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September 29, 2014

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

Re: 2014 Rate Floor Report, Docket No. 05-337, 10-90

Dear Ms. Dortch:

In the Connect America Fund Order, the Commission promulgated rule § 54.318 that reduces high-cost support for incumbent ETCs where end-user rates do not meet a specified local rate floor.¹ Specifically, beginning in July 2014 high-cost loop support (HCLS) and frozen high-cost support based on previous high-cost model support (HCMS) will be reduced where a carrier's local end-user rates plus state regulated fees do not meet the urban rate floor representing the national average of local rates plus those state regulated fees.² The attached filing provides rate floor information for all carriers that are below the local urban rate floor benchmark of \$20.46.³ Line counts are redacted per request for confidentiality by carriers and the National Exchange Carrier Association (NECA).

¹ See *In the Matter of Connect America Fund A National Broadband Plan for Our Future Establishing Just and Reasonable rates for Local Exchange Carriers High-Cost Universal Service Support Developing an Unified Intercarrier Compensation Regime Federal-State Joint Board on Universal Service Lifeline and Link-Up Universal Service Reform – Mobility Fund*, WC Docket Nos. 10-92, 07-135,05-337,03-109, GN Docket No. 09-51, CC Docket Nos. 01-92,86-45, WT Docket No. 10-208, Report and Order and Further Notice of Proposed Rule Making, FCC 11-161, ¶¶ 234 - 241 (rel. Nov. 18, 2011)

² *Id.*

³ See Report and Order, Declaratory Ruling, Order, Memorandum Opinion and Order, Seventh Order on Reconsideration, and Further Notice of Proposed Rulemaking, WC Docket Nos. 10-90, 10-208,14-58,07-135,CC Docket No. 01-92, FCC 14-54, ¶80 (rel. June 10, 2014). Notwithstanding the current benchmark, the application of section 54.318(b) for lines reported July 1, 2014, with a rate of \$14 or above is waived.

Sincerely,

/s/ Karen Majcher
Vice President, High Cost and Low Income Division

Enclosures: USAC 2014 Rate Floor Data Report