



PUBLIC NOTICE

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

News Media Information 202 / 418-0500
Internet: <http://www.fcc.gov>
TTY: 1-888-835-5322

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WIRELINE COMPETITION BUREAU RELEASES DEFAULT INPUTS FOR CONNECT AMERICA COST MODEL VERSION 4.0

WC Docket No. 10-90

On December 2, 2013, the Wireline Competition Bureau (Bureau) announced the release of version 4.0 of the Connect America Cost Model (CAM v4.0) and sought comment on whether to adopt this version of the model and associated default inputs for purposes of calculating costs in price cap areas.¹ Today, as part of its continuing open, transparent, and deliberative process to adopt a cost model for Phase II of the Connect America Fund,² the Bureau announces that the default inputs for CAM v4.0 are now publicly available at <http://www.fcc.gov/encyclopedia/price-cap-resources>.³

The default input values for CAM v4.0 that the Bureau releases today include values for capital expenses, operating expenses, annual charge factors, busy hour bandwidth, business and residential take rate, company size classifications, adjustments made for company size purchasing power, plant mix, property tax, regional cost adjustments, the percentage of buried plant placed in conduit, and state sales tax.⁴

¹ See *Wireline Competition Bureau Announces Availability of Version 4.0 of the Connect America Fund Phase II Cost Model and Seeks Comment on Adopting Current Default Inputs in Final Version of Model*, WC Docket No. 10-90, Public Notice, DA 13-2304 (Wireline Comp. Bur. rel. Dec. 2, 2013) (*CAM v4.0 Announcement PN*).

² Connect America Fund Phase II will provide ongoing support for voice services and the extension of broadband-capable networks to millions of unserved locations using “a combination of a forward-looking cost model and competitive bidding.” See *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, 17673, para. 23 (2011) (*USF/ICC Transformation Order*), *pets. for review pending sub nom. In re: FCC, No. 11-9900* (10th Cir. filed Dec. 8, 2011). The Commission delegated to the Bureau the task of selecting a specific engineering cost model and associated inputs, consistent with the parameters set forth in the *USF/ICC Transformation Order*, to determine support amounts to be offered to price cap carriers that make a state-level commitment. See *id.* at 17735, para. 187.

³ Prior to this release, the default inputs for the Connect America Cost Model were available on the CAM website under “Posted Data Sets” to users that had signed the relevant attachments of the Third Supplemental Protective Order. See *Connect America Fund*, WC Docket No. 10-90, Third Supplemental Protective Order, 27 FCC Rcd 15277 (Wireline Comp. Bur. 2012) (*Third Supplemental Protective Order*).

⁴ The publicly-available inputs collection excludes an inputs table that provides state-specific capital expenses values for the Virgin Islands. Users that have signed the relevant attachments of the *Third Supplemental Protective*

CAM v4.0 is now available to access at <http://www.fcc.gov/encyclopedia/caf-phase-ii-models> or <https://cacm.usac.org/>. In order to access any version of the model, parties must execute the relevant acknowledgement of confidentiality, licensing, and nondisclosure documents released as attachments to a Third Supplemental Protective Order.⁵ Numerous interested parties have executed the attachments to the protective order and have had full access to each version of the model, enabling them to run their own customized reports.

For further information, please contact Katie King at (202) 418-7491 or via email at Katie.King@fcc.gov, or Heidi Lankau at (202) 418-2876 or via email at Heidi.Lankau@fcc.gov.

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Order can view these values in the table “StateSpecificCapex V1” in the CAM v4.0 inputs collection on the “Posted Data Sets” page of the CAM website. *See Third Supplemental Protective Order.*

⁵ *See id.*