

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of
National Exchange Carrier Association, Inc.
2024 Modification of Average Schedules
WC Docket No. 23-415

ORDER

Adopted: May 10, 2024

Released: May 10, 2024

By the Chief, Pricing Policy Division, Wireline Competition Bureau:

1. In this Order, we approve the formulas for average-schedule interstate settlement disbursements in connection with the provision of interstate access services proposed by the National Exchange Carrier Association, Inc. (NECA), pursuant to section 69.606 of the Commission’s rules, for a one-year period beginning July 2, 2024.1 For the reasons set forth below, we approve the average-schedule formulas proposed by NECA.

2. On December 21, 2023 and pursuant to section 69.606(b) of the Commission’s rules, NECA submitted proposed revisions to formulas used by incumbent local exchange carriers (carriers) participating in the NECA access charge tariff pools to calculate average-schedule settlement disbursements for interstate access services for the one-year period beginning July 2024 (we refer to this filing as “NECA’s 2024 filing”).2 The Wireline Competition Bureau sought comment on NECA’s 2024 filing in a public notice released January 9, 2024.3 No comments or reply comments were filed.

3. According to NECA, its 2024 filing generally employs the same methods NECA employed in last year’s filing, for tariff year July 1, 2024 to June 30, 2025.4 One notable change this year is that NECA proposes three consumer broadband-only loop (CBOL) factors, instead of one, “to better capture economies of scale associated with increased CBOL deployment.”5 NECA projects that its proposed formula changes would result in a 1.4% overall decrease in average-schedule settlement disbursements at constant demand, mainly driven by a 5.3% decrease in the CBOL formula.6 The overall formula decrease also reflects a downward 0.44% adjustment to remove the effect of forgiven Paycheck Protection Program (PPP) loans on average schedule settlements.7 NECA expects that actual settlement

1 Letter from Robert J. Deegan, Director-Government Relations, NECA, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 23-415, Attach., NECA 2024 Modification of Average Schedules (filed Dec. 21, 2023) (NECA 2024 Filing); 47 CFR § 69.606(b). Ordinarily the effective date for annual access charge tariff filings is July 1, however, for this year’s filings the Wireline Competition Bureau established July 2, 2024 as the effective date. July 1, 2024 Annual Access Charge Tariff Filings, WC Docket No. 24-41, Order, DA 24-294 (WCB Mar. 27, 2024).

2 NECA 2024 Filing at 1.

3 Wireline Competition Bureau Seeks Comment on the National Exchange Carrier Association, Inc.’s Proposed Modification of Average Schedule Formulas, WC Docket No. 23-415, Public Notice, DA 24-19, at 1 (WCB Jan. 9, 2024).

4 NECA 2024 Filing, Attach. at 1.

5 Id., Attach. at 81.

6 Id., Attach. at 1, 4.

7 Id., Attach. at 4, 91-92.

disbursements, “considering projected increases in CBOL lines, projected losses of access lines, and reductions in demand for special access services, are expected to decrease on average by 2.5%.”<sup>8</sup> As NECA explains, the “[i]mpacts of the proposed formula changes on individual average schedule companies will vary depending on each company’s size, demand trends, and other characteristics.”<sup>9</sup>

4. In coordination with the Office of Economics and Analytics, we have reviewed NECA’s 2024 filing and, based on NECA’s explanations and methodology, find that NECA’s proposed modifications to average-schedule settlement disbursement formulas are reasonable. We find that, based on the projections provided by NECA, the proposed average schedule formulas are expected to produce disbursements to average schedule companies that simulate the disbursements that would be received by a company that is representative of average schedule companies.<sup>10</sup> Accordingly, we approve those formulas for the tariff year July 2, 2024 to June 30, 2025.<sup>11</sup>

5. Accordingly, IT IS ORDERED, pursuant to sections 0.91, 0.291, and 69.606 of the Commission’s rules, 47 CFR §§ 0.91, 0.291, 69.606, that the average-schedule formulas proposed by the National Exchange Carrier Association, Inc., on December 21, 2023 SHALL BECOME EFFECTIVE July 2, 2024, and remain in effect through June 30, 2025.

6. IT IS FURTHER ORDERED, pursuant to section 1.102(b) of the Commission’s rules, 47 CFR § 1.102(b), that this Order SHALL BE EFFECTIVE upon release.

FEDERAL COMMUNICATIONS COMMISSION

Victoria S. Goldberg  
Chief, Pricing Policy Division  
Wireline Competition Bureau

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<sup>8</sup> *Id.*, Attach. at 4.

<sup>9</sup> *Id.*, Attach. at 1.

<sup>10</sup> *See* 47 CFR § 69.606(a).

<sup>11</sup> *See* 47 CFR § 69.606.