

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

In the Matter of)
)
National Exchange Carrier Association, Inc.) WC Docket No. 13-304
2014 Modification of Average Schedules)
)

ORDER

Adopted: April 10, 2014

Released: April 10, 2014

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

1. On December 23, 2013, the National Exchange Carrier Association, Inc. (NECA) filed with the Commission its proposed modification of average schedule formulas for interstate settlements, pursuant to section 69.606(b) of the Commission’s rules.¹ NECA proposes to revise the formulas for average schedule interstate settlement disbursements in connection with the provision of interstate access services for the period beginning July 1, 2014 through June 30, 2015. Overall, NECA proposes formula changes that would decrease settlement rates by about one percent, at constant demand.² The proposed settlement formulas reflect the same general structures and methods as current formulas. For the reasons set forth below, we approve the average schedule formulas as proposed by NECA.

2. According to NECA, the effects of the proposed formula changes on individual average schedule companies will vary depending on each company’s size and demand characteristics.³ NECA calculates that 154 study areas are expected to experience increases and 181 study areas are expected to experience decreases in settlement rates at constant demand.⁴ According to NECA, most of the settlement decreases are attributed to large non-DSL settlement reductions experienced by all study areas.⁵

¹ 47 C.F.R. § 69.606(b). See National Exchange Carrier Association, 2014 Modification of Average Schedules, attached to Letter from Richard A. Askoff, Executive Director—Regulatory, NECA, to Marlene H. Dortch, Secretary, Federal Communications Commission, WC Docket No. 13-304 (filed Dec. 23, 2013).

² *Id.* at Summary-1.

³ *Id.* at I-6.

⁴ *Id.*

⁵ *Id.* at I-7. According to NECA, the decrease in this formula is mainly driven by the change in cost allocation between DSL and Non-DSL special access categories. For study areas offering DSL in the NECA pool, the decrease in Non-DSL settlements due to cost shifts between the two categories is mostly offset by an increase in DSL settlements. This is not the case for study areas offering DSL outside the NECA pool.

3. In a Public Notice released on January 31, 2014, we sought comment on NECA's filing.⁶ No comments were filed.

4. We have reviewed the unopposed NECA filing and find that its proposed formulas are reasonable. NECA revised the average schedule formulas using procedures consistent with those used in previous filings.

5. Accordingly, IT IS ORDERED, pursuant to section 69.606(b) of the Commission's rules, 47 C.F.R. § 69.606(b), and pursuant to the authority delegated under sections 0.91 and 0.291 of the Commission's rules, 47 C.F.R. §§ 0.91, 0.291, that the average schedule formulas proposed by the National Exchange Carrier Association, Inc. on December 23, 2013, SHALL BECOME EFFECTIVE July 1, 2014, and remain in effect through June 30, 2015.

6. IT IS FURTHER ORDERED that this order SHALL BE EFFECTIVE upon release.

FEDERAL COMMUNICATIONS COMMISSION

Kalpak S. Gude
Chief, Pricing Policy Division
Wireline Competition Bureau

⁶ *National Exchange Carrier Association, Inc.'s Proposed 2014 Modification of Average Schedule Formulas*, WC Docket No. 13-304, Public Notice, DA 14-110 (Pricing Pol. Div. rel. Jan. 31, 2014).