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

In the Matter of	)	
Northwest Communications Cooperative, Inc. and Midstate Telephone Company, LLC Joint Petition for Waiver of Sections 51.909(a), 51.917(b)(1) and 51.917(b)(7) of the Commission's Rules	) ) )	WC Docket No. 22-434
Connect America Fund	)	WC Docket No. 10-90
Developing a Unified Intercarrier Compensation Regime	) ) )	CC Docket No. 96-45

**ORDER** 

Adopted: March 22, 2023 Released: March 22, 2023

By the Chief, Wireline Competition Bureau:

#### I. INTRODUCTION

1. In this Order, consistent with precedent,¹ we grant the joint petition filed by Northwest Communications Cooperative, Inc. (NCC) and Midstate Telephone Company, LLC (Midstate) (together, Petitioners),² seeking waiver of certain of the Commission's intercarrier compensation rules to facilitate the transfer of an exchange in Portal, North Dakota from Midstate to NCC.³ Based on the record before us, we find good cause to grant the unopposed waiver petition, which will serve the public interest by facilitating the Petitioners' transfer which, in turn, will promote increased productivity and efficiencies, as well as cost-savings that can be passed on to consumers, while having a *de minimis* effect on switched access charge revenue and universal service support.

<sup>&</sup>lt;sup>1</sup> See e.g., 3 Rivers Telephone Cooperative, Inc., and Siyeh Communications Application for Transfer of Assets Pursuant to Section 214 of the Communications Act of 1934, as Amended, et al., WC Docket No. 20-85 et al., Order, 35 FCC Rcd 12983 (WCB 2020) (3 Rivers Order) (granting waiver of Commission intercarrier compensation rules and applying Commission precedent where one provider transfers certain assets to another provider resulting in a restructured study area); Petition of Butler-Bremer Mutual Telephone Company, Inc. for a Waiver of Sections 51.909(a), 51.917(b)(1), and 51.917(b)(7) of the Commission's Rules to Modify Access Rate Bands and Charges, and 2011 Switched Access Revenue in Connection with Merger of Affiliated Study Areas in Iowa; et al., WC Docket No. 10-90 et al., Order, 33 FCC Rcd 1152, 1157-58, paras. 15-16 (WCB 2018) (Butler-Panora Order) (outlining and applying relevant Commission precedent to approve the two merger-related rate-of-return study area waiver petitions).

<sup>&</sup>lt;sup>2</sup> Northwest Communications Cooperative, Inc. and Midstate Telephone Company, LLC Joint Petition for Waiver of Sections 51.909(a), 51.917(b)(1) and 51.917(b)(7) of the Commission's Rules, WC Docket No. 22-434 (filed Dec. 8, 2022) (Joint Petition).

<sup>&</sup>lt;sup>3</sup> A study area is the geographic territory of an incumbent local exchange carrier's telephone operations. *See* 47 CFR Part 36 Appx.; *US West Communications, Inc. & Eagle Telecommunications, Inc. Joint 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 1771, 1772, para. 5 (WCB 1995).

#### II. BACKGROUND

# A. Intercarrier Compensation Reform

- 2. In the *USF/ICC Transformation Order*,<sup>4</sup> the Commission capped reciprocal compensation and interstate switched access rates and most intrastate switched access rates at the levels in effect on December 29, 2011.<sup>5</sup> In that same Order, the Commission adopted a multi-year process for reducing most terminating switched access rates to bill-and-keep.<sup>6</sup> The Commission adopted a transitional revenue recovery mechanism that allows incumbent local exchange carriers (LECs) to recover a portion of the intercarrier compensation revenues lost due to the Commission's reforms, up to an amount defined for each year of the incumbent LEC's transition.<sup>7</sup> These defined amounts are referred to as "Eligible Recovery." An incumbent LEC may recover its Eligible Recovery each year from its end users through an Access Recovery Charge (ARC), subject to an annual cap.<sup>9</sup> If the projected ARC revenues are not sufficient to cover the entire Eligible Recovery amount, the carrier may elect to collect the remainder in Connect America Fund–Intercarrier Compensation (CAF ICC) support.<sup>10</sup>
- 3. The calculation of a rate-of-return incumbent LEC's (rate-of-return LEC's) Eligible Recovery begins with its Base Period Revenue (BPR).<sup>11</sup> A rate-of-return carrier's BPR is the sum of certain terminating intrastate switched access revenues and net reciprocal compensation revenues received by March 31, 2012, for services provided during Fiscal Year (FY) 2011,<sup>12</sup> and the projected revenue requirement for interstate switched access services for the 2011-2012 tariff period.<sup>13</sup> The BPR for rate-of-return carriers is reduced by 5% each year of the transition.<sup>14</sup> A rate-of-return incumbent LEC's Eligible Recovery is equal to the adjusted BPR for the year in question, less, for each relevant year of the transition, the sum of (1) projected terminating intrastate switched access revenue; <sup>15</sup> (2) projected interstate switched access revenue; and (3) projected net reciprocal compensation revenue.<sup>16</sup> A rate-of-return incumbent LEC's BPR is calculated only once, but is used during each step of the intercarrier compensation recovery mechanism calculations for each year of the transition.<sup>17</sup>

<sup>&</sup>lt;sup>4</sup> Connect America Fund et al., WC Docket No. 10-90 et al., Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 17663 (WCB 2011) (*USF/ICC Transformation Order*), aff'd, In re FCC 11-161, 753 F.3d 1015 (10th Cir. 2014).

<sup>&</sup>lt;sup>5</sup> See 47 CFR § 51.909(a). Originating intrastate switched access rates for rate-of-return carriers were exempt from the rate cap.

<sup>&</sup>lt;sup>6</sup> USF/ICC Transformation Order, 26 FCC Rcd at 17934-36, para. 801 & fig. 9.

<sup>&</sup>lt;sup>7</sup> See id. at 17956, para. 847.

<sup>&</sup>lt;sup>8</sup> *Id.* at 17957, para. 850.

<sup>&</sup>lt;sup>9</sup> *Id.* at 17958-61, para. 852; 47 CFR §§ 51.917(d)-(e).

<sup>&</sup>lt;sup>10</sup> USF/ICC Transformation Order, 26 FCC Rcd at 17994-95, para. 918; 47 CFR § 51.917(f).

<sup>&</sup>lt;sup>11</sup> See 47 CFR § 51.917(b)(7).

<sup>&</sup>lt;sup>12</sup> For purposes of the recovery mechanism, FY 2011 is defined as Oct. 1, 2010 through Sept. 30, 2011. *See* 47 CFR § 51.903(e).

<sup>&</sup>lt;sup>13</sup> See 47 CFR § 51.917(b)(7). The 2011-2012 tariff period was July 1, 2011 through June 30, 2012.

<sup>&</sup>lt;sup>14</sup> See 47 CFR § 51.917(b)(3).

<sup>&</sup>lt;sup>15</sup> The carrier would reflect forward any required true-ups resulting from the operation of the pre-merger study areas in the proper year for the merged study area. *See e.g.*, 47 CFR §§ 51.915(b)(13); 51.917(b)(6).

<sup>&</sup>lt;sup>16</sup> See 47 CFR § 51.917(d).

<sup>&</sup>lt;sup>17</sup> See id.

### **B.** Commission Precedent Waiving Intercarrier Compensation Rules

- 4. The Commission's rules for calculating Eligible Recovery are based on study areas specific data and do not address the adjustments that may be necessary when study areas are transferred or restructured. Therefore, where carriers restructure, acquire, or merge their study areas, the carriers must recalculate their BPRs and interstate revenue requirements for the restructured, acquired, or merged study areas. The Commission must waive its rules regarding BPRs and interstate revenue requirements calculations in order for the carriers to recalculate these revenues and revenue requirements for the reconfigured study areas. The Commission of the reconfigured study areas.
- 5. Since the Eligible Recovery rules have taken effect, several rate-of-return LECs have partially or fully merged study areas or acquired study areas. Because the intercarrier compensation and CAF ICC rules adopted in the *USF/ICC Transformation Order* do not contemplate study area changes, these carriers have had to file petitions for waiver of portions of section 51.917 of the Commission's rules to reset the applicable BPR associated with the study areas they have merged or acquired.<sup>21</sup>
- 6. The Wireline Competition Bureau (Bureau) has granted waivers of section 51.917(b)(1) and (b)(7) of the Commission's rules where carriers merge, acquire, or restructure study areas.<sup>22</sup> Such waivers allowed carriers to recalculate their BPR based on the restructured study area boundaries.<sup>23</sup> In cases where a study area was transferred or restructured, the carriers were permitted to adjust their BPR amounts, based on the relative number of access lines being transferred, to reflect the revised study areas.<sup>24</sup> In each case, the Bureau found that such an adjustment would create an appropriate revised BPR to serve as the baseline for calculating the Eligible Recovery of the redefined study areas going forward.<sup>25</sup>
- 7. The Bureau has also used the waiver process to adjust the interstate switched access rates that the companies may assess when they transfer a portion of one study area from one carrier to another. To facilitate mergers for entities that participate in the National Exchange Carrier Association, Inc. (NECA) traffic-sensitive tariff, the Bureau has granted waivers of section 51.909(a) of the Commission's

<sup>&</sup>lt;sup>18</sup> 47 CFR § 51.917(d)-(e); *see, e.g., Butler-Panora Order*, 33 FCC Rcd at 1155, 1157, paras. 10, 15 (discussing relevant precedent and describing approach to calculating Eligible Recovery when study areas consolidate).

<sup>&</sup>lt;sup>19</sup> Joint Petition for Waiver of the Definition of "Study Area" of the Appendix-Glossary of Part 36 of the Commission's Rules Filed by Mutual Telephone Company of Sioux Center, Iowa d/b/a Premier Communications and Winnebago Cooperative Telecom Association, et al., WC Docket No. 10-90 et al., Order, 31 FCC Rcd 10683, 10691, para. 27 (WCB 2016) (Mutual-Winnebago Order) (Bureau finding that the Petitioners' BPR allocation is reasonable and will help Petitioners determine study area specific recovery amounts, including the amount of CAF ICC going forward).

<sup>&</sup>lt;sup>20</sup> Mutual-Winnebago Order, 31 FCC Rcd at 10691, para. 27.

<sup>&</sup>lt;sup>21</sup> See, e.g., Butler-Panora Order, 33 FCC Rcd at 1157-58, paras. 15-16 (outlining and applying relevant Commission precedent to approve the merger of two rate-of-return study areas); Connect America Fund Developing a Unified Intercarrier Compensation Regime Titonka Telephone Company and The Burt Telephone Company Petition for Waiver of Sections 51.917(b)(1) and 51.917(b)(7) of the Communications Rules to Modify 2011 Base Period Revenue, et al., WC Docket No. 10-90 et al., Order, 34 FCC Rcd 4777, 4781, paras. 8-10 (WCB 2019).

<sup>&</sup>lt;sup>22</sup> 3 Rivers Order, 35 FCC Rcd at 12987, para 12.

<sup>&</sup>lt;sup>23</sup> Butler-Panora Order, 33 FCC Rcd at 1157-58, paras. 15-16; see Telapex, Inc. Petition for Waiver of Sections 51.909(a), 51.917(b)(1), and 51.917(b)(7) of the Commission's Rules to Modify Access Rate Bands and Charges, and 2011 Base Period Revenue in Connection with Merger of Affiliated Study Areas in Mississippi et al., WC Docket No. 10-90 et al., Order, 33 FCC Rcd 11764 (WCB 2018).

<sup>&</sup>lt;sup>24</sup> See, e.g., Connect America Fund; Mutual-Winnebago Order, 31 FCC Rcd at 10691, para. 27 (approving allocating BPR amounts using a simple average of the access line count for FY 2011 when only a portion of a study area is involved); 3 Rivers Order, 35 FCC Rcd at 12990, para. 18.

<sup>&</sup>lt;sup>25</sup> See, e.g., Butler-Panora Order, 33 FCC Rcd at 1157, para. 15.

rules to allow NECA to place the consolidated study area in the rate band that most closely approximates the merged entities' cost characteristics.<sup>26</sup> The rate for that rate band then becomes the rate cap for that rate element in the merged or restructured study area.

## C. NCC-Midstate Acquisition

8. On February 23, 2023, the Bureau granted an application filed by Midstate and NCC, approving NCC's acquisition of 90 voice access lines served by a Midstate exchange in Portal, North Dakota (Portal Exchange).<sup>27</sup> The Bureau also granted a related petition filed by Midstate and NCC for waiver of the part 36 study area boundary freeze to permit Midstate to remove the Portal Exchange from its study area (SAC 381617) and to allow NCC to incorporate the Portal Exchange into its study area (SAC 381625).<sup>28</sup> As a result of the transaction, NCC will acquire from Midstate all assets, property, rights, and interests related to 90 voice access line customers associated with the Portal Exchange. The Portal Exchange will be integrated into NCC's study area and NCC will provide telecommunications and Internet access services to customers served by the Portal Exchange.<sup>29</sup>

### D. Petitioners' Requests

9. In connection with the NCC-Midstate transaction, Petitioners filed a joint petition on December 8, 2022 requesting waiver of section 51.909(a) of the Commission's rules to revise their rate band assignments and charges for certain switched access services, as necessary, to reflect the transfer of the Portal Exchange.<sup>30</sup> NCC's and Midstate's switched access rates are tariffed pursuant to NECA Tariff F.C.C. No. 5 (NECA tariff) and subject to different rate band assignments for local switching, local transport, and tandem switched transport.<sup>31</sup> The Midstate study area (SAC 381617) is assigned to rate band 8 for local switching, rate band 8 for local transport, and rate band 1 for tandem switched transport.<sup>32</sup> The NCC study area (SAC 381625) is assigned to rate band 4 for local switching, rate band 10 for local transport, and rate band 2 for tandem switched transport.<sup>33</sup> Following transfer, these rate band assignments will remain the same for each study area. Petitioners seek waiver of section 51.909(a) to revise the rate band assignments and charges to reflect the transfer of the 90 access lines served by the Portal Exchange.<sup>34</sup> Petitioners also sought waiver of section 51.917(b)(1) and (b)(7) of the Commission's

<sup>&</sup>lt;sup>26</sup> See, e.g., Butler-Panora Order, 33 FCC Rcd at 1157-58, para. 16; Titonka-ITC-Northeast Order, 34 FCC Rcd at 4781-82, para. 10.

<sup>&</sup>lt;sup>27</sup> Application Granted for the Acquisition of Certain Assets of Midstate Telephone Company, LLC by Northwest Communications Cooperative, Inc.; Joint Petition Granted for Waiver of the Definition of "Study Area" Contained in Part 36 of the Commission's Rules, WC Docket No. 22-397, CC Docket No. 96-45, Public Notice, DA 23-143, 2023 WL 2212748 (WCB Feb. 23, 2023) (Public Notice). On February 8, 2023, the North Dakota Public Services Commission issued an order approving the transfer of the exchange in Portal, North Dakota from Midstate to NCC. Northwest Communications/Midstate Telephone Company, et al., Case Nos. PU-22-408, PU-22-409, Order (N.D. Pub. Serv. Comm. Feb. 8, 2023), https://www.psc.nd.gov/database/documents/22-0409/013-030.pdf.

<sup>&</sup>lt;sup>28</sup> Public Notice at 1.

<sup>&</sup>lt;sup>29</sup> *Id.* at 2.

<sup>&</sup>lt;sup>30</sup> Joint Petition at 1.

<sup>&</sup>lt;sup>31</sup> *Id*. at 3.

<sup>&</sup>lt;sup>32</sup> *Id.* The NECA tariff contains several switched access rates depending on what service is ordered. For example, as of July 1, 2022, the NECA local switching per originating access minute rates are as follows: premium non-toll free: rate band 4 (\$0.029158), rate band 8 (\$0.048596); premium toll free: rate band 4 (\$0.014396), rate band 8 (\$0.023993); non-premium non-toll free: rate band 4 (\$0.013121), rate band 8 (\$0.021869); non-premium toll free: rate band 4 (\$0.006478), rate band 8 (\$0.010797). NECA F.C.C Tariff No. 5, § 17.2.3 (eff. Jul. 1, 2022).

<sup>&</sup>lt;sup>33</sup> Joint Petition at 3.

<sup>&</sup>lt;sup>34</sup> *Id*.

rules to recalculate Midstate's and NCC's 2011 interstate switched access revenue requirements and 2011 BPRs to reflect the Portal Exchange transfer.<sup>35</sup> Petitioners seek a waiver to include the Portal Exchange in NCC's 2011 interstate switched access revenue requirement and 2011 BPR and to exclude the Portal Exchange from Midstate's 2011 interstate switched access revenue requirement and 2011 BPR.<sup>36</sup>

10. On December 12, 2022, the Bureau released a public notice seeking comment on the Joint Petition for Waiver.<sup>37</sup> No comments were filed in response to the public notice. On March 9, 2023, Petitioners filed an *ex parte* letter amending their Petition by replacing Exhibit A with Amended Exhibit A and modifying two sentences in the Petition.<sup>38</sup>

#### III. DISCUSSION

- 11. Generally, the Commission's rules may be waived for good cause shown.<sup>39</sup> The Commission may exercise its discretion to waive a rule where the specific facts make strict compliance inconsistent with the public interest.<sup>40</sup> Waiver of the Commission's rules is therefore appropriate only if special circumstances warrant a deviation from the general rule and such deviation will serve the public interest.<sup>41</sup>
- 12. Consistent with precedent, we find good cause exists to grant Petitioners' joint petition for waiver of the Commission's rules to facilitate the transfer of the Portal Exchange from Midstate to NCC.<sup>42</sup> We agree with Petitioners that waiving sections 51.909(a), 51.917(b)(1), and 51.917(b)(7) of the Commission's rules will serve the public interest by facilitating the exchange transfer from Midstate to NCC, thereby creating administrative and operational efficiencies. These public interest benefits and reductions to CAF ICC support offset any *de minimis* rate increases for customers.
- 13. First, we find that good cause exists to grant Petitioners a waiver of section 51.909(a) of the Commission's rules to allow them to revise the rate band assignments applicable to the 90 access lines associated with the Portal Exchange, as necessary, to reflect the transfer. As explained above, NCC's study area and Midstate's study area are assigned different rate bands for local switching, local transport, and tandem switched transport. The switched access rates for these rate bands are capped under section 51.909(a).<sup>43</sup> Midstate's study area and NCC's study area will retain their rate band assignments pre- and post-transfer. Waiver of section 51.909(a) is necessary to allow NCC to charge rates for switched access to the 90 lines incorporated into its study area that may be higher than the rate caps these 90 access lines were subject to under Midstate's study area rate bands. We recognize that, depending on the rate band assignments, the transfer of 90 lines alters the relative recovery between access revenues and CAF ICC

<sup>&</sup>lt;sup>35</sup> *Id*. at 1.

<sup>&</sup>lt;sup>36</sup> *Id*. at 4.

<sup>&</sup>lt;sup>37</sup> See Wireline Competition Bureau Seeks Comment on Northwest Communication Cooperative, Inc. and Midstate Telephone Company, LLC For Waiver of Part 51 Access Charge and Connect America Fund Intercarrier Compensation Calculation, WC Docket. No. 22-434, Public Notice, DA 22-1305, 2022 WL 18023064 (WCB Dec. 12, 2022).

<sup>&</sup>lt;sup>38</sup> Letter from John Kuykendall, Regulatory Advisor, JSI, on behalf of Petitioners, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 22-434, at 1-2 (filed March 9, 2023) (JSI Mar. 9 Letter).

<sup>&</sup>lt;sup>39</sup> 47 CFR § 1.3.

<sup>&</sup>lt;sup>40</sup> Northeast Cellular Telephone Co. L.P. v. FCC, 897 F.2d 1164, 1166 (D.C. Cir. 1990) (Northeast Cellular).

<sup>&</sup>lt;sup>41</sup> The Commission may, on an individual basis, take into account considerations of hardship, equity, or more effective implementation of overall policy. *See WAIT Radio v. FCC*, 418 F.2d 1153, 1159 (D.C. Cir. 1969); *Northeast Cellular*, 897 F.2d at 1166.

<sup>&</sup>lt;sup>42</sup> See, e.g., 3 Rivers Order, 35 FCC Rcd 12983.

<sup>43 47</sup> CFR § 51.909(a).

support. Petitioners estimate that annual interstate and intrastate switched access revenue is expected to decrease for Midstate by \$4,375 and increase for NCC by \$4,899, yielding a net annual increase of \$524 in total revenues.<sup>44</sup> As a result, the overall impact on Midstate and NCC is estimated to be a net switched access revenue increase of \$166 per year, after pooling of interstate switched access revenues, and a corresponding net CAF ICC decrease of \$166 per year.<sup>45</sup>

- 14. While not revenue neutral, we find the nominal differences in switched access revenues and CAF ICC to be offset by the public interest benefits resulting from efficiencies gained from the Portal Exchange transfer. We agree with Petitioners that the relatively small customer base served by the Portal Exchange, which is currently "isolated in a geographic area surrounded by the NCC exchanges," will "benefit from NCC's resources and close network proximity." We find that the transfer will ultimately facilitate the Commission's goal of encouraging carriers to become more efficient and increase productivity, resulting in cost-savings that can be passed on to customers or used to enhance service. We also find the proposed rate band assignments to be reasonable. Accordingly, we waive section 51.909(a) of the Commission's rules to allow NCC to charge the customers served by the Portal Exchange rates consistent with NECA rate band 4 for local switching, rate band 10 for local transport, and rate band 2 for tandem switched transport.
- 15. Second, we find good cause exists to grant Petitioners' request to waive section 51.917(b)(1) and (b)(7) of the Commission's rules to adjust their 2011 interstate switched access revenue requirements and 2011 BPR to reflect the transfer from Midstate to NCC of 90 access lines associated with the Portal Exchange.<sup>50</sup> Waiver is necessary to adjust Midstate's and NCC's 2011 BPRs and 2011 switched access revenue requirement, which are used to calculate CAF ICC support, to reflect the 90 access lines being acquired by NCC.<sup>51</sup> Petitioners calculate that NCC's 2011 BPR will increase by \$25,835 and Midstate's 2011 BPR will decrease by \$25,835.<sup>52</sup> Petitioners determine these amounts by multiplying Midstate's 2011 BPR (including Midstate's 2011 interstate switched access revenue requirement) by the ratio of the transferred access lines to Midstate's total access lines (including the transferred lines), using 2022 access line counts. We find this apportionment to be reasonable, as it reflects prior precedent.<sup>53</sup> Thus, granting waiver of these rules has no net impact on NCC's and Midstate's combined 2011 BPR and interstate revenue requirements. For similar reasons, we find that granting the requested waiver furthers the public interest by facilitating the proposed transfer which, in turn, will result in operational efficiencies that should benefit consumers. We waive section 51.917(b)(1) and (b)(7) of the Commission's rules to allow Petitioners to reduce Midstate's 2011 BPR by \$25,835 and

<sup>&</sup>lt;sup>44</sup> JSI Mar. 9 Letter at 2.

<sup>&</sup>lt;sup>45</sup> Joint Petition at 3.

<sup>&</sup>lt;sup>46</sup> *Id*. at 5.

<sup>&</sup>lt;sup>47</sup> See, e.g., USF/ICC Transformation Order, 26 FCC Rcd at 17984-85, para. 902; Joint Petition at 5; see Butler-Panora Order, 33 FCC Rcd at 1158, para. 16; Ace Telephone Order, 36 FCC Rcd at 5439, para. 14.

<sup>&</sup>lt;sup>48</sup> See Joint Petition at Exh. A.

<sup>&</sup>lt;sup>49</sup> See id. at 4; NECA Tariff F.C.C. No. 5, §§ 17.5.1, 17.2.2, 17.2.3 (eff. Jul. 1, 2022) (local switching, local transport, and tandem switched transport rate bands and per minute charges).

<sup>&</sup>lt;sup>50</sup> Joint Petition at 3-4.

<sup>&</sup>lt;sup>51</sup> See 47 CFR § 51.917(b)(1), (b)(7); see also Mutual-Winnebago Order, 31 FCC Rcd. at 10691, para. 27 (finding that apportioning the BPR amounts allows petitioners to "determine study area specific recovery amounts, including the amount of CAF ICC going forward").

<sup>&</sup>lt;sup>52</sup> JSI Mar. 9 Letter at 2.

<sup>&</sup>lt;sup>53</sup> See, e.g., Butler-Panora Order, 33 FCC Rcd at 1159, para. 19.

increase NCC's 2011 BPR by \$25,835.<sup>54</sup> Finally, we grant a waiver of section 51.917(b)(1) of the Commission's rules to allow Petitioners to make corresponding adjustments to their 2011 interstate switched access revenue requirements using the same ratio of transferred access lines to Midstate's total access lines, as the interstate switched access revenue requirement is a component of BPR.

#### IV. ORDERING CLAUSES

- 16. Accordingly, IT IS ORDERED, pursuant to sections 4(i), 5, 201-203 and 254(g) of the Communications Act of 1934, as amended, 47 U.S.C. §§ 154(i), 155, 201-203, 254(g), and sections 0.91, 0.291 and 1.3 of the Commission's rules, 47 CFR §§ 0.91, 0.291, 1.3, that the Joint Petition for Waiver filed by Northwest Communications Cooperative, Inc. and Midstate Telephone Company, LLC, on December 8, 2022 IS GRANTED as provided herein.
- 17. IT IS FURTHER ORDERED that pursuant to section 1.102(b)(1) of the Commission's rules, 47 CFR § 1.102(b)(1), this Order SHALL BE EFFECTIVE upon release.

FEDERAL COMMUNICATIONS COMMISSION

Trent B. Harkrader Chief Wireline Competition Bureau

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<sup>&</sup>lt;sup>54</sup> JSI Mar. 9 Letter., Amend. Exh. A; Joint Petition, Exh. A (calculations based on access lines from settlement month as of November 2022).