



PUBLIC NOTICE

Federal Communications Commission
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January 29, 2007

NATIONAL EXCHANGE CARRIER ASSOCIATION, INC.'S PROPOSED 2007 MODIFICATION OF AVERAGE SCHEDULE FORMULAS

PLEADING CYCLE ESTABLISHED WC Docket No. 06-223

Comments Due: February 13, 2007
Reply Comments Due: February 23, 2007

On December 21, 2006, 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, 2007 through June 30, 2008.

Modifications to the average schedule formulas are based on a statistical sampling of the costs and demand of comparable cost companies. NECA found that many average schedule companies have significant net plant reductions as a result of continued depreciation and curtailed new investment, which has caused interstate revenue requirements to drop off. NECA also found a marked decline in costs of some line haul facilities that connect one switch to another. NECA proposes substantial reductions in average schedule formulas and changes to the structure of the line haul formula. The proposed formula changes would reduce settlement rates by about 7.27 percent, given constant demand. The effects of these formula changes on individual average schedule companies will vary depending on each company's size and demand characteristics. Twenty-three study areas would lose more than 20 percent of settlements, and 51 more would lose more than 10 percent. Because of the potentially significant financial impact of some of these decreases, NECA recommends a two-year transition plan. If the Commission were to approve the transition method, one company would lose 12 percent of its settlements in the first year, while all others would lose less than 10 percent of their settlements.

¹ 47 C.F.R. § 69.606(b).

Interested parties may file comments on or before **February 13, 2007**, and reply comments on or before **February 23, 2007**. Comments may be filed using the Commission's Electronic Comment Filing System (ECFS) or by filing paper copies.² Comments filed through the ECFS can be sent as an electronic file via the Internet to <http://www.fcc.gov/cgb/ecfs/>. Generally, only one copy of an electronic submission must be filed.³ In completing the transmittal screen, commenters should include their full name, U.S. Postal Service mailing address, and the applicable docket or rulemaking number, in this case **WC Docket No. 06-223**. Parties may also submit an electronic comment by Internet e-mail. To get filing instructions for e-mail comments, commenters should send an e-mail to ecfs@fcc.gov, and should include the following words in the body of the message, "get form <your e-mail address>." A sample form and directions will be sent in reply. Parties who choose to file by paper must file an original and four copies of each filing. 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). **Parties are strongly encouraged to file comments electronically using the Commission's ECFS.**

The Commission's contractor, Natek, Inc., will receive hand-delivered or messenger-delivered paper filings for the Commission's Secretary at 236 Massachusetts Avenue, NE, Suite 110, Washington, DC 20002.

- The filing hours at this location are 8 a.m. to 7 p.m.
- All hand deliveries must be held together with rubber bands or fasteners.
- Any envelopes must be disposed of before entering the building.
- 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 mail, Express Mail, and Priority Mail should be addressed to 445 12th Street, SW, Washington, DC 20554.

All filings must be addressed to the Commission's Secretary, Marlene H. Dortch, Office of the Secretary, Federal Communications Commission, Room TW-A325, 445 12th Street, SW, Washington, DC 20554. Parties should also send a copy of their filings to Douglas Slotten, Pricing Policy Division, Wireline Competition Bureau, Federal Communications Commission, Room 5-A233, 445 12th Street, SW, Washington, D.C. 20554, or by e-mail to douglas.slotten@fcc.gov. Parties shall also serve one copy with the Commission's copy

² See *Electronic Filing of Documents in Rulemaking Proceedings*, GC Docket No. 97-113, Report and Order, 13 FCC Rcd 11322 (1998).

³ If multiple docket or rulemaking numbers appear in the caption of a proceeding, however, commenters must transmit one electronic copy of the comments to each docket or rulemaking number referenced in the caption. Similarly, commenters filing paper copies must submit two additional copies for each additional docket or rulemaking number.

contractor, Best Copy and Printing, Inc. (BCPI), Portals II, 445 12th Street, SW, Room CY-B402, Washington, DC 20554, (202) 488-5300, or via e-mail to fcc@bcpiweb.com.

NECA's filing and comments filed by participating parties will be available for public inspection and copying during business hours at the FCC Reference Information Center, Portals II, 445 12th St. SW, Room CY-A257, Washington, DC 20554. The documents may also be purchased from BCPI, telephone (202) 488-5300, facsimile (202) 488-5563, TTY (202) 488-5562, or by e-mail at fcc@bcpiweb.com. 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 and Governmental Affairs Bureau at (202) 418-0530 (voice), (202) 418-0432 (TTY).

This matter shall be treated as a "permit-but-disclose" proceeding in accordance with the Commission's *ex parte* rules.⁴ Persons making oral *ex parte* presentations are reminded that memoranda summarizing the presentations must contain summaries of the substance of the presentations and not merely a listing of the subjects discussed. More than a one- or two-sentence description of the views and arguments presented generally is required.⁵ Other requirements pertaining to oral and written *ex parte* presentations are set forth in section 1.1206(b) of the Commission's rules.⁶

For further information, contact Douglas Slotten of the Pricing Policy Division, Wireline Competition Bureau at (202) 418-1572.

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⁴ See 47 C.F.R. §§ 1.1200, 1.1206.

⁵ 47 C.F.R. § 1.1206(b)(2).

⁶ 47 C.F.R. § 1.1206(b).