



80 South Jefferson Road
Whippany, NJ 07981

Regina McNeil
Vice President of Legal,
General Counsel &
Corporate Secretary
PH 973-884-8168
FX 973-884-8372
mcneil@neca.org

Accepted/Files

FEB 23 2016

Federal Communications Commission
Office of the Secretary

February 23, 2016

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

Rodger Woock
Suzanne Yelen
Industry Analysis and Technology Division
Federal Communications Commission
445 12th Street S.W.
Washington, DC 20554

DOCKET FILE COPY ORIGINAL

Re: Connect America Fund, WC Docket No. 10-90, *et. al.*
Supplemental Data Filing

Dear Ms. Dortch, Mr. Woock and Ms. Yelen:

Enclosed please find an update to the response¹ of the National Exchange Carrier Association, Inc. (NECA) to the Federal Communications Commission's (Commission) directive to file the detailed revenue requirement data received from member companies.² As requested by the Commission, this

¹ See Letter from Regina McNeil, NECA to Marlene H. Dortch, Secretary - FCC, CC Docket No. 01-92, GN Docket No. 09-51, WC Docket Nos. 05-337, 07-135, 10-90 (filed Dec. 16, 2011; filed under Protective Order, 25 FCC Rcd. 13160 (2010)).

² *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*, CC Docket Nos. 01-92, 96-45, WC Docket Nos.: 10-90, 07-135, 05-337, 03-109, GN Docket No. 09-51, WT Docket No. 10-208, Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd. 17663 (2011) ¶ 225, *pets. for review denied sub nom., In re FCC 11-161*, 753 F.3d 1015 (10th Cir. 2014).

No. of Copies rec'd 0+1
List ABCDE

update provides similar data for calendar year 2014. This information is being filed pursuant to the *Third Protective Order* issued in this proceeding.³

The information supplied by NECA is contained on a CD-ROM accompanying this letter and was compiled from data received in the normal course of business. The data items reported are at the level of detail approximate to the items reported in the Tariff Review Plan (TRP) that accompanies NECA's annual tariff filing. A template for the data contained on the CD-ROM is included in Attachment 1.

NECA seeks confidential treatment of the information provided on the CD-ROM under the *Third Protective Order*. Notwithstanding the *Third Protective Order*, the information provided on the CD-ROM is entitled to confidential, non-public treatment under the Freedom of Information Act (FOIA) and related provisions of the Commission's rules.⁴ The information satisfies the requirement of FOIA Exemption 4 (trade secrets or commercial/financial information).

NECA submits the following information pursuant to section 0.459 in support of its request for confidential treatment of the data on the CD-ROM.

- Identification of the specific information for which confidential treatment is sought:

NECA seeks confidential treatment for the study area specific information on the CD-ROM, which contains confidential and proprietary information related to common line revenue and total company and common line expenses and investment of NECA pool members.

- Identification of the Commission proceeding in which the information was submitted or a description of the circumstances giving rise to the submission:

Information for calendar year 2010 was submitted in response to the Commission's *USF/ICC Reform Order* in CC Docket Nos. 01-92, 96-45, WC Docket Nos. 10-90, 07-135, 05-337, 03-109, GN Docket No. 09-51, WT Docket No. 10-208. Specifically, the order directed NECA to "file the "detailed revenue requirement data it receives from carriers, no later than thirty days after release of this order."⁵ The Commission has now requested that NECA provide similar data for calendar year 2014.

³ *Connect America Fund*, WC Docket No. 10-90, *et. al.*, Third Protective Order, 27 FCC Rcd. 10276 (2012) (*Third Protective Order*).

⁴ 47 C.F.R. §§ 0.457 and 0.459; 5 U.S.C. § 552, *et. seq.* Section 0.457(d)(iii) specifically identifies information submitted in connection with audits, investigations, and examination of records pursuant to 47 U.S.C. 220 as material that has been accepted by the Commission on a confidential basis pursuant to 5 U.S.C. 552(b)(4).

⁵ *Supra*, notes 1-2.

- Explanation of the degree to which the information is commercial or financial, or contains a trade secret or is privileged:

The information on the CD-ROM contains sensitive study area specific information provided by pool members to NECA in its capacity as interstate access tariff and pool administrator. At the study area level, the information is granular and highly confidential to the reporting pool members.

The interstate access and supplemental data is treated as a confidential trade secret by pool members. NECA would not agree to submit the data in response to the Commission staff's request without assurances that the information will be kept confidential. It would be highly inappropriate for the data to be disclosed to the public or third parties.

- Explanation of the degree to which the information concerns a service that is subject to competition:

Rural telephone service has historically lent itself to "cherry picking" by competitors that choose to serve only the low cost areas within a study area. Detailed information about revenues and expenses may help prospective competitors to gain insight to incumbent LEC (ILEC) market strategies and gain competitive advantage.

- Identification of any measures taken by the submitting party to prevent unauthorized disclosure:

The information provided in the attached CD-ROM is made available only to NECA representatives on a need to know basis. Any public information is only made available on an aggregate basis.

- Identification of whether the information is available to the public and the extent of any previous disclosure of the information to third parties:

The information in the Excel spreadsheet on the CD-ROM is not publicly available.

- Justification of the period during which the submitting party asserts that material should not be available for public disclosure:

NECA requests that all of the data provided on the CD-ROM be treated as confidential indefinitely. Because of the sensitive nature of the data, it would not be appropriate for public disclosure at any time in the foreseeable future.

- Any other information that the party seeking confidential treatment believes may be useful in assessing whether its request for confidentiality should be granted:

By addressing the data request to NECA, the Commission avoided the burden of seeking out the data for 700+ cost company study areas. However, the Commission should take care to not

REDACTED – FOR PUBLIC INSPECTION

deprive those ILECs of the opportunity to speak for themselves in the event of a FOIA request for access to data. NECA requests that the Commission notify carriers of any FOIA request and allow them to be given a reasonable opportunity to file detailed information supporting continued confidential treatment of their respective data.

Accordingly, NECA requests confidential treatment of the data provided on the attached CD Rom pursuant to section 0.457 and 0.459 of the Commission's rules and paragraph 4 of the Protective Order. Pursuant to the Protective Order, NECA has marked the Excel spreadsheet on the CD-ROM and each page of the non-redacted version of this filing as follows:

REDACTED – FOR PUBLIC INSPECTION

NECA has also complied with the requirement of the *Third Protective Order* for delivery of both the confidential and redacted copies of the filing.

A handwritten signature in cursive script that reads "Regina McNeil".

Enclosures

NECA 2014 COST COMPANY DATA

ATTACHMENT 1

Study Area Code	Study Area Name	Uncollectibles	AFUDC	Adjustment for Line Port/TIC	Plant Specific	Network Support Expense	General Support Expense
-----------------	-----------------	----------------	-------	------------------------------	----------------	-------------------------	-------------------------

NECA 2014 COST COMPANY DATA

ATTACHMENT 1

Study Area Code	Study Area Name	COE - Switching Expense	COE - Operator Expense	COE - Transmission Expense	IOT Expense	Cable and Wire Facilities Expense	Plant Non Specific (excl Depr & Amort)
-----------------	-----------------	-------------------------	------------------------	----------------------------	-------------	-----------------------------------	--

NECA 2014 COST COMPANY DATA

ATTACHMENT 1

Study Area Code	Study Area Name	Cust. Oper. Marketing	Cust. Oper. Services	Cust. Oper. Local Business Office	Cust. Oper. Revenue Accounting	Cust. Oper. Other Billing and Collection	Corp. Operations Unlimited
-----------------	-----------------	-----------------------	----------------------	-----------------------------------	--------------------------------	--	----------------------------

NECA 2014 COST COMPANY DATA

ATTACHMENT 1

Study Area Code	Study Area Name	Corp. Operations - Limited	Access	USF Contributions	Depreciation & Amort.	Other Expenses and Adjustments	Total Expenses and Other Taxes
-----------------------	-----------------	----------------------------------	--------	----------------------	--------------------------	--------------------------------------	--------------------------------------

NECA 2014 COST COMPANY DATA

Study Area Code	Study Area Name	Taxes Other than FIT	Expenses and Other Taxes	Adjustments for FIT	Amortized ITC	General Support	Central Office Equipment - Switch
-----------------	-----------------	----------------------	--------------------------	---------------------	---------------	-----------------	-----------------------------------

NECA 2014 COST COMPANY DATA

ATTACHMENT 1

Study Area Code	Study Area Name	COE - Operator Systems	COE - Tandem Switching	COE - Local Switching	COE - Equal Access	Central Office Equipment - Transmission	COE Transmission - Interexchange Circuit
-----------------	-----------------	------------------------	------------------------	-----------------------	--------------------	---	--

NECA 2014 COST COMPANY DATA

ATTACHMENT 1

Study Area Code	Study Area Name	COE Transmission - Host Remote	COE Transmission - Exchange Circuit	COE Transmission - Subscriber Line	Cable and Wire Facilities	Cable & Wire - Subscriber Line	Cable & Wire - Exchange
-----------------	-----------------	--------------------------------	-------------------------------------	------------------------------------	---------------------------	--------------------------------	-------------------------

NECA 2014 COST COMPANY DATA

Study Area Code	Study Area Name	Cable & Wire - Interexchange Circuit	Cable & Wire - Host Remote	IOT Equipment	Amortizable Assets	Total Plant	Depreciation/Amortization Reserve
-----------------	-----------------	--------------------------------------	----------------------------	---------------	--------------------	-------------	-----------------------------------

NECA 2014 COST COMPANY DATA

ATTACHMENT 1

Study Area Code	Study Area Name	Accum. Deferred Income Tax	Other Rate Base Adjustments	Average Net Investment	Net Return	Federal Income Tax	Revenue Requirement
-----------------	-----------------	----------------------------	-----------------------------	------------------------	------------	--------------------	---------------------

NECA 2014 COST COMPANY DATA - INTERSTATE COMMON LINE SUPPORT

Study Area Code	Study Area Name	2014 Common Line Revenue Requirement without Corporate Operation Expense Limitation (incl. Contributions, excl. Admin. Exp.)	Impact of Corporate Operations Expense Limitation	2014 Common Line Revenue Requirement with Corporate Operations Expense Limitation (incl. Contributions, excl. Admin. Exp.)	2014 Universal Service Contributions	Subtotal
-----------------	-----------------	--	---	--	--------------------------------------	----------

Study Area Code	Study Area Name	2014 NECA Administrative Expense	2014 Common Line Revenue Requirement	2014 SLC Revenues	2014 End User ISDN Port Revenue	2014 Special Access Surcharge Revenue	2014 Long Term Support	Estimated 2014 Interstate Common Line Support**	ICLS Indicator
-----------------	-----------------	----------------------------------	--------------------------------------	-------------------	---------------------------------	---------------------------------------	------------------------	---	----------------