it was "reasonable for the petitioners to use annualized settlement data at an 11.25 percent rate-of-return for the period from July 1, 2011, through April 30, 2012, and the associated annualized demand to develop interstate switched access rates."[7] Accordingly, the Commission found, with that approach, there

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[5] Each of the CenturyLink Average Schedule Affiliates falls into this category.

[6] *2012 Price Cap Conversion Order*, 27 FCC Rcd at 15760-61 ¶ 17.

[7] *Id.*

was "good cause to waive section 61.39 consistent with these findings."[8] It also found that the proposed approach allowed "each carrier to develop the amount of its net contribution to the NECA traffic-sensitive pool for both switched and special access services" and that the "net contribution amount then allows the carriers to establish reduced switched and special access rates reflecting that contribution."[9] Finally, the Commission found that "[t]he switched access rates developed using this methodology will be deemed to be the December 29, 2011 rates that are capped by section 51.909(a)(1)."[10]

Consistent with the approach described above in the *2012 Price Cap Conversion Order*, CenturyLink, in this Petition, proposes to use annualized settlement data at an 11.25 percent rate-of-return for the period from January 1, 2013, through June 30, 2013, and the associated annualized demand to develop interstate switched access rates. These would be the rates used to make the CenturyLink Average Schedule Affiliates' initial traffic-sensitive access tariff filings and, by this Petition, CenturyLink requests a finding to this effect and a waiver of section 61.39 consistent with that finding. CenturyLink also requests that the Commission deem these rates to be the December 29, 2011 rates for the CenturyLink Average Schedule Affiliates that are capped by section 51.909(a)(1).[11] CenturyLink could, alternatively, use annualized settlement data from a time period that is closer to the December 29, 2011 switched access cap date, but this would

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[8] *Id.*

[9] *Id.*

[10] *Id.*

[11] Consistent with the approach adopted in the *2012 Price Cap Conversion Order*, this approach will also best comply with section 54.312(a) of the Commission's rules relating to the fact that the CenturyLink Average Schedule Affiliates receive local switching support through a frozen high cost support amount and the need to remove settlement amounts reflecting LSS from this calculation to obtain the correct rate relationship for local switching. *See 2012 Price Cap Conversion Order,* 27 FCC Rcd at 15760 n. 57; *see also* 47 C.F.R. § 54.312(a).

result in higher rates than under the proposed approach. It would also be less consistent with the requirements of section 61.39.

CenturyLink also respectfully requests a waiver of section 69.3(i), if necessary, to permit them to notify NECA of the CenturyLink Average Schedule Affiliates' withdrawal from the Association tariff within thirty (30) days after a Commission order granting this Petition.

In addition, each CenturyLink Average Schedule Affiliate will remove relevant switched access services from rate-of-return regulation, as directed by the Commission in the newly adopted section 51.901(a), immediately upon conversion to price cap regulation. Thus, overall, the CenturyLink Average Schedule Affiliates' interstate switched access rates under the proposed waiver will be frozen, similar to the switched access rates of other price cap carriers, subject to the reductions mandated by the intercarrier compensation transition rules.[12]

Special Access: CenturyLink proposes that, upon their withdrawal from NECA Tariff No. 5, CenturyLink Average Schedule Affiliates will also file their own special access tariffs using the rates resulting from the same process proposed above for switched access rates – *i.e.,* they will calculate their special access rates using the annualized settlement data at an 11.25 percent rate-of-return for the period from January 1, 2013, through June 30, 2013, and the associated annualized demand. In the *2012 Price Cap Conversion Order*, the Commission found that the better course was to use the same period of measurement for establishing switched and special access rates and also waived section 61.39 as necessary to adopt that approach for special

[12] If this Petition is granted, the CenturyLink Average Schedule Affiliates will transition their interstate switched access rates according to the schedule applicable to price cap ILECs, rather than the longer transition period allowed to rate-of-return ILECs.

access.[13] These rates would then be subject to any rate adjustments required or permitted by the price cap regulations.

Universal Service: Conversion to price cap regulation will not impact the Universal Service Fund. As part of the *USF/ICC Transformation Order*, the Commission determined that average schedule carriers that are affiliated with holding companies for which the majority of access lines are regulated under federal price caps will be treated as price cap carriers for the purpose of calculating their CAF support. As a result, even without this Petition, the CenturyLink Average Schedule Affiliates' CAF support will be calculated as if it were price cap regulated, and therefore, grant of this Petition will not impact CAF funding or USF in general.[14]

Transition: Upon receipt of the relief requested in this Petition, CenturyLink would anticipate following essentially the same transitional steps outlined for the carriers impacted by the *2012 Price Cap Conversion Order* - with a few minor variations necessitated by the distinct context of CenturyLink's proposed conversion. To implement the proposals above, CenturyLink would anticipate:

- Filing a new interstate tariff for the CenturyLink Average Schedule Affiliates with rates consistent with the approach described above as soon as possible following a grant of the relief requested and, ideally, with an effective date of July 1, 2014. To accomplish this, CenturyLink proposes to issue a revised tariff for CenturyLink Operating Companies Tariff

[13] *2012 Price Cap Conversion Order*, 27 FCC Rcd at 15761 ¶ 18.

[14] CenturyLink's proposal will also not materially impact the ICC CAF. Because the conversion does not impact historical Eligible Recovery calculations, it has no impact on the ICC CAF historically. For the reasons discussed below at page 9, CenturyLink anticipates that the transition will not result in any new ICC CAF dollars for CenturyLink. And, going-forward, the CenturyLink Average Schedule Affiliates' ability to access the ICC CAF will be determined by the intercarrier compensation transition rules applicable to price cap carriers.

FCC No. 6 to include CenturyTel of Chester, Inc., CenturyTel of Postville, Inc., and CenturyTel of the Midwest-Wisconsin (Wayside). CenturyLink will use a blended rate for all three companies. In the new interstate tariff, common line rates will be set to equal the existing rates in NECA Tariff FCC No. 5 adjusted according to the 2014 annual filing price cap rules that will then be applicable. ARC rates will be set consistent with the proposal below. Effective the same date, the CenturyLink Average Schedule Affiliates will withdraw from the NECA pools.

- Filing, effective the same date as this new interstate tariff, new intrastate tariffs for the CenturyLink Average Schedule Affiliates consistent with the intercarrier compensation transition rules adopted in the *USF/ICC Transformation Order*.
- Filing a new TRP worksheet and other ICC forms, including the new True-Up Form, as appropriate, supporting Eligible Recovery reflecting the election of price cap regulation for the CenturyLink Average Schedule Affiliates and following the recovery procedures set forth in section 51.915(d)(1)(i). CenturyLink anticipates that the new interstate switched access rates for the CenturyLink Average Schedule Affiliates will be lower and, as a result of the intercarrier compensation transition rules mandating parity with interstate rates for many service elements at this point in time, certain intrastate rates will also necessarily need to be lowered in new intrastate tariff filings. As a result, the 2014 TRP will start with these new rates and the *USF/ICC Transformation Order* Year 3 rate reductions will flow through in the context of the broader CenturyLink Operating Companies' Eligible Recovery calculation for the 2014 annual tariff filing. Because of this, while CenturyLink anticipates that there will be some resulting increases to CenturyLink Average Schedule Affiliate ARC rates, CenturyLink does not anticipate that any new CAF ICC dollars will result.

- Each CenturyLink Average Schedule Affiliate will certify that its price cap filing is true and correct to the best of its knowledge, that it is not seeking duplicative recovery, and that it complied with sections 51.915(d), 51.915(e), and 51.915(f).

Notably, certain other aspects of the transition specified in the *2012 Price Cap Conversion Order* for the carriers impacted do not apply to the proposed conversion of the CenturyLink Average Schedule Affiliates because of the distinct context of the proposed conversion for the CenturyLink Average Schedule Affiliates. First, those carriers had preceded their conversion with a six-month time period during which the carriers had remained in the NECA pool for one of the months (but NECA had not included carriers' revenue in its Eligible Recovery calculation for that month) and the carriers had their own interstate tariffs for the other five months. Accordingly, in the *2012 Price Cap Conversion Order*, the Commission required that, as part of their transition, those carriers file documentation with their new interstate tariffs reducing their Eligible Recovery calculation to account for the fact that they had assessed the higher NECA switched access rates from July 3 through July 31, 2012.[15] No such adjustment will be required for the CenturyLink Average Schedule Affiliates as NECA has included their revenue in its Eligible Recovery calculation for the July 1, 2013 through June 30, 2014 time period.

Second, because the carriers subject to the *2012 Price Cap Conversion Order* ultimately converted effective January 1, 2013, their transition had to address certain issues associated with the interim period, January 1, 2013 to June 30, 2013, before the newly converted entities became subsumed into broader price cap annual tariff filings in July 2013. Because of the proposed timing of CenturyLink's proposal, to be effective simultaneously with the Year 3 effective date

[15] *2012 Price Cap Conversion Order*, 27 FCC Rcd at 15762-63 ¶¶ 21 and 22, n. 67.

of the CenturyLink Operating Companies' 2014 annual tariff filing, no such interim time period arises for CenturyLink's proposal.

Third, the *2012 Price Cap Conversion Order* specified that, to the extent a carrier's price cap holding company developed ARC rates at the holding company rather than study area level in its prior annual access tariff filing, each carrier must file an ARC worksheet that shows the inclusion of these converted study areas in the holding company calculation.[16] And, it specified that, to the extent that these TRPs allow the carrier to collect an amount less than the ARC it is charging in any of its study areas on the day prior to its conversion to price cap, it must file revised ARC rates. However, CenturyLink developed ARC rates at the study area level in its prior annual access tariff filing and, therefore, this condition does not apply to the CenturyLink Average Schedule Affiliates.

III. THE COMMISSION SHOULD APPROVE CONVERSION OF THE CENTURYLINK AVERAGE SCHEDULE AFFILIATES TO PRICE CAP REGULATION.

A. The Commission's Rules Allow Carriers To Convert From Average Schedule To Price Cap Regulation.

Section 61.41(a)(3) of the Commission's rules permits ILECs to elect price cap regulation.[17] Section 61.41(a)(3) expressly provides for the ability of average schedule companies to convert their average schedule study areas to price cap regulation and the Commission has

[16] *Id.* at 15763 ¶ 28.

[17] 47 C.F.R. § 61.41(a)(3). *See Policy and Rules Concerning Rates for Dominant Carriers,* Second Report and Order, 5 FCC Rcd 6786 (1990) (*"LEC Price Cap Order"*) (subsequent history omitted).

previously granted the petitions of numerous carriers seeking such conversions.[18] The *2012 Price Cap Conversion Order*[19] in particular establishes a reasonable path for the CenturyLink Average Schedule Affiliates to convert from average schedule to price cap regulation in a manner that is consistent with the Commission's evolving price cap rules. It addressed conversions in a very similar context to the instant petition – accounting for the combined effect of the *CALLS Order* and *USF/ICC Transformation Order* framework.

B. Conversion Consistent With The CenturyLink Conversion Proposal Is In The Public Interest.

The requested conversion to price cap regulation and related waiver requests is in the public interest as it will put CenturyLink in a similar regulatory position to other comparable price cap carriers and would be consistent with the Commission's longstanding policy and practice of promoting more efficient forms of regulation. As the Commission explained in the *LEC Price Cap Order*, price cap regulation "permit[s] LECs to migrate their rates toward a set of prices that enhances efficiency."[20] The Commission has also found that price cap regulation, as compared to rate-of-return regulation facilitates the development of competition. The Commission found in the *LEC Price Cap Performance Review Order*:

> In the case of the LECs' interstate services, the optimal form of regulation would largely replicate the competitive outcome. … The current LEC price cap plan represents, in large part, a program of improving consumer welfare by introducing profit incentives and

[18] *See, e.g., 2012 Price Cap Conversion Order*, 27 FCC Rcd at 15758 ¶ 11; *Windstream Petition For Conversion To Price Cap Regulation And For Limited Waiver Relief*, WC Docket No. 07-171, filed Aug. 6, 2007.

[19] *See, generally, 2012 Price Cap Conversion Order*, 27 FCC Rcd 15753.

[20] *LEC Price Cap Order*, 5 FCC Rcd at 6791 ¶ 35.

> price constraints that more closely replicate the operation of competition than traditional, rate-of-return regulation.[21]

In this same way, conversion of CenturyLink's three remaining rate-of-return LECs is a step in the right direction.[22]

Additionally, since CenturyLink is a holding company with primarily price cap-regulated ILEC subsidiaries, the transition of the CenturyLink Average Schedule Affiliates from average schedule companies to price cap carriers will provide administrative efficiencies for CenturyLink as a whole.

C. The Proposed New Switched Access Rates Are Consistent With The *USF/ICC Transformation Order.*

In its *USF/ICC Transformation Order* released in November 2011, the FCC effectively eliminated the price cap regulations established in the *CALLS Order* as they applied to many switched access services, and adopted a transition plan to move price cap carriers to the "bill-and-keep" procedure for determining such switched access rates. Nonetheless, the transition plan for price cap carriers is different than that for ROR carriers, so that a company's "price cap" status remains relevant for switched access services.

As part of the transition plan, all rates for intrastate and interstate services included in Interstate End Office Access Services, Tandem Switched Transport Access Services, and Dedicat-

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[21] *Price Cap Performance Review for Local Exchange Carriers*, First Report and Order, 10 FCC Rcd 8961, 9002 ¶ 92 (1995).

[22] CenturyLink maintains that, in today's competitive environment, even price cap regulation is too onerous. But, as the Commission itself recognized in this finding, price cap regulation versus rate-of-return regulation is merely a step in the right direction.

ed Transport Access Services were capped as of December 29, 2011 and subjected to a transition that began on July 1, 2012.[23]

The CenturyLink Average Schedule Affiliates will, following their conversion to price cap under the proposal described above, become subject to the intercarrier compensation rate transition schedule for price cap carriers as set forth in the remainder of section 51.907, and will be eligible for recovery of intercarrier compensation revenues under section 51.915 (rather than sections 51.909 and 51.917, which would apply to them if they remained as average schedule companies).[24]

D. The Proposed New Special Access Rates Are Reasonable And No Adjustment Is Necessary Or Required.

The special access rates established under the proposal described above are reasonable, competitive and uniform. Furthermore, the *USF/ICC Transformation Order* declined to address any changes to special access rates,[25] and instead the FCC is currently evaluating these rates through a separate proceeding.[26] As such, allowing the CenturyLink Average Schedule Affiliates to file their own special access tariffs using the proposed rates, subject to any adjustments required or permitted by the price cap regulations, will place these companies on even footing with other price cap carriers, and allow them to continue to provide the same service at the same

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[23] 47 C.F.R. § 51.907(a).

[24] New Rule 51.903(f) defines a "Price Cap Carrier" by reference to § 61.3(aa), which in turn applies to any carrier subject to price cap regulation under §§ 61.41 *et seq*. Thus, if the Commission approves this waiver, the CenturyLink Average Schedule Affiliates will be treated as Price Cap Carriers for purposes of Part 51, Subpart J in accordance with the terms of those rules.

[25] *USF/ICC Transformation Order*, 26 FCC Rcd at 17936 ¶ 804.

[26] *Special Access Rates for Price Cap Local Exchange Carriers*, Order and Notice of Proposed Rulemaking, 20 FCC Rcd 11701 (2005). CenturyLink understands that any regulatory changes adopted as a result of that proceeding would apply to the CenturyLink Average Schedule Affiliates prospectively if this Petition is granted.

rates to their special access customers. Consistent with its past practice, the Commission should treat the CenturyLink Average Schedule Affiliates as section 61.39 carriers for purposes of initializing their price cap rates.[27] As the Commission has concluded, in this context, "using historical cost and demand data is the best way to prevent carriers from gaming the transition process by skewing cost and demand projections in their favor, and provides a more accurate estimate of a converting average schedule carrier's costs and demand for purposes of establishing price cap Indexes.[28]

E. Universal Service Funding Will Not Be Impacted By The Subsidiaries' Conversion To Price Cap Regulation.

The proposed conversion to price cap regulations will have no impact on the CenturyLink Average Schedule Affiliates' USF funding. The *USF/ICC Transformation Order* instituted significant reform to the high cost fund portion of USF and adopted regulations to transition the fund to the CAF which, among other things, will help fund broadband services in high-cost areas.[29] As part of the transition to CAF, the FCC determined that it would "treat as price cap carriers the rate-of-return operating companies that are affiliated with holding companies for which the majority of access lines are regulated under price caps."[30] While these ROR companies, including average schedule carriers, affiliated with price cap carriers are not required to convert to price cap regulations,[31] their high cost funding will nevertheless be determined as if they were price cap regulated. The majority of CenturyLink's overall company's access lines are

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[27] *See, e.g., 2012 Price Cap Conversion Order*, 27 FCC Rcd at 15761 ¶ 19.

[28] *Id.*

[29] *See USF/ICC Transformation Order*, 26 FCC Rcd at 17709 ¶ 115.

[30] *Id.* at 17713 ¶ 129.

[31] *Id.* at n.203.

regulated as price cap, and therefore all of the CenturyLink Average Schedule Affiliates will be treated as price cap companies for the purpose of calculating future high-cost and CAF support. As such, the proposed conversion to price cap regulation will have no effect on the amount of USF support the CenturyLink Average Schedule Affiliates will receive and will have no impact on the fund generally.[32]

IV. GOOD CAUSE EXISTS FOR A LIMITED WAIVER OF SECTION 61.41(a)(3), SECTION 61.39 AND OTHER PART 61 AND 69 REGULATIONS AND SUCH A WAIVER IS IN THE PUBLIC INTEREST.

Section 1.3 of the Commission's rules allows for waiver of Commission rules where good cause exists.[33] Section 61.41(a)(3) allows qualified local exchange carriers to convert to price cap regulations if they do not participate "in any Association tariff."[34] As described herein, each of the CenturyLink Average Schedule Affiliates currently participates in the NECA Tariff No. 5 as required under the rules and proposes to withdraw from that tariff and file its own switched access and special access tariffs based upon a consistent approach with the *2012 Price Cap Conversion Order* and the proposal above. The proposed conversion to price cap regulation is in the public interest and will generate efficiencies for the company and its end users. The CenturyLink Average Schedule Affiliates therefore request a waiver of Section 61.41(a)(3) to allow them to convert to price cap regulation simultaneously with their withdrawal from the Association tariffs, and to file their own switched access and special access tariffs as described herein. Denial of the requested conversion based on the CenturyLink Average Schedule Affiliates' current participation in the NECA tariff would be unreasonable and would preclude any

[32] As discussed above at n. 14, *supra*, CenturyLink's proposal will also not materially impact the ICC CAF.

[33] 47 C.F.R. § 1.3.

[34] 47 C.F.R. § 61.41(a)(3).

average schedule company from conversion to price cap regulation. As such, the Commission should waive Section 61.41(a)(3).

The Commission should also waive sections 61.39 and 69.3 consistent with the specific discussions of those provisions above.

The Commission should also waive any other applicable Part 61 and 69 provisions of the Commission's rules, including Section 61.59,[35] as necessary to enable the proposed conversion to price cap regulation.

V. CONCLUSION

Conversion of the CenturyLink Average Schedule Affiliates from average schedule company to price cap regulation under the terms proposed above will accomplish a step in the right direction towards promoting efficiency and encouraging competition. The waiver relief requested will make it possible for each of the CenturyLink Average Schedule Affiliates to complete its conversion and avoid unnecessary, costly and burdensome compliance requirements. Accordingly, this relief, and any other waiver relief the Commission may deem necessary, should be granted in order to generate the resulting substantial public benefits.

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[35] 47 C.F.R. § 61.59.