



PUBLIC NOTICE

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DA 13-155
February 5, 2013

NATIONAL EXCHANGE CARRIER ASSOCIATION, INC.'S PROPOSED 2013 MODIFICATION OF AVERAGE SCHEDULE FORMULAS

PLEADING CYCLE ESTABLISHED WC Docket No. 12-369

Comments Due: February 25, 2013
Reply Comments Due: March 7, 2013

On December 21, 2012, 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, 2013, through June 30, 2014.

Modifications to the average schedule formulas are based on a statistical sampling of the costs and demand of comparable cost companies. NECA indicates that the major factors driving this current proposed modification include, "slow growth in costs of traditional expenditures, coupled with new investment and expenses for deployment of broadband services."² In addition, NECA states that "[d]eclining demand contributes to increases in average cost per unit amounts reflected in settlement rates."³ Overall, NECA estimates that the proposed formula changes would increase settlement rates by approximately 3.36 percent, given constant demand.⁴ The effects of these formula changes on individual average schedule companies will vary depending on each company's size and demand characteristics. Overall, NECA calculates that 337 study areas are expected to experience increases in settlement rates, while 22 study areas, whose 2012 switched traffic sensitive transitional settlement is a high fraction of their total settlements, will experience settlement rate reductions.⁵ NECA further explains that for the 22

¹ 47 C.F.R. § 69.606(b). *See* National Exchange Carrier Association, 2013 Modification of Average Schedules, *attached to* Letter from Richard A. Askoff, Executive Director—Regulatory, NECA, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 12-369 (filed Dec. 21, 2012).

² *Id.* at Summary-1.

³ *Id.*

⁴ *Id.* at I-6.

⁵ *Id.* at I-6 to I-7.

study areas, “the 2013 five percent transitional reduction step of the frozen baseline amount will more than offset possible increases in other formulas.”⁶

Interested parties may file comments on NECA’s proposed modifications on or before **February 25, 2013** and reply comments on or before **March 7, 2013**. Filings in this proceeding should be captioned “National Exchange Carrier Association, Inc.’s Proposed 2012 Modification of Average Schedule Formulas” and filed in **WC Docket No. 12-369**.

All filings must be addressed to the Commission’s Secretary, Marlene H. Dortch, Office of the Secretary, Federal Communications Commission, 445 12th Street, SW, Suite TW-A325, Washington, DC 20554. Two courtesy copies must be delivered to Douglas Slotten, Federal Communications Commission, Wireline Competition Bureau, Pricing Policy Division, 445 12th Street, SW, Room 5-A233, Washington, DC 20554 or via e-mail at douglas.slotten@fcc.gov. One copy must also be sent to Best Copy and Printing, Inc., Portals II, 445 12th Street SW, Suite CY-B402, Washington, DC 20554, telephone 202-488-5300, facsimile 202-488-5563, or via e-mail at fcc@bcpiweb.com.

Comments may be filed using the Commission’s Electronic Comment Filing System (ECFS) or by filing paper copies.

- **Electronic Filers:** Comments may be filed electronically using the Internet by accessing the ECFS: <http://www.fcc.gov/cgb/ecfs/>. Filers should follow the instructions provided on the website for submitting comments.
 - For ECFS filers, if multiple docket or rulemaking numbers appear in the caption of this proceeding, filers must transmit one electronic copy of the comments for each docket or rulemaking number referenced in the caption. In completing the transmittal screen, filers should include their full name, U.S. Postal Service mailing address, and the applicable docket or rulemaking number. Parties may also submit an electronic comment by Internet e-mail. To get filing instructions, filers should send an e-mail to ecfs@fcc.gov and include the following words in the body of the message: `get form <your email address>`. A sample form and directions will be sent in response.
- **Paper Filers:** Parties who choose to file by paper must file an original and four copies 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. **Parties are strongly encouraged to file comments electronically using the Commission’s ECFS.**

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

⁶ *Id.* at I-7.

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.

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Filings and comments are also available for public inspection and copying during regular business hours at the FCC Reference Information Center, Portals II, 445 12th Street, SW, Room CY-A257, Washington, DC 20554. They may also be purchased from the Commission's duplicating contractor, Best Copy and Printing, Inc., Portals II, 445 12th Street, SW, Room CY-B402, Washington, DC, 20554, telephone 202-488-5300, facsimile 202-488-5563, or via e-mail at fcc@bcpiweb.com.

This matter shall be treated as a "permit-but-disclose" proceeding in accordance with the Commission's *ex parte* rules.⁷ 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.⁸ Other rules pertaining to oral and written *ex parte* presentations in permit-but-disclose proceedings are set forth in section 1.1206(b) of the Commission's rules.⁹

For further information regarding this proceeding, contact Douglas Slotten, Pricing Policy Division, Wireline Competition Bureau, 202-418-1572, or via e-mail at douglas.slotten@fcc.gov.

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⁷ See 47 C.F.R. §§ 1.1200, 1.1206.

⁸ See 47 C.F.R. § 1.1206(b).

⁹ 47 C.F.R. § 1.1206(b).