



PUBLIC NOTICE

Federal Communications Commission
445 12th St., S.W.
Washington, D.C. 20554

News Media Information 202 / 418-0500
Internet: <http://www.fcc.gov>
TTY: 1-888-835-5322

DA 11-1966

Release Date: December 2, 2011

NOTICE CONCERNING UNIVERSAL SERVICE-INTERCARRIER COMPENSATION TRANSFORMATION PROCEEDING

WC Docket Nos. 10-90, 07-135, 05-337, 03-109
CC Docket No. 01-92, 96-45
GN Docket No. 09-51

On November 18, 2011, the Commission released the *USF/ICC Transformation Order and FNPRM*, comprehensively reforming the universal service and intercarrier compensation systems to ensure that voice and broadband services are available to Americans throughout the nation. Among other things, the order established a framework to limit reimbursable capital and operating expenses for high-cost loop support (HCLS) and interstate common line support (ICLS) by comparing the expenses of carriers receiving this support to other recipient carriers with similar characteristics. Under the framework adopted by the Commission, certain carriers whose loop expenses are outliers – that is, their expenses are significantly higher than similarly situated companies – will receive HCLS based on capped expense values, with support redistributed to further advance broadband deployment. Various implementation details of this framework are to be determined after an additional opportunity for public comment.¹ HCLS support amounts for 2012 will depend on changes in the national average cost per loop and HCLS cap resulting from the various reforms adopted in the *USF/ICC Transformation Order and FNPRM*.²

In the FNPRM, the Commission proposed a specific methodology to be implemented no later than July 1, 2012, described in Appendix H, for calculating individual company limits on loop costs for HCLS using a regression analysis.³ To assist the public in evaluating and commenting on the impact of that proposed methodology, the Wireline Competition Bureau is releasing data that can be used to reproduce the regression analysis described in Appendix H and the output of that regression analysis, i.e. the proposed limits for loop costs for individual companies for purposes of calculating HCLS in 2012. The data may be accessed at <http://fcc.gov/encyclopedia/rate-return-resources> under the heading “Connect America Fund FNPRM Appendix H Data [zip file].”

In addition, as part of the Commission’s ongoing efforts to make data regarding universal service funding more accessible to the public and in formats useful to the public, the Bureau is releasing maps showing (1) which study areas are “rate-of-return” or “price cap”, available at <http://fcc.gov/encyclopedia/rate-return-resources> and <http://fcc.gov/encyclopedia/price-cap-resources>; (2)

¹ See *Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order and Further Notice of Proposed Rulemaking, FCC 11-161, paras. 210-26 (rel. Nov. 18, 2011) (*USF/ICC Transformation Order and FNPRM*).

² The National Exchange Carrier Association is required to file the revised 2012 HCLS cap within 30 days of the release of the order. See *id.* at para. 259.

³ See *id.* at paras. 1081-88 & App. H.

2010 high-cost support amounts by rate-of-return study area; and (3) 2010 high-cost support amounts per line by rate-of-return study area. These maps may be accessed at the website listed above.

People with Disabilities: To request materials in accessible formats for people with disabilities (braille, large print, electronic files, audio format), send an e-mail to fcc504@fcc.gov or call the Consumer & Governmental Affairs Bureau at 202-418-0530 (voice), 202-418-0432 (tty).

This matter shall be treated as a “permit-but-disclose” proceeding in accordance with the Commission’s *ex parte* rules.⁴ Persons making oral *ex parte* presentations are reminded that memoranda summarizing the presentations must contain summaries 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 generally is required.⁵ Other rules pertaining to oral and written *ex parte* presentations in permit-but-disclose proceedings are set forth in section 1.1206(b) of the Commission’s rules.⁶

For further information, please contact Patrick Halley, Wireline Competition Bureau, at (202) 418-1500 or TTY (202) 418-2825.

- FCC -

⁴ 47 C.F.R. §§ 1.1200 *et seq.*

⁵ *See* 47 C.F.R. § 1.1206(b)(2).

⁶ 47 C.F.R. § 1.1206(b).