



PUBLIC NOTICE

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WIRELINE COMPETITION BUREAU RELEASES NEW HIGH-COST LOOP SUPPORT BENCHMARKS FOR 2013

WC Docket Nos. 10-90, 05-337

On February 27, 2013, the Commission released the *Sixth Order on Reconsideration* in this proceeding. In that Order, the Commission determined that, prospectively, the high-cost loop support benchmarks should be based on the sum of the capital expenditures cap and the operating expenses cap.¹ As our first step in implementing that Order, the Wireline Competition Bureau (Bureau) is releasing new benchmarks for 2013 that (1) sum the capital expenditures cap and the operating expenses cap, which are the benchmarks that will go into effect in April, and (2) make certain minor corrections to the inputs used in the regression. The new figures are available at http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-319802A1.xlsx. The regression inputs and coefficients are also available in today's release. The benchmarks we release today include the cost used to determine support per line based on these summed caps, which the National Exchange Carrier Association (NECA) should use once those revised rules are in effect.

On January 29, 2013, the Bureau released a Public Notice containing the 2013 high-cost loop support benchmarks.² Since the release of the *January 29 Public Notice*, the Bureau recalculated benchmarks based on corrected input data.³ Until the revised rules summing the caps adopted in the *Sixth Order on Reconsideration* go into effect on April 1, 2013, NECA should continue to use the benchmark figures contained in the *January 29 Public Notice* because the impact of these changes on the whole is negligible.⁴ Beginning in April 2013, when the summed benchmarks in the *Sixth Order on Reconsideration* become effective, NECA should use the summed benchmark figures we release today.

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¹ See *Connect America Fund et al.*, WC Docket No. 10-90 et al., Sixth Order on Reconsideration and Memorandum Opinion and Order, FCC 13-16, para. 30 (Feb. 27, 2013) (*Sixth Order on Reconsideration*). The Commission also modified the phase-in for the benchmarks, limiting the total amount of any reduction in support due to the benchmarks to no more than 15% of the support for which the study area would otherwise be eligible. See *id.* at para. 30.

² *Wireline Competition Bureau Announces High-Cost Loop Support Benchmarks for 2013*, WC Docket No. 10-90 et al., 28 FCC Rcd 374 (Wireline Comp. Bur. 2013) (*January 29 Public Notice*).

³ The errors related to the input data associated with the *January 29 Public Notice* were not related to the regression analysis itself; consistent with the Bureau's initial implementation of the HCLS benchmarks, the same coefficients for 2012 were used for 2013. See *Connect America Fund et al.*, WC Docket No. 10-90 et al., Order, 27 FCC Rcd 4235, 4251-52, para. 45 (Wireline Comp. Bur. 2012) (*HCLS Benchmarks Implementation Order*).

⁴ Overall, the costs used to determine support changed by approximately .07 percent. Given the small magnitude of this change, NECA should not conduct any true ups for previously provided support based upon differences between the benchmark figures we release today and those benchmark figures we released in the *January 29 Public Notice*. NECA should use the *January 29 Public Notice* benchmarks for calculating March support and use the summed benchmarks we release today once the summed benchmarks in the *Sixth Order on Reconsideration* become effective in April.