



PUBLIC NOTICE

Federal Communications Commission
445 12th St., S.W.
Washington, D.C. 20554

News Media Information 202 / 418-0513
Internet: <http://www.fcc.gov>
TTY: 1-888-835-5322

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WIRELINE COMPETITION BUREAU RELEASES FURTHER DISCUSSION TOPICS FOR CONNECT AMERICA COST MODEL VIRTUAL WORKSHOP

WC Docket Nos. 10-90, 05-337

On Tuesday, October 9, 2012, the Wireline Competition Bureau (Bureau) announced the commencement of the Connect America Cost Model virtual workshop, the next step in implementing Phase II of the Connect America Fund established in the *USF/ICC Transformation Order*.¹ The virtual workshop solicits input on a variety of topics related to the development and adoption of the forward-looking cost model for Connect America Phase II. On December 11, 2012, the Bureau announced the release of the first version of the Connect America Cost Model and solicited input in the virtual workshop as to whether any other functionalities or capabilities should be added to the Connect America Cost Model platform.² Comments on this topic are due no later than **January 11, 2013**.

Today, the Bureau seeks public input on two newly added virtual workshop discussion topics:

- Calculating Average Per-Unit Costs/Take Rate

¹ *Wireline Competition Bureau Announces Commencement of Connect America Phase II Cost Model Virtual Workshop*, WC Docket Nos. 10-90, 05-337, Public Notice, 27 FCC Rcd 11977 (Wireline Comp. Bur. 2012). See also *Wireline Competition Bureau Announces Connect America Phase II Cost Model Virtual Workshop*, WC Docket Nos. 10-90, 05-337, Public Notice, 27 FCC Rcd 11056 (Wireline Comp. Bur. 2012). The *USF/ICC Transformation Order* adopted a framework for providing ongoing support to areas served by price cap carriers, including areas where broadband service is not currently provided, known as Connect America Phase II. *Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 17663 (2011) (*USF/ICC Transformation Order* or *Order*), *pets. for review pending sub nom. In re: FCC*, No. 11-9900 (10th Cir. filed Dec. 18, 2011). The Commission will provide ongoing support to these areas through “a combination of a forward-looking cost model and competitive bidding.” *USF/ICC Transformation Order*, 26 FCC Rcd at 17673, para. 23. In June 2012, the Wireline Competition Bureau sought comment on a number of cost model threshold issues. *Wireline Competition Bureau Seeks Comment on Model Design and Data Inputs for Phase II of the Connect America Fund*, WC Docket Nos. 10-90, 05-337, Public Notice, 27 FCC Rcd 6147 (Wireline Comp. Bur. 2012). In September 2012, the Wireline Competition Bureau held a two-day in-person workshop discussing the design and mechanics of the models submitted into the record by the ABC Coalition and Alaska Communications Systems. *Wireline Competition Bureau Announces Agenda for Connect America Phase II Cost Model Workshop*, WC Docket Nos. 10-90, 05-337, Public Notice, 27 FCC Rcd 10968 (Wireline Comp. Bur. 2012). A recorded webcast of the first day of the workshop is available on the Commission’s website at <http://www.fcc.gov/events/connect-america-phase-ii-cost-model-workshop> and the Commission’s YouTube page at <http://www.youtube.com/watch?v=zfd2eSa3Yqs>. Workshop materials are available at <http://www.staging.fcc.gov/events/connect-america-phase-ii-cost-model-workshop>.

² *Wireline Competition Bureau Announces Availability of Version One of the Connect America Fund Phase II Cost Model*, WC Docket Nos. 10-90, 05-337, Public Notice, DA 12-2011 (Wireline Comp. Bur. rel. Dec. 11, 2012).

- Assigning Shared Costs

In addition, the Bureau asks the public to provide input on topics on which it previously sought comment in light of the release of version one of the Connect America Cost Model:

- Determining Customer Locations
- Clustering
- Routing
- Capturing Variation by Geography
- Inter-Office Transport Cost
- Voice Capability
- Wire Center Facilities
- Sizing of Network Facilities
- The Use of Company-Specific Values
- Calculating Opex
- Determining the Annualized Cost of Capital Investments
- Determining the Sharing Factor for Outside Plant
- Plant Mix
- Labor-Cost Adjustment Based on Location

In particular, commenters are invited to address the questions previously posed, focusing specifically on the choices made in version one of the Connect America Cost Model. Comments in response to these 16 previous and newly added topics should be submitted no later than **January 16, 2013**.

The Bureau may continue to add discussion topics, which will be announced by Public Notice. Parties can participate in the virtual workshop by visiting the Connect America Fund webpage, <http://www.fcc.gov/encyclopedia/connecting-america>, and following the link to the virtual workshop.

The virtual workshop will take place over a period of weeks sufficient to allow public input on all material issues. Discussion of additional topics may start and end at specific times that will be announced in advance. Comments from the virtual workshop will be included in the official public record of this proceeding. The Bureau will not rely on anonymous comments posted during the workshop in reaching decisions regarding the model. Participants should be aware that identifying information from parties that post material in the virtual workshop will be publicly available for inspection upon request, even though such information may not be posted in the workshop forums.

Reasonable accommodations, including materials in accessible formats (Braille, large print, electronic files, and audio format) for people with disabilities are available upon request. Please include a description of the accommodation you will need, and tell us how to contact you if we need more information. Please make your request as early as possible. Last minute requests will be accepted but may be impossible to fill. Accommodation requests should be directed to Kelly Jones, at Kelly.Jones@fcc.gov, 202-418-7078 (voice), 202-418-1169 (TTY), or 845-474-0054 (video).

For further information, please contact Katie King, 202-418-7491, Katie.King@fcc.gov or Ted Burmeister, 202-418-7389, Theodore.Burmeister@fcc.gov.

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