



# PUBLIC NOTICE

Federal Communications Commission  
445 12<sup>th</sup> 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 ANNOUNCES PUBLICATION OF RESOURCES FOR RATE-OF-RETURN CARRIERS TO CALCULATE CAPITAL INVESTMENT ALLOWANCE FOR 2017

### WC Docket No. 10-90

The Wireline Competition Bureau (Bureau) announces that the Universal Service Administrative Company (USAC) has published two resources to aid rate-of-return carriers in determining their Capital Investment Allowance (CIA), which sets a maximum for capital investment expenses that a rate-of-return carrier may include for purposes of calculating High-Cost Loop Support (HCLS) and Connect America Fund Broadband Loop Support (CAF BLS).<sup>1</sup> As adopted in the *Rate-of-Return Reform Order*, the CIA will first apply to investment made in 2017.<sup>2</sup>

First, USAC has published illustrative results showing each carrier's allowance had CIA had been applied to each carrier's 2015 investment. Second, USAC has published a worksheet that allows a carrier to calculate the CIA based on its own inputs. Using this worksheet, a carrier may replicate the illustrative 2015 results, calculate its 2017 allowance, or test alternate investment plans. USAC has also published additional documentation of the CIA methodology to accompany the illustrative results and template. The illustrative results, the template, and the documentation of the methodology are available at <http://www.usac.org/hc/tools/default.aspx>.

The Bureau emphasizes that the 2015 results are illustrative only, and that allowances applicable in 2017 and subsequent years will be determined based on carrier data for those years. Neither the illustrative results nor the worksheet reflects the existence of special circumstances that the Commission concluded would affect a carrier's allowance, as set forth in section 54.303(k) of the Commission's rules.<sup>3</sup> The Bureau expects that carriers will first report the existence of special circumstances concurrently with the submission of actual cost data for 2017, subject to procedures to be announced at a later date.<sup>4</sup>

For further information, please contact Ted Burmeister, Telecommunications Access Policy Division, Wireline Competition Bureau at (202) 418-7389.

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<sup>1</sup> *Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order, Order and Order on Reconsideration and Further Notice of Proposed Rulemaking, 31 FCC Rcd 3087, 3129-31, paras. 110-115 (2016) (*Rate-of-Return Reform Order*).

<sup>2</sup> *Connect America Fund et al.*, WC Docket No. 10-90 et al., Order, 31 FCC Rcd 6856, 6859, para. 15 (WCB 2016).

<sup>3</sup> See 47 CFR § 54.303(k).

<sup>4</sup> OMB Approval No. 3060-1219 (SepT. 20, 2016).