

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

In the Matter of
National Exchange Carrier Association, Inc.
2023 Modification of Average Schedules
WC Docket No. 22-427

ORDER

Adopted: May 18, 2023

Released: May 18, 2023

By the Chief, Pricing Policy Division, Wireline Competition Bureau:

1. In this Order, we approve the formulas for average-schedule interstate settlement disbursements in connection with the provision of interstate access services proposed by the National Exchange Carrier Association, Inc. (NECA), pursuant to section 69.606 of the Commission’s rules, for a one-year period beginning July 1, 2023.1 For the reasons set forth below, we approve the average-schedule formulas proposed by NECA.

2. On December 22, 2022 and pursuant to section 69.606(b) of the Commission’s rules, NECA submitted proposed revisions to formulas used to calculate average-schedule settlement disbursements for interstate access services for the one-year period beginning July 1, 2023 (we refer to this filing as “NECA’s 2023 filing”).2 The Wireline Competition Bureau sought comment on NECA’s 2023 filing in a public notice released January 31, 2023.3 No comments or reply comments were filed.

3. According to NECA, its 2023 filing generally employs the same methods NECA employed in last year’s filing, for tariff year July 1, 2022 to June 30, 2023, with a few notable differences.4 New this year, NECA reduced the disbursement formulas by 0.26% to account for loans forgiven under the pandemic-related Paycheck Protection Program (PPP).5 NECA’s proposed formula changes would result in a 0.3% overall increase in average-schedule settlement disbursements at constant demand.6 NECA expects actual settlement disbursements “to increase by 1.8% due to projected increase in [consumer broadband-only loop (CBOL)] lines and be offset by the effects of losses in access lines and reductions in demand for special access services.”7 According to NECA, these increases in settlement disbursements are driven by increases in CBOL and special access formulas “mainly attributed to decreases in demand.”8 As NECA explains, the impact of the proposed changes “on individual average

1 Letter from Robert J. Deegan, Director-Government Relations, NECA, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 22-427, Attach., NECA 2023 Modification of Average Schedules (filed Dec. 22, 2022) (NECA 2023 Filing); 47 CFR § 69.606(b).

2 NECA 2023 Filing at 1.

3 Wireline Competition Bureau Seeks Comment on the National Exchange Carrier Association, Inc.’s Proposed Modification of Average Schedule Formulas, WC Docket No. 22-427, Public Notice, DA 23-89, 2023 WL 1466439, at *1 (WCB Jan. 31, 2023).

4 NECA 2023 Filing, Attach. at 1.

5 NECA 2023 Filing, Attach. at 4, 90.

6 Id., Attach. at 1.

7 Id.

8 Id., Attach. at 4.

schedule companies will vary depending on each company's size, demand trends and other characteristics."⁹

4. We have reviewed NECA's 2023 filing and find that its proposed modifications of average-schedule settlement disbursement formulas are reasonable.

5. Accordingly, IT IS ORDERED, pursuant to sections 0.91, 0.291, and 69.606(a) of the Commission's rules, 47 CFR §§ 0.91, 0.291, 69.606(a), that the average-schedule formulas proposed by the National Exchange Carrier Association, Inc., on December 22, 2022 SHALL BECOME EFFECTIVE July 1, 2023, and remain in effect through June 30, 2024.

6. IT IS FURTHER ORDERED, pursuant to section 1.102(b) of the Commission's rules, 47 CFR § 1.102(b), that this Order SHALL BE EFFECTIVE upon release.

FEDERAL COMMUNICATIONS COMMISSION

Gil M. Strobel
Chief
Pricing Policy Division
Wireline Competition Bureau

⁹ *Id.*, Attach. at 1.