



*Filed in the FCC Electronic Comment Filing System*

September 29, 2014

Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12th Street, S.W.  
Washington, DC 20554

Re: 2014 Rate Floor Report, Docket No. 05-337, 10-90

Dear Ms. Dortch:

In the Connect America Fund Order, the Commission promulgated rule § 54.318 that reduces high-cost support for incumbent ETCs where end-user rates do not meet a specified local rate floor.<sup>1</sup> Specifically, beginning in July 2014 high-cost loop support (HCLS) and frozen high-cost support based on previous high-cost model support (HCMS) will be reduced where a carrier's local end-user rates plus state regulated fees do not meet the urban rate floor representing the national average of local rates plus those state regulated fees.<sup>2</sup> The attached filing provides rate floor information for all carriers that are below the local urban rate floor benchmark of \$20.46.<sup>3</sup> Line counts are redacted per request for confidentiality by carriers and the National Exchange Carrier Association (NECA).

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<sup>1</sup> See *In the Matter of 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 an Unified Intercarrier Compensation Regime Federal-State Joint Board on Universal Service Lifeline and Link-Up Universal Service Reform – Mobility Fund*, WC Docket Nos. 10-92, 07-135, 05-337, 03-109, GN Docket No. 09-51, CC Docket Nos. 01-92, 86-45, WT Docket No. 10-208, Report and Order and Further Notice of Proposed Rule Making, FCC 11-161, ¶¶ 234 - 241 (rel. Nov. 18, 2011)

<sup>2</sup> *Id.*

<sup>3</sup> See Report and Order, Declaratory Ruling, Order, Memorandum Opinion and Order, Seventh Order on Reconsideration, and Further Notice of Proposed Rulemaking, WC Docket Nos. 10-90, 10-208, 14-58, 07-135, CC Docket No. 01-92, FCC 14-54, ¶80 (rel. June 10, 2014). Notwithstanding the current benchmark, the application of section 54.318(b) for lines reported July 1, 2014, with a rate of \$14 or above is waived.

Sincerely,

/s/ Karen Majcher  
Vice President, High Cost and Low Income Division

Enclosures: USAC 2014 Rate Floor Data Report