



PUBLIC NOTICE

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WIRELINE COMPETITION BUREAU ANNOUNCES HIGH-COST LOOP SUPPORT BENCHMARKS FOR 2013

WC Docket Nos. 10-90, 05-337

In the *USF/ICC Transformation Order*, the Commission comprehensively reformed universal service funding for high-cost, rural areas, adopting fiscally responsible, accountable, incentive-based policies to preserve and advance voice and broadband service while ensuring fairness for consumers who pay into the universal service fund.¹ To help achieve this goal, the Commission limited the amount of high-cost loop support a rate-of-return carrier could receive based on a comparison of that company's costs relative to other carriers with similar characteristics.² The Commission determined that, for each study area, reimbursable capital expenses (capex) and operating expenses (opex) should be determined using regression analysis.³ The methodology for determining capex and opex benchmarks was described in the April 2012 *HCLS Benchmarks Implementation Order*, along with a listing of initial capex and opex benchmarks.⁴

The Commission instructed the Wireline Competition Bureau to release updated capex and opex figures on an annual basis.⁵ Per that instruction, as an Appendix to this public notice, the Bureau has released an Excel file containing the capex and opex benchmarks to be used by the National Exchange Carrier Association in calculating 2013 high-cost loop support, available at http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-318654A1.xlsx.⁶ As called for in the *HCLS Benchmarks Implementation Order*, these 2013 benchmarks were calculated using the same regression coefficients as the 2012 benchmarks.⁷

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¹ See *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 a Unified Inter-carrier 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, 26 FCC 17663 (2011) (*USF/ICC Transformation Order*); *pets. for review pending sub nom. In re: FCC 11-161*, No. 11-9900 (10th Cir. filed Dec. 8, 2011).

² See *USF/ICC Transformation Order*, 26 FCC Rcd at 17743, para. 216.

³ See *id.* at 17742, para. 214.

⁴ See *Connect America Fund, High-Cost Universal Service Support*, WC Docket Nos. 10-90, 05-337, Order, 27 FCC Rcd 4235, 4255-4300, Appendices A & B (Wireline Comp. Bur. 2012) (*HCLS Benchmarks Implementation Order*).

⁵ See *USF/ICC Transformation Order*, 26 FCC Rcd at 17744, para. 218.

⁶ The Commission is considering pending petitions for reconsideration and applications for review of the *HCLS Benchmarks Implementation Order*. This Public Notice does not prejudice the disposition of those petitions or applications for review.

⁷ *HCLS Benchmarks Implementation Order*, 27 FCC Rcd at 4251-52, para. 45.