

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

In the matter of)
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Iowa Telecommunications Services, Inc.) WC Docket No. 02-303
Tariff FCC No. 1, Transmittal No. 22)
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ORDER

Adopted: September 18, 2002

Released: September 18, 2002

Direct Case Due by: October 10, 2002
Oppositions to Direct Case Due by: October 24, 2002
Rebuttal Due by: October 31, 2002

By the Chief, Pricing Policy Division:

I. INTRODUCTION

1. In this order, we designate for investigation pursuant to sections 204 and 205 of the Communications Act of 1934, as amended (the Act),¹ certain issues regarding the rates, terms, and conditions in tariff Transmittal No. 22 that Iowa Telecommunications Services, Inc., (Iowa Telecom) filed to become effective July 18, 2002.² On July 17, 2002, we suspended, pursuant to section 204(a)(3) of the Communications Act of 1934, as amended (the Act), the tariff transmittal for five months and initiated this investigation.³ As discussed below, we designate issues relating to Iowa Telecom’s provisions for security deposits and shortened notice periods for terminating service contained in Tariff Transmittal No. 22 for investigation to ensure that the proposed tariff provisions are not unjust, unreasonable, or unreasonably discriminatory in violation of sections 201 and 202 of the Act.⁴

II. BACKGROUND

2. A brief overview of the Commission’s policies concerning security deposits and

¹ 47 U.S.C. §§ 204 and 205.

² Iowa Telecommunications Services, Inc., Tariff FCC No. 1, Transmittal No. 22 (July 3, 2002).

³ *Iowa Telecommunications Services, Inc., Tariff FCC No. 1, Transmittal 22*, Order, DA 02-1732 (released July 17, 2002).

⁴ 47 U.S.C. §§ 201 and 202.

treatment of uncollectibles would be useful to the discussion of the issues presented by the present tariff revisions. Existing incumbent local exchange carrier (LEC) interstate access tariffs contain protections for uncollectibles. In 1984, the Commission rejected incumbent LECs' proposed security deposit tariff language and instead permitted dominant LECs to require security deposits from: (1) those carriers that have a proven history of late payments to the LEC; and (2) those carriers that have no established credit.⁵ These provisions since have become a standard term in interstate access tariffs.⁶ In 1987, the Commission addressed a BellSouth proposal to reduce the notice it must give to terminate service for nonpayment to 15 days from 30 days. The Commission allowed a 15-day notice period only if the customer received its bill within three days after the billing date.⁷

3. The Commission's ratemaking policies for incumbent LECs account for interstate uncollectibles and provide for their recovery through interstate access charges. As a price cap carrier, Iowa Telecom's rates include a factor reflecting wholesale uncollectibles associated with its predecessor's operations.⁸ Under price caps, the permitted price indexes are annually adjusted for changes in general economic conditions as reflected in the GDP-PI inflation index.⁹ Price cap carriers experiencing a rise in uncollectibles resulting in interstate rates of return below 10.25% may, if eligible, seek a low-end adjustment, permitting the carrier to target a 10.25% rate of return.¹⁰ Price cap carriers that are not eligible for a low-end adjustment because they have exercised pricing flexibility retain the right to demonstrate that earnings are low enough to warrant an above cap filing or to seek an exogenous cost change, either of which would allow them to charge rates that exceed the current price caps.¹¹

4. Iowa Telecom's existing tariff provides that it may request a security deposit only from those existing customers that have a history of late payments to the company. The tariff also provides that Iowa Telecom must provide 30 days' notice before it may discontinue the provision of interstate access services to a customer.

5. The proposed tariff revisions would reduce the period of notice before Iowa Telecom may discontinue providing service to certain customers who fail to pay for services in a timely manner from 30 days to 15 days. The proposed revision would also allow Iowa Telecom to collect security deposits not only from an existing customer who has a proven history of late payments, but from an existing customer whose "gross monthly billing has increased beyond the

⁵ *Investigation of Access and Divestiture Related Tariffs*, Phase I Order, CC Docket No. 83-1145, 97 FCC 2d 1082, 1169 (1984).

⁶ In general, existing tariffs also provide that deposits may not exceed the actual or estimated rates and charges for service for a two-month period.

⁷ *Annual 1987 Access Tariff Filings*, Memorandum Opinion and Order, 2 FCC Rcd 280, 304-05. BellSouth apparently never implemented this provision.

⁸ For rate-of-return carriers, uncollectibles are reflected in the rate base that they use to calculate the 11.25% allowed rate of return. An increase in uncollectibles will result in higher rates the following year. Upon a proper showing of an extraordinary rise in uncollectibles, rate-of-return carriers may file mid-term corrections to raise their rates to target an 11.25% rate of return. *See* 47 C.F.R. § 69.3(b).

⁹ 47 C.F.R. § 61.45(b).

¹⁰ 47 C.F.R. § 61.45(d)(1)(vii).

¹¹ 47 C.F.R. § 61.45(d).

amount initially used to estimate a security deposit” or who “represents a significant financial risk based on objective financial standards.”¹² As justification for this revision, Iowa Telecom states that these revisions will “harmonize” the billing and collection provisions of its interstate tariffs with its intrastate tariff and strengthen its ability to request security deposits on clear, objective, and enumerated standards.¹³ On July 10, 2002 WorldCom, Inc. (WorldCom) filed a petition to reject, or, in the alternative, to suspend and investigate this tariff.¹⁴ Iowa Telecom filed a reply on July 16, 2002.¹⁵

III. ISSUES DESIGNATED FOR INVESTIGATION

A. Security Deposits

1. Background

6. Iowa Telecom’s proposed revisions would permit it to “require the payment of a deposit prior to or at any time after the provision of the FIA [facilities for interstate access] to a customer, in the event that 1) a customer has a proven history of late payments to the Telephone Company; 2) does not have established credit; 3) the customer’s gross monthly billing has increased beyond the amount initially used to estimate a security deposit, if applicable; and/or 4) a customer represents a significant financial risk based on objective financial standards such as but not limited to Moody’s Investor Services, Standard and Poor’s, D&B, and ratings issued by independent and non-affiliated regional analysts of financial information.”¹⁶

7. WorldCom asserts that the proposed security deposit language is vague and ambiguous in violation of sections 61.2 and 61.54(j) of the Commission’s rules¹⁷ and is unjust and unreasonable in violation of section 201(b).¹⁸

2. Discussion

8. The first issue designated for investigation is whether the revised security deposit provisions applicable to interstate access customers, both new and existing, are reasonable and not so vague as to permit Iowa Telecom to discriminate unreasonably among its interstate access customers, whether they be interexchange carriers (IXCs), competitive LECs, or large business end-user customers. The interstate access market has two distinct characteristics -- Iowa

¹² Tariff FCC No. 1, Third Revised Page 2-12, section 2.4.1(A).

¹³ Iowa Telecommunications Services, Inc., Tariff FCC No. 1, Transmittal No. 22, Description and Justification.

¹⁴ Iowa Telecommunications Services, Inc., Tariff FCC No. 1, Transmittal No. 22, WorldCom Petition to Reject, or, in the Alternative, Suspend and Investigate (July 10, 2002) (*WorldCom Petition*).

¹⁵ Iowa Telecommunications Services, Inc., Tariff FCC No. 1, Transmittal No. 22, Reply (July 16, 2002).

¹⁶ Tariff FCC No. 1, Third Revised Page 2-12, section 2.4.1(A).

¹⁷ 47 C.F.R. §§ 61.2 and 61.54(j).

¹⁸ WorldCom Petition at 2-5, 7-10. WorldCom also alleges that Iowa Telecom’s tariff filing violates a Commission prescription from 1984. *See supra*, note 5; WorldCom Petition at 5-6. Even if WorldCom is correct, a tariff investigation is a valid means of reviewing a Commission prescription. *Pacific Northwest Bell Telephone Company*, Revisions to Tariff FCC No. 9, Transmittal No. 159, Memorandum Opinion and Order, (released Oct. 11, 1985).

Telecom must provide access services to IXCs and competitive LECs requesting such service, and those carriers must use Iowa Telecom's access services to originate or terminate many of their interstate calls. The proposed revisions to the security deposit terms significantly alter the balance between Iowa Telecom and its interstate access customers with respect to the risks of nonpayment of interstate access bills that was struck in the early 1980s when access charges were instituted. The revisions raise the question whether circumstances have changed so as to warrant the imposition of additional security deposits. The tariff also raises concerns about whether the tariff language clearly and unambiguously sets forth a standard that can be objectively administered in a nondiscriminatory manner. We therefore direct Iowa Telecom to respond to the matters discussed below and provide the requested information in its direct case. Nonetheless, Iowa Telecom may, as part of its direct case, seek to justify its expansion of the instances in which security deposits may be required of interstate access customers.

9. As part of its direct case, Iowa Telecom shall explain why it believes its rates under price caps do not adequately compensate it for the risk of uncollectibles. Iowa Telecom's rates include a revenue requirement component for uncollectible debts that is based on the amount of uncollectibles permitted as an interstate revenue requirement at the time Iowa Telecom's predecessor became subject to price cap regulation.¹⁹ Iowa Telecom is directed to submit the level of uncollectible debts from interstate access services for the years since its inception to the present and indicate, if it knows or can ascertain, the level of uncollectibles that was included in its initial price cap rates. It shall then address whether the variation in uncollectible levels for 2000 and 2001 is merely a normal fluctuation in uncollectibles, which would be covered by the business risks anticipated to be endogenous to price caps, or whether it reflects some long term trend that warrants expanded security deposits from customers meeting Iowa Telecom's proposed standards. Iowa Telecom shall provide the Commission with the total amount uncollected by year from its inception to July 31, 2002. Iowa Telecom shall also provide the totals of each of the individual defaults, grouped into the following ranges: less than \$250,000; \$250,001-\$500,000; \$500,001-\$1,000,000; and more than \$1,000,000. For each range, Iowa Telecom shall indicate the number of defaulting entities. Iowa Telecom shall also indicate the total dollar amount of security deposits it holds that are attributable to interstate access billings. The changes in the security deposit provisions of Iowa Telecom's interstate access tariff would increase customer-supplied funding as well as reduce Iowa Telecom's exposure to defaults. Iowa Telecom should accordingly address what modifications should be made to its price cap indexes and service band indexes to account for these changes to the capital and risk parameters of price caps.

10. To assist the Commission in understanding the increase in the level of uncollectibles, Iowa Telecom should describe its billing and collection procedures and explain any changes in its billing and collection procedures or the accounting treatment of disputed amounts on bills within the past two years that could have affected the levels of uncollectibles. Iowa Telecom shall indicate the average length of time from the bill date until the bill is sent to the carrier customer and what percentage of those bills, by number of entities and by billed amount, is sent electronically. In addition, Iowa Telecom shall provide the Commission with the number of

¹⁹ Iowa Telecom acquired the exchanges it serves in Iowa from GTE effective July 1, 2000. See Iowa Telecommunications Services, Inc., Tariff FCC No. 1, Transmittal No. 22, Description and Justification.

customers that have been sent non-payment, discontinuance of service, or refusal of new orders letters in the past year and the average length of time from a bill's being delinquent until the letter was sent. To provide information on possible changes in customer behavior, Iowa Telecom shall provide the Commission with the percent of carrier bills disputed, the percent of carrier-billed revenues disputed, and the percentage of the disputed amounts that were successfully disputed by the carrier for billing periods from Iowa Telecom's inception to the present. Iowa Telecom should also indicate if it deducts disputed amounts from amounts billed for purposes of determining whether a carrier has complied with a deadline.

11. Iowa Telecom shall indicate which services in its interstate access tariff, including the subscriber line charge and other common line services, are billed in advance and those that are billed in arrears. It shall indicate the percentage of interstate billings that are billed in advance, how this level has changed since its inception, and how any change has affected the risk Iowa Telecom faces. In this connection, Iowa Telecom should discuss whether different security deposit provisions should apply depending upon whether the service is billed in advance or billed in arrears. Iowa Telecom shall also discuss the extent to which it has a debtor relationship with its customers and how that may affect Iowa Telecom's credit risk. Iowa Telecom should indicate the dollar amount of unpaid bills of defaulting customers that have gone into bankruptcy since Iowa Telecom's inception and the percentage of that amount that it has recovered through bankruptcy proceedings.

12. If Iowa Telecom believes that the risk of uncollectible debts has increased permanently, it should explain what accounts for this change, *e.g.*, the general economic climate or some structural change in the market. If the change is a structural one, are there methods other than the Iowa Telecom proposal that would adequately address this additional risk, *e.g.*, is there a subset of carriers that can be identified that are the major cause of the increased risk? Alternatively, is there some means of accelerated billing that could, if there were a nonpayment, trigger the existing security deposit provisions and thus offer some additional protection to Iowa Telecom? Iowa Telecom should also discuss what other steps, other than requiring additional security deposits, it might take to mitigate the risk. For example, could it adopt some form of advance payment for services currently billed in arrears and, if so, what modifications to its tariff and billing programs would be necessary? How difficult would such changes be to implement? Iowa Telecom's tariff revisions increasing the security deposits would impose additional costs on carriers that are also Iowa Telecom's competitors at a time when access to capital markets is extremely limited. This could adversely affect the competitiveness of telecommunications markets. Thus, if some measures are necessary, an approach that has the fewest adverse effects on the competitive market while protecting Iowa Telecom's interests would be preferred.

13. Iowa Telecom's proposed security deposit revisions also raise questions about whether they are sufficiently clear and unambiguous to preclude discriminatory or anticompetitive application. Section 61.54(j) of the Commission's rules provides that "[t]he general rules (including definitions), regulations, exceptions, and conditions which govern the tariff must be stated clearly and definitely."²⁰ Iowa Telecom's proposed tariff revisions provide that it shall determine whether "a customer represents a significant financial risk based on objective financial standards such as but not limited to Moody's Investor Services, Standard and Poor's, D&B, and ratings issued by independent and non-affiliated regional analysts of financial

²⁰ 47 C.F.R. § 61.54(j).

information.”²¹ Iowa Telecom has not shown that these factors are valid predictors of the likelihood of a customer paying its access bill, or that they are better predictors of whether a customer will pay its bills in the future than the customer’s past payment history. As part of its direct case, Iowa Telecom shall explain how each of these factors is a valid predictor of whether the carrier will pay its interstate access bill. Iowa Telecom shall also explain how such varied data can be applied in a manner that will not produce arbitrary and/or discriminatory results. This is especially important because in most cases the entity upon which Iowa Telecom would impose the security deposit would also be a competitor of Iowa Telecom itself, or of its competitive LEC affiliate. In this connection, Iowa Telecom shall provide the Commission with information concerning the security deposits that it has required of its competitive LEC affiliate. Iowa Telecom shall also indicate how that affiliate would score under its proposed credit-rating procedures and what actions Iowa Telecom would take in response to that rating. Iowa Telecom shall also indicate how it would score under its credit-rating methodology. We note that most of these criteria relate to ratings for businesses. Iowa Telecom should discuss its intentions, if any, with respect to residential end user customers.

14. Iowa Telecom shall provide the Commission with data on the payment characteristics of defaulting interstate access customers during the year prior to the time the account was 90 days overdue. Iowa Telecom shall present the data in terms that will permit the Commission to identify patterns that may exist in a customer’s payment practices prior to default that may permit alternatives to security deposits to be identified and evaluated.

15. Finally, we ask Iowa Telecom to provide data, to the extent it has it, on the level of uncollectibles that may exist in other regulated industries, or in the broader marketplace. It should also discuss the means those businesses use to address the risks of defaulting customers, especially as to how they manage bad credit risks while still providing goods or services to the customer.

B. Application of Revised Deposit Requirements to Term Plan Customers

1. Background

16. WorldCom asserts that Iowa Telecom has not demonstrated substantial cause for a material change in a provision of a term plan, citing *RCA Communications, Inc.*²² WorldCom asserts that Iowa Telecom has not shown that it has experienced any material change in its business circumstances, much less a change that would constitute an injury to Iowa Telecom that would outweigh the existing customers’ legitimate expectations of stability.²³

2. Discussion

17. The second issue designated for investigation is whether the imposition of revised security deposit provisions constitutes a material change to Iowa Telecom’s term contracts, and, if so, whether it is reasonable for Iowa Telecom to apply the revised deposit provisions to term

²¹ Tariff FCC No. 1, Third Revised Page 2-12, section 2.4.1(A).

²² *RCA Communications, Inc., Revisions to FCC Tariff Nos. 1 and 2*, CC Docket No. 80-766, Transmittal Nos. 191 and 273, Memorandum Opinion and Order, 94 FCC 2d 1338 (1983).

²³ WorldCom Petition at 10-12.

plans. If a carrier would have to provide a new or increased security deposit to Iowa Telecom, its operating capital would be significantly reduced. This could affect other capital or loan commitments it had, potentially causing the carrier to need to restructure or terminate some services that would then trigger a termination penalty. This would be a serious destabilizing event in the competitive marketplace. We direct Iowa Telecom to respond to the matters discussed below and provide the requested information in its direct case. Nonetheless, Iowa Telecom may, as part of its direct case, seek to justify applying the revised security deposit provisions to term plans.

18. Iowa Telecom shall explain in its direct case the reasons increased security deposits should be required of customers with existing term plans and how that is consistent with the Commission's decision in *RCA Communications, Inc.* This could have significant financial and competitive consequences for existing term plan customers that, in most cases, would also be competitors of Iowa Telecom. Iowa Telecom shall provide the Commission with data on the share of interstate access revenues that are received from services subject to term plans and, of that amount, what portion is attributable to services that are paid in advance. If the majority of term plans require prepayment, the risk to Iowa Telecom would appear to be much less than if they were all paid in arrears. Moreover, we recognize that when customers' existing term plans expire Iowa Telecom will be able to apply prevailing security deposit provisions to new plans taken by such carriers.

C. Shortened Termination Period

1. Background

19. The proposed tariff revisions provide that, in specified cases of nonpayment, if a customer "fails to correct such noncompliance within fifteen (15) days after being sent written notice, by Certified U.S. Mail, from the Telephone Company to a person designated by the customer to correct such noncompliance, the Telephone Company may discontinue the provision of the FIA to the noncomplying customer."²⁴ The proposed revisions exclude existing term plans from this shortened 15-day termination provision, leaving the notice period for such plans at 30 days.²⁵

20. WorldCom argues that Iowa Telecom's proposal to reduce the notice period for disconnections from 30 days to 15 days is unjust and unreasonable.²⁶

2. Discussion

21. The third issue designated for investigation is whether Iowa Telecom's proposal to reduce the notice required before termination of a service may occur from 30 days to 15 days is just and reasonable. We direct Iowa Telecom to respond to the matters discussed below and provide the requested information in its direct case. Nonetheless, Iowa Telecom may, as part of its direct case, seek to justify the reduced notice provisions in its proposed tariff revision.

²⁴ Tariff FCC No. 1, Fourth Revised Page 2-5, section 2.1.8(A).

²⁵ Tariff FCC No. 1, Original Page 2-5.1, section 2.1.8(A).

²⁶ WorldCom Petition at 3-5.

22. As part of its direct case, Iowa Telecom shall explain why it believes that the increased security deposit provisions it proposes are inadequate and why it needs shortened notice periods as well; or, conversely, why a shortened notice period would not be adequate by itself. Iowa Telecom shall also submit information for the most recent twelve months as to the timeliness of its billings. In this connection, it shall state the billing date, the delivery date (indicating whether it was by mail or electronically), and the due date for each billing cycle. It shall also discuss the appropriateness of prescribing the time within which a bill must be presented to the customer if a shortened notice period were to be allowed in order to permit the customer sufficient time to review the bill and pursue its dispute rights under the tariff. In particular, Iowa Telecom should address whether it could meet the three-day requirement the Commission adopted in 1987.²⁷

IV. PROCEDURAL MATTERS

A. Filing Schedules

23. This investigation is designated WC Docket No. 02-303. Iowa Telecommunications Services, Inc., is designated a party to this investigation.

24. Iowa Telecom shall file its direct case no later than October 10, 2002. The direct case must present Iowa Telecom's position with respect to the issues described in this Order. Pleadings responding to the direct cases may be filed no later than October 24, 2002, and must be captioned "Oppositions to Direct Case" or "Comments on Direct Case." Iowa Telecom may file a "Rebuttal" to oppositions or comments no later than October 31, 2002.

25. An original and four copies of all pleadings shall be filed with the Secretary of the Commission. In addition, parties shall serve with three copies: Pricing Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 6-C222, Washington, D.C. 20554, Attn: Julie Saulnier. Parties shall also serve with one copy: Qualex International, Portals II, 445 12th Street, S.W., Room CY-B402, Washington, D.C. 20554, (202) 863-2893. Members of the general public who wish to express their views in an informal manner regarding the issues in this investigation may do so by submitting one copy of their comments to the Office of the Secretary, Federal Communications Commission, 445 12th Street, S.W., Room TW-A325, Washington, D.C. 20554. Such comments should specify the docket number of this investigation, WC Docket No. 02-303. Parties are also strongly encouraged to submit their pleadings via the Internet through the Electronic Comment Filing System at <<http://www.fcc.gov/e-file/ecfs.html>>. Generally, only one copy of an electronic submission must be filed. In completing the transmittal screen, commenters should include their full name, Postal Service mailing address, and the applicable docket number, which in this instance is WC Docket No. 02-303. Parties may also submit an electronic comment via Internet e-mail. To get filing instructions for e-mail comments, commenters should send an e-mail to <ecfs@fcc.gov>, and should include the following words in the body of the message: "get form <your e-mail address>." A sample form and directions will be sent in reply.

26. Interested parties who wish to file comments via hand-delivery are also notified that effective December 18, 2001, the Commission will only receive such deliveries weekdays

²⁷ See *supra*, note 7.

from 8:00 a.m. to 7:00 p.m., via its contractor, Vistrionix, Inc., located at 236 Massachusetts Avenue, NE, Suite 110, Washington, DC 20002. **The Commission no longer accepts these filings at 9300 East Hampton Drive, Capitol Heights, MD 20743.** Please note that all hand deliveries must be held together with rubber bands or fasteners, and envelopes must be disposed of before entering the building. In addition, this is a reminder that as of October 18, 2001, the Commission no longer accepts hand-delivered or messenger-delivered filings at its headquarters at 445 12th Street, SW, Washington, DC 20554. Messenger-delivered documents (e.g., FedEx), including documents sent by overnight mail (other than United States Postal Service (USPS) Express and Priority Mail), must be addressed to 9300 East Hampton Drive, Capitol Heights, MD 20743. This location is open weekdays from 8:00 a.m. to 5:30 p.m. USPS First-Class, Express, and Priority Mail should be addressed to the Commission's headquarters at 445 12th Street, SW, Washington, DC 20554. The following chart summarizes this information:

TYPE OF DELIVERY	PROPER DELIVERY ADDRESS
Hand-delivered paper filings	236 Massachusetts Avenue, NE, Suite 110, Washington, DC 20002 (Weekdays - 8:00 a.m. to 7:00 p.m.)
Messenger-delivered documents (e.g., FedEx), including documents sent by overnight mail (this type excludes USPS Express and Priority Mail)	9300 East Hampton Drive, Capitol Heights, MD 20743 (Weekdays - 8:00 a.m. to 5:30 p.m.)
USPS First-Class, Express, and Priority Mail	445 12 th Street, SW Washington, DC 20554

27. All relevant and timely pleadings will be considered by the Commission. In reaching a decision, the Commission may take into account information and ideas not contained in pleadings, provided that such information, or a writing containing the nature and source of such information, is placed in the public file, and provided that the fact of reliance on such information is noted in the order.

B. *Ex Parte* Requirements

28. This investigation is a permit-but-disclose proceeding and is subject to the requirements of section 1.1206(b) of the Commission's rules, 47 C.F.R. § 1.1206(b), as revised. Persons making oral *ex parte* presentations are reminded that memoranda summarizing the presentations must contain a summary of the substance of the presentation and not merely a listing of the subjects discussed. More than a one- or two-sentence description of the views and arguments presented is generally required.²⁸ Other rules pertaining to oral and written presentations are also set forth in section 1.1206(b).

29. Interested parties are to file any written *ex parte* presentations in this proceeding with the Commission's Secretary, Marlene Dortch, 445 12th Street, S.W., TW-B204, Washington, D.C. 20554, and serve with three copies: Pricing Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 6-C222, Washington, D.C. 20554, Attn: Julie Saulnier. Parties shall also serve with one copy: Qualex International, Portals II, 445 12th

²⁸ See 47 C.F.R. §1.1206(b)(2), as revised.

Street, S.W., Room CY-B402, Washington, D.C. 20554, (202) 863-2893.

C. Paperwork Reduction Act

30. This order designating issues for investigation contains no new or modified information collections subject to the Paperwork Reduction Act of 1995, Pub. Law 104-13.

V. ORDERING CLAUSES

31. ACCORDINGLY, IT IS ORDERED that, pursuant to sections 4(i), 4(j), 201(b), 203(c), 204(a), 205, and 403 of the Communications Act, 47 U.S.C. §§ 154(i), 154(j), 201(b), 203(c), 204(a), 205, and 403, and pursuant to authority delegated by sections 0.91 and 0.291 of the Commission's rules, 47 C.F.R. §§ 0.91, 0.291, the issues set forth in this Order ARE DESIGNATED FOR INVESTIGATION.

32. IT IS FURTHER ORDERED that Iowa Telecommunications Services, Inc., SHALL BE a party to this proceeding.

33. IT IS FURTHER ORDERED that Iowa Telecommunications Services, Inc., SHALL INCLUDE, in its direct case, a response to each request for information that it is required to answer by this Order.

FEDERAL COMMUNICATIONS COMMISSION

Tamara L. Preiss
Chief, Pricing Policy Division
Wireline Competition Bureau