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> DA 14-45 Released: January 15, 2014

WIRELINE COMPETITION BUREAU RELEASES HIGH-COST LOOP SUPPORT BENCHMARKS FOR 2014

WC Docket Nos. 10-90, 05-337

In the *Sixth Order on Reconsideration* in this proceeding, the Commission determined that, prospectively, the high-cost loop support (HCLS) benchmarks should be based on the sum of the capital expenditures cap and the operating expenses cap.¹ On March 26, 2013, the Wireline Competition Bureau (Bureau) released new benchmarks for use beginning on April 1, 2013, that summed the capital expenditures and operating expenses caps.² Subsequently, on July 26, 2013, the Bureau adopted an order that, among other things, specified how benchmarks would be calculated for 2014.³

Today, consistent with these orders, we release the 2014 benchmarks. The new figures are available at <u>http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-325148A1.xlsx</u>. The regression inputs and coefficients are also available in today's release. The National Exchange Carrier Association should use these new caps for HCLS calculations for the period beginning on January 1, 2014.

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¹ See Connect America Fund et al., WC Docket No. 10-90 et al., Sixth Order on Reconsideration and Memorandum Opinion and Order, 28 FCC Rcd 2572, 2583-84, para. 30 (2013) (*Sixth Order on Reconsideration*). The Commission also modified the phase-in for the benchmarks, limiting the total amount of any reduction in support due to the benchmarks to no more than 15% of the support for which the study area would otherwise be eligible. *See id.*

² Wireline Competition Bureau Releases New High-Cost Loop Support Benchmarks for 2013, WC Docket No. 10-90 et al., Public Notice, 28 FCC Rcd 3256 (Wireline Comp. Bur. 2013).

³ Connect America Fund et al., WC Docket No. 10-90 et al., Order, 28 FCC Rcd 10999 (Wireline Comp. Bur. 2013).