



PUBLIC NOTICE

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**WIRELINE COMPETITION BUREAU RELEASES LIST OF CENSUS BLOCKS WHERE
PRICE CAP CARRIERS STILL HAVE FEDERAL HIGH-COST VOICE OBLIGATIONS &
SEEKS TO REFRESH THE RECORD ON PENDING ISSUES REGARDING ELIGIBLE
TELECOMMUNICATIONS CARRIER DESIGNATIONS AND OBLIGATIONS**

WC Docket Nos. 10-90, 14-192, 11-42 and 09-197

Comment Date: (30 days after Federal Register publication)
Reply Comment Date: (45 days after Federal Register publication)

1. By this Public Notice, the Wireline Competition Bureau (Bureau) releases the list of census blocks where price cap carriers continue to have the eligible telecommunications carrier (ETC) obligation to provide voice service pursuant to section 214(e)(1) of the Communications Act of 1934, as amended.¹ The Bureau also seeks to refresh the record on pending issues related to ETC designations and obligations in areas served by price cap carriers.

2. In the *December 2014 Connect America Order*, the Commission found that limited forbearance from section 214(e)(1)(A) obligations was warranted in discrete geographic areas.² In particular, the Commission granted limited forbearance “from enforcing a federal high-cost requirement that price cap carriers offer voice telephony service throughout their service areas pursuant to section 214(e)(1)(A) in three types of geographic areas: (1) census blocks that are determined to be low-cost, (2) all census blocks served by an unsubsidized competitor, as defined in the Commission’s rules, offering voice and broadband at speeds of 10/1 Mbps to all eligible locations, and (3) census blocks where a subsidized competitor – i.e., another ETC – is receiving federal high-cost support to deploy modern networks capable of providing voice and broadband to fixed locations.”³

3. The list of census blocks where price cap carriers continue to have the federal ETC obligation to provide voice is available at: <https://www.fcc.gov/encyclopedia/price-cap-resources>.⁴ This list includes census blocks that the Connect America Cost Model (CAM v4.3) has deemed high-cost or extremely high-cost and that are not served by an unsubsidized competitor. Price cap carriers that decline

¹ 47 U.S.C. § 214(e)(1)(A).

² *Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order, 29 FCC Rcd 15644, 15663-71, paras. 50-70 (2014) (*December 2014 Connect America Order*).

³ *Id.* at 15663-64, para. 51 (footnotes omitted); *see also* 47 C.F.R. § 54.201(d)(3).

⁴ The Commission noted that it expected the Bureau would publish a list of the census blocks where the Commission had granted the limited forbearance in the *December 2014 Connect America Order*. *See December 2014 Connect America Order*, 29 FCC Rcd at 15670, para. 69 n.157. For administrative ease, we publish the list of census blocks where price cap carriers continue to have a high-cost voice obligation instead of the list where they do not have such an obligation, as the former list is significantly shorter than the latter list would be. There are more than 5.2 million blocks for which forbearance was granted, compared to more than 1 million where there remains a high-cost obligation.

the Phase II offer of model-based support will continue to have the high-cost obligation to serve these census blocks with voice service until they are replaced by another ETC that is required to offer voice and broadband service to fixed locations that meet the Commission's public service obligations, or unless and until further relief is granted.⁵ Price cap carriers no longer have the federal high-cost obligation to provide voice service in the census blocks that are not included on this list.⁶

4. Against the backdrop of the relief already granted in the *December 2014 Connect America Order*, we also seek to refresh the record on issues raised in various proceedings related to ETC designations and obligations in areas served by price cap carriers. In the *USF/ICC Transformation FNPRM*, the Commission noted that ETC service obligations and funding should be "appropriately matched, while avoiding consumer disruption in access to communications services."⁷ It sought comment on how existing voice telephony service obligations for ETCs would change as funding shifts to new, more targeted mechanisms, including potentially via forbearance from the relevant requirements of section 214(e)(1).⁸ In the *April 2014 Connect America FNPRM*, the Commission sought to develop the record further on how relieving incumbent local exchange carriers (LECs) of their ETC obligations would comport with section 214 of the Communications Act and what specific obligations incumbent LECs would be relieved of in areas where they do not receive high-cost support.⁹ In October 2014, USTelecom submitted a petition seeking, among other things, forbearance from the enforcement of section 214(e)(1)(A) where a price cap carrier receives no high-cost support.¹⁰ And recently the Commission released a FNPRM for the Lifeline program seeking comment on proposals for ETC relief from Lifeline obligations and incorporating the record from the Connect America and USTelecom forbearance petition proceedings into that docket.¹¹

⁵ The Commission did not forbear in those census blocks where the only ETC is a competitive ETC receiving frozen support to offer voice service, nor did the Commission forbear in those census blocks served by an ETC receiving Mobility Fund support. *December 2014 Connect America Order*, 29 FCC Rcd at 15664, para. 52 n.117. This list includes census blocks that rural broadband experiments provisionally selected bidders intend to serve. Pursuant to the forbearance granted in the *December 2014 Connect America Order*, price cap carriers will be relieved of the federal high-cost obligation to provide voice service in these census blocks once a public notice is released authorizing the relevant provisionally selected bidders to begin receiving support. See *Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order and Further Notice of Proposed Rulemaking, 29 FCC Rcd 8769, 8788, para. 54 (2014); see also *infra* para. 5 (seeking to refresh the record on pending proposals for additional relief).

⁶ Price cap carriers remain obligated to maintain existing voice services to a given community or part of a community unless and until they receive authority under section 214(a) to discontinue that service. 47 U.S.C. § 214(a). They also must continue to satisfy all Lifeline ETC obligations unless and until any further relief is provided. *December 2014 Connect America Order*, 29 FCC Rcd at 15671, para. 70; see also *infra* para. 5 (seeking to refresh the record on pending proposals for additional relief).

⁷ *Connect America Fund et al.*, WC Docket Nos. 10-90 et al., Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 17663, 18062, para. 1089 (2011) (*USF/ICC Transformation FNPRM*).

⁸ See *id.* at 18062-66, paras. 1089-1102.

⁹ *Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order et al., 29 FCC Rcd 7051, 7117, paras. 195-98 (2014) (*April 2014 Connect America FNPRM*).

¹⁰ Petition for Forbearance of the United States Telecom Association, WC Docket No. 14-192, at 60-73 (filed Oct. 6, 2014) (USTelecom Oct. 6, 2014 Forbearance Petition); *Pleading Cycle Established for Comments on United States Telecom Association Petition for Forbearance from Certain Incumbent LEC Regulatory Obligations*, WC Docket No. 14-192, Public Notice, 29 FCC Rcd 13535 (Wireline Comp. Bur. 2014).

¹¹ *Lifeline and Link Up Reform and Modernization et al.*, WC Docket No. 11-42 et al., Second Further Notice of Proposed Rulemaking et al., FCC 15-71, paras. 125-26 (rel. June 22, 2015).

5. Specifically, we seek to refresh the record on the issues that remain pending and how the actions already taken in the *December 2014 Connect America Order* might affect the Commission’s analysis with respect to these pending issues in several open dockets. In the *December 2014 Connect America Order*, the Commission did not resolve the issues that were raised in the Connect America Fund rulemaking proceeding and the forbearance petition regarding possible forbearance or other relief from the price cap carriers’ ETC designations or the regulatory requirements imposed on ETCs for those census blocks where forbearance was not granted. Moreover, the Commission did not resolve the issue of granting broader forbearance or other relief from the ETC designations of the price cap carriers serving the census blocks where limited forbearance was granted. The Commission neither accepted nor rejected commenters’ various arguments—whether in favor of, or against—such proposals.¹² These issues remain pending to the extent originally raised in the rulemaking proceeding or the forbearance proceeding (or both).

I. PROCEDURAL MATTERS

A. Initial Regulatory Flexibility Act Analysis

6. The *USF/ICC Transformation FNPRM*¹³ and *April 2014 Connect America FNPRM*¹⁴ included Initial Regulatory Flexibility Analyses (IRFAs) pursuant to 5 U.S.C. § 603, exploring the potential impact on small entities of the Commission’s proposal concerning potential relief from ETC obligations. We invite parties to file comments on the IRFAs in light of this request to refresh the record.

B. Filing Requirements

7. Interested parties may file comments and reply comments on or before the dates indicated on the first page of this document. Comments are to reference **WC Docket Nos. 10-90, 14-192, 11-42, 09-197 and DA 15-851** and may be filed using the Commission’s Electronic Comment Filing System (ECFS). See *Electronic Filing of Documents in Rulemaking Proceedings*, 63 FR 24121 (1998).

- Electronic Filers: Comments may be filed electronically using the Internet by accessing the ECFS: <http://apps.fcc.gov/ecfs/>.

¹² See generally *December 2014 Connect America Order*, 29 FCC Rcd at 15663-71, paras. 50-70 (addressing the section 10 criteria insofar as the Commission granted forbearance, but not addressing whether the section 10 criteria were or were not met with respect to any possible additional forbearance, and not reaching in that *Order* other theories for relief); see also, e.g., *id.* at 15664, para. 52 (recognizing that “except for the two circumstances expressly described” in that section of the *Order*, for which forbearance was granted, “[w]e do not address at this time” possible forbearance “from enforcing the section 214(e) obligation of a price cap carrier to offer voice telephony services in extremely high-cost areas where it is not receiving support”); *id.* at 15669-70, para. 67 (citing differing views in the record regarding certain additional actions that some commenters proposed and, without resolving them, noting why they were not implicated by the actions actually taken in the *Order*); *id.* at 15671, para. 70 & n.158 (explaining that the forbearance granted in the *Order* does not relieve price cap carriers of their Lifeline obligations, but referencing still-pending comments in which LECs and certain wireless Internet service providers have advocated that the Commission de-link the high-cost ETC and Lifeline ETC designations); *id.* at 15702, para. 167 (making clear that the *Order* granted in part the USTelecom forbearance petition, without otherwise addressing or resolving all of the issues raised in that petition); Reply Comments of USTelecom, WC Docket No. 14-192 at 25 (filed Dec. 22, 2014) (USTelecom Dec. 22, 2014 Forbearance Reply) (“applaud[ing the] relief” granted in the *December 2014 Connect America Order* and arguing that the Commission should grant further relief in the context of the pending forbearance petition).

¹³ *USF/ICC Transformation FNPRM*, 26 FCC Rcd at 18364-95, App. P; see 76 Fed. Reg. 78384, 78430-42 (2011).

¹⁴ *April 2014 Connect America FNPRM*, 29 FCC Rcd at 7216-44, App. D; see 79 Fed. Reg. 39196, 39221-32 (2014).

- Paper Filers: Parties who choose to file by paper must file an original and one copy 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.

Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail. All filings must be addressed to the Commission's Secretary, 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. The filing hours are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes and boxes 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, Express, and Priority mail must be addressed to 445 12th Street, SW, Washington DC 20554.

8. People with Disabilities: 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 & Governmental Affairs Bureau at 202-418-0530 (voice), 202-418-0432 (tty).

9. This matter shall continue to be treated as a "permit-but-disclose" proceeding in accordance with the Commission's *ex parte* rules.¹⁵ Persons making *ex parte* presentations must file a copy of any written presentation or a memorandum summarizing any oral presentation within two business days after the presentation (unless a different deadline applicable to the Sunshine period applies). Persons making oral *ex parte* presentations are reminded that memoranda summarizing the presentation must (1) list all persons attending or otherwise participating in the meeting at which the *ex parte* presentation was made, and (2) summarize all data presented and arguments made during the presentation. If the presentation consisted in whole or in part of the presentation of data or arguments already reflected in the presenter's written comments, memoranda or other filings in the proceeding, the presenter may provide citations to such data or arguments in his or her prior comments, memoranda, or other filings (specifying the relevant page and/or paragraph numbers where such data or arguments can be found) in lieu of summarizing them in the memorandum. Documents shown or given to Commission staff during *ex parte* meetings are deemed to be written *ex parte* presentations and must be filed consistent with rule 1.1206(b). In proceedings governed by rule 1.49(f) or for which the Commission has made available a method of electronic filing, written *ex parte* presentations and memoranda summarizing oral *ex parte* presentations, and all attachments thereto, must be filed through the electronic comment filing system available for that proceeding, and must be filed in their native format (*e.g.*, .doc, .xml, .ppt, searchable .pdf). Participants in this proceeding should familiarize themselves with the Commission's *ex parte* rules.

10. For further information, please contact Heidi Lankau, Telecommunications Access Policy Division, Wireline Competition Bureau at 202-418-2876; or at TTY (202) 418-0484.

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¹⁵ 47 C.F.R. §§ 1.1200 *et seq.*