



PUBLIC NOTICE

Federal Communications Commission
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NATIONAL EXCHANGE CARRIER ASSOCIATION, INC.'S PROPOSED 2014 MODIFICATION OF AVERAGE SCHEDULE FORMULAS

PLEADING CYCLE ESTABLISHED WC Docket No. 13-304

Comments Due: February 21, 2014
Reply Comments Due: March 7, 2014

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 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. Modifications to the average schedule formulas are based on a statistical sampling of the costs and demand of comparable cost companies. The effects of these formula changes on individual average schedule companies will vary depending on each company's size and demand characteristics. 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.³

According to NECA, most of the settlement decreases are attributed to large Non-DSL settlement reductions experienced by all study areas.⁴ 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.

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, FCC, WC Docket No. 13-304 (filed Dec. 23, 2013).

² *Id.* at Summary-1.

³ *Id.* at I-6.

⁴ *Id.* at I-7.

Pursuant to sections 1.415 and 1.419 of the Commission's rules, 47 CFR §§ 1.415, 1.419, interested parties may file comments and reply comments on or before the dates indicated on the first page of this document. Comments may be filed using the Commission's Electronic Comment Filing System (ECFS). See *Electronic Filing of Documents in Rulemaking Proceedings*, 63 FR 24121 (1998).

- Electronic Filers: Comments may be filed electronically using the Internet by accessing the ECFS: <http://fjallfoss.fcc.gov/ecfs2/>.
- Paper Filers: Parties who choose to file by paper must file an original and one copy of each filing. If more than one docket or rulemaking number appears in the caption of this proceeding, filers must submit two additional copies for each additional docket or rulemaking number.

Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail (although we continue to experience delays in receiving U.S. Postal Service mail). All filings must be addressed to the Commission's Secretary, Marlene H. Dortch, Office of the Secretary, Federal Communications Commission.

- All hand-delivered or messenger-delivered paper filings for the Commission's Secretary must be delivered to FCC Headquarters at 445 12th St., SW, Room TW-A325, Washington, DC 20554. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes must be disposed of before entering the building. The filing hours at both locations are 8:00 a.m. to 7:00 p.m.
- Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743.
- U.S. Postal Service first-class, Express, and Priority mail must be addressed to 445 12th Street, SW, Washington DC 20554.

People with Disabilities: To request materials in accessible formats for people with disabilities (braille, large print, electronic files, audio format), send an e-mail to fcc504@fcc.gov or call the Consumer & Governmental Affairs Bureau at 202-418-0530 (voice), 202-418-0432 (tty).

The proceeding this Notice initiates shall be treated as a "permit-but-disclose" proceeding in accordance with the Commission's *ex parte* rules.⁵ Persons making *ex parte* presentations must file a copy of any written presentation or a memorandum summarizing any oral presentation within two business days after the presentation (unless a different deadline applicable to the Sunshine period applies). Persons making oral *ex parte* presentations are reminded that memoranda summarizing the presentation must (1) list all persons attending or otherwise participating in the meeting at which the *ex parte* presentation was made, and (2) summarize all data presented and arguments made during the presentation. If the presentation consisted in whole or in part of the presentation of data or arguments already reflected in the presenter's written comments, memoranda or other filings in the proceeding, the presenter may provide citations to such data or arguments in his or her prior comments, memoranda, or other filings (specifying the relevant page and/or paragraph numbers where such data or arguments can be found) in lieu of summarizing them in the memorandum. Documents shown or given to Commission

⁵ 47 C.F.R. §§ 1.1200 *et seq.*

staff during *ex parte* meetings are deemed to be written *ex parte* presentations and must be filed consistent with rule 1.1206(b). In proceedings governed by rule 1.49(f) or for which the Commission has made available a method of electronic filing, written *ex parte* presentations and memoranda summarizing oral *ex parte* presentations, and all attachments thereto, must be filed through the electronic comment filing system available for that proceeding, and must be filed in their native format (e.g., .doc, .xml, .ppt, searchable .pdf). Participants in this proceeding should familiarize themselves with the Commission's *ex parte* rules.

For further information regarding this proceeding, contact Don Sussman, Pricing Policy Division, Wireline Competition Bureau, 202-418-0629, or via e-mail at don.sussman@fcc.gov.

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