

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

In the Matter of)
)
National Exchange Carrier Association, Inc.) WC Docket No. 08-248
2009 Modification of Average Schedules)
)

ORDER

Adopted: May 28, 2009

Released: May 28, 2009

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

1. On December 23, 2008, the National Exchange Carrier Association, Inc. (NECA) filed proposed modifications to the current average schedule formulas to become effective July 1, 2009.¹ NECA’s filing was submitted in accordance with Commission rules that require NECA to submit proposed modifications to the average schedule formulas annually or to certify that no modifications are warranted.² For the reasons set forth below, we approve the average schedule formulas as requested by NECA.

2. NECA proposes to revise the formulas for average schedule interstate settlement disbursements in connection with the provision of interstate access services.³ NECA notes that factors driving this year’s filing include slow account growth and significant reductions in some access demand elements.⁴ NECA proposes to “change the way settlements are calculated for tandem switching and line haul circuit termination costs to reflect significant cost efficiencies associated with high ratios of circuits per access line.”⁵ NECA proposes “to continue to limit access minute volumes and line haul circuit counts that would be eligible for average schedule settlements.”⁶ NECA also proposes to provide “a special access settlement method adjustment for study areas that provide DSL outside NECA’s tariff, to keep their settlements for non-DSL services at parity with other study areas.”⁷ NECA explains that “study areas with high ratios of intertoll circuits per access line or of line haul circuit terminations per access line will realize significant settlement reductions, while study areas with very low ratios will

¹ *National Exchange Carrier Association, Inc.’s 2009 Modification of Average Schedule Formulas* (filed Dec. 23, 2008) (*2009 NECA Proposed Modification of Average Schedule Formulas*).

² 47 C.F.R. § 69.606(b).

³ *2009 NECA Proposed Modification of Average Schedule Formulas* at Section VIII.

⁴ *See id.* at Summary-1.

⁵ *Id.*

⁶ *Id.*

⁷ *Id.* at Summary-2.

experience increases in settlements.”⁸ NECA calculates that the majority of other companies will have small settlement increases, assuming demand levels remain constant year-to-year, although the effects on individual average schedule companies will vary depending on each company’s size and demand characteristics.⁹ Overall, NECA proposes formula changes that would increase settlement rates by about 2.09 percent, given constant demand.¹⁰ NECA requests that these modifications take effect on July 1, 2009, and remain in effect through June 30, 2010.

3. By Public Notice issued January 30, 2009, we sought comment on NECA’s filing.¹¹ No comments were filed.

4. We have reviewed NECA’s filing and find that its proposed formula revisions 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(a) 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, 2008, SHALL BECOME EFFECTIVE July 1, 2009, and remain in effect through June 30, 2010.

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

FEDERAL COMMUNICATIONS COMMISSION

Albert M. Lewis
Chief, Pricing Policy Division
Wireline Competition Bureau

⁸ *Id.*

⁹ *Id.*

¹⁰ *Id.* at I-5.

¹¹ *National Exchange Carrier Association, Inc.’s Proposed 2009 Modification of Average Schedule Formulas*, WC Docket No. 08-248, Public Notice, 24 FCC Rcd 1137 (2009).