

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

In the Matter of)	
)	
Connect America Fund)	WC Docket No. 10-90
)	
High-Cost Universal Service Support)	WC Docket No. 05-337

ORDER

Adopted: January 9, 2014

Released: January 9, 2014

By the Chief, Wireline Competition Bureau:

1. On December 2, 2013, the Wireline Competition Bureau released a Public Notice announcing the publication of an online map displaying the study area boundaries submitted and certified by incumbent local exchange carriers (ILECs) and certain state public utility commissions.¹ The Public Notice directed ILECs to review the online map, resolve any overlaps and voids with neighboring ILECs, and submit and certify revised boundary data no later than January 13, 2014. The Public Notice also recommended that state commissions review the online map in order to modify their data submissions as necessary, and to advise the ILECs in their state on resolving boundary overlaps and voids.

2. On December 18, 2013, the Commission received a joint Petition from several industry associations requesting a stay or, in the alternative, a six-month extension of the January 13, 2014 deadline to reconcile and file revised study area boundary data.² After reviewing the Petition, the Bureau denies the request for stay but extends the filing deadline to March 17, 2014, for the reasons stated below.

3. The Bureau finds that a stay of the study area boundary reconciliation process would not serve the public interest. The petitioners argued that, because Chairman Wheeler stated in congressional testimony that the Commission will consider eliminating the quantile regression analysis (QRA) mechanism for implementing the high-cost loop support benchmarking rule, the reason for the study area boundary process has been removed.³ We disagree with this argument. Regardless of any future action by the Commission regarding QRA, it is important for the Commission to have accurate information regarding the geographic area served by an ILEC in each state.⁴ Study area boundaries are relevant in implementing other universal service reforms already adopted by the Commission, including the rule to phase out universal service support where an unsubsidized competitor—or combination of competitors—

¹ *Wireline Competition Bureau Publishes Online Map of Submitted Study Area Boundaries, Announces Procedures for Filing Revised Data*, WC Docket Nos. 10-90, 05-337, Public Notice, DA 13-2296 (Wireline Comp. Bur. rel. Dec. 2, 2013).

² *Petition for Stay, or in the Alternative for Extension of Time to Reconcile Study Area Boundaries*, filed by NTCA-The Rural Broadband Association, the United States Telecom Association, the Independent Telephone and Telecommunications Alliance, WTA, and the Eastern Rural Telecom Association, WC Docket Nos. 10-90, 05-337 (Dec. 17, 2013) (Petition).

³ *Id.* at 3.

⁴ *Connect America Fund; High-Cost Universal Service Support*, WC Docket Nos. 10-90, 05-337, Report and Order, 27 FCC Rcd 13528, 13528, para. 1 n.1 (Wireline Comp. Bur. 2012) (*Study Area Boundary Order*).

offers voice and broadband service throughout 100 percent of a rate-of-return carrier's study area,⁵ and to assist in resolving challenges to the eligibility of census blocks for the offer of model-based support in price cap territories in Connect America Phase II.⁶ Moreover, we note that several of the petitioners themselves acknowledge that the Connect America Cost Model should incorporate accurate rate-of-return study area boundaries if it were to be used for rate-of-return carriers voluntarily to elect to take model-based support.⁷ We agree with petitioners that having accurate study area data is an important basis for helping to direct universal service fund resources⁸ and believe that continuing the process of resolving boundary overlaps and voids will ensure that these data are accurate and complete. Granting a stay of this process therefore would not serve the public interest.

4. While we deny the request to stay the study area boundary reconciliation process, we acknowledge that the process can be time consuming and may involve multiple discussions with neighboring carriers and state commissions. We agree that an extension of the process will better enable parties to complete their consultations and revisions, and ultimately will result in more accurate and meaningful data. However, we must balance our need for accurate data with our need to move forward with universal service reforms, and believe that a six-month extension of the process would cause unnecessary delay in the implementation of these reforms. Indeed, the Bureau allowed ILECs just over six months to prepare their initial study area boundary data, so an additional six months to revise such data seems unnecessary. Therefore, we hereby extend the deadline to submit and certify revised study area boundary data by approximately 60 days, to March 17, 2014.

5. We applaud the ILECs and state commissions that have "diligently embraced" the review of the online map and the boundary reconciliation process,⁹ and encourage parties to complete this process as quickly as possible.¹⁰ To that end, we will rely on the certified boundaries submitted by March 17, 2014, or, in the absence of such data, on certified boundaries already submitted by ILECs and state

⁵ *Id.* at 13529-30, para. 5.

⁶ See *Connect America Fund*, WC Docket No. 10-90, Report and Order, 28 FCC Rcd 7211 (Wireline Comp. Bur. 2013) (adopting challenge process framework to be used to finalize areas eligible for Connect America Phase II model-based support). In this regard, we note that in reviewing challenges to the eligibility of certain census blocks for the second round of Phase I support, there are a number of instances where a rate-of-return carrier that abuts a neighboring price cap carrier has raised issues regarding the eligibility of the census block for Phase I support. Boundary data in areas where a rate-of-return carrier borders a price cap carrier similarly will be useful to resolving any challenges to the eligibility of census blocks for the offer of model-based support to price cap carriers in Phase II.

⁷ See *Wireline Competition Bureau Seeks Comment on Options To Promote Rural Broadband in Rate-of-Return Areas*, WC Docket No. 10-90, Public Notice, 28 FCC Rcd 7201 (Wireline Comp. Bur. 2013) (seeking comment on facilitating rate-of-return carriers' voluntary participation in Connect America Phase II); NTCA et al. Comments on PN, WC Docket No. 10-90, at 16-17 (filed June 17, 2013) (stressing importance of accurate study area boundaries for smaller companies if model were to be modified for a voluntary election by rate-of-return carriers of model-based support).

⁸ Petition at 4 ("If the map is to be used as intended and help direct scarce federal universal service fund resources to areas where such support is needed, the study area data upon which it is based must be accurate").

⁹ *Id.* at 5.

¹⁰ ILECs and state commissions filing updated study area boundary data should submit such data in accordance with the study area boundary shapefile template posted at http://www.fcc.gov/Bureaus/Common_Carrier/Reports/FCC-State_Link/IAD/sab_template.zip and the data specification provided in *Connect America Fund; High-Cost Universal Service Support*, WC Docket Nos. 10-90, 05-337, Order on Reconsideration, 28 FCC Rcd 1489, 1497-98, Appendix (Wireline Comp. Bur. 2013), available at http://hraunfoss.fcc.gov/edocs_public/attachmatch/DA-13-282A1.pdf. Additional information on the study area boundary data collection can be found on the Commission's website at <http://www.fcc.gov/encyclopedia/study-area-boundary-data-collection>.

commissions earlier in 2013.¹¹ Furthermore, filers are required to review and recertify their study area boundary data every two years and must provide updated data when study area boundaries change.¹²

6. As specified in the *Study Area Boundary Order*, ILECs and states are required to submit updated data by March 15 of each year showing any changes to their study area boundaries made as of December 31 of the previous year.¹³ The initial deadline to file updates in accordance with this requirement is March 17, 2014 (because March 15 falls on a Saturday), which coincides with the aforementioned extended deadline for submitting revised study area boundary data in response to the online map published in December 2013. Therefore, all parties whose study area boundaries have changed, whether in response to resolving overlaps and voids or to other factors, should submit and certify revised data by March 17, 2014.¹⁴

7. Accordingly, IT IS ORDERED, pursuant to sections 1, 2, 4(i), 201-205, 218-220, 254, 303(r), and 403 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151, 152, 154(i), 201-205, 218-220, 254, 303(r), and 403, sections 0.91, 0.201(d), 0.291, and 1.102 of the Commission's rules, 47 C.F.R. §§ 0.91, 0.201(d), 0.291, 1.102, and the delegations of authority in paragraphs 157, 184, 187, 192, 217 of the *USF/ICC Transformation Order*, FCC 11-161, that this Order IS ADOPTED, the filing deadline as described above IS EXTENDED, and this Order SHALL BE EFFECTIVE upon release.

FEDERAL COMMUNICATIONS COMMISSION

Julie A. Veach
Chief
Wireline Competition Bureau

¹¹ We will continue to accept submissions after March 17, 2014. However, we cannot guarantee that we will be able to incorporate updated study area boundary data submitted and certified after that date in the Commission's implementation of universal service reforms.

¹² *Study Area Boundary Order*, 27 FCC Rcd at 13535, para. 23.

¹³ *Id.*

¹⁴ Other factors could include a transaction involving the addition or sale of exchanges; new deployment in a previously-unserved area; or an ILEC relinquishing its eligible telecommunications carrier designation and no longer being obligated to serve an area as a carrier of last resort. *Id.*