

PUBLIC NOTICE



FEDERAL COMMUNICATIONS COMMISSION
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COMMON CARRIER BUREAU RELEASES ESTIMATED STATE-BY-STATE UNIVERSAL SERVICE HIGH-COST SUPPORT AMOUNTS FOR NON-RURAL CARRIERS

CC Docket No. 96-45

Today the Commission released an order clarifying the method by which certain line count data will be used in the new high-cost universal service support mechanism for non-rural carriers.¹ Specifically, the Commission clarified how the quarterly line count data filed by non-rural carriers pursuant to the Commission's rules will be incorporated in the new high-cost mechanism for purposes of calculating and targeting support amounts.² In addition, the Commission clarified that, until it adopts new line count input values for use in the Commission's forward-looking cost model, forward-looking costs for universal service purposes shall continue to be estimated using the line count input values adopted by the Commission in October 1999.³

The spreadsheet attached to this Public Notice shows the estimated state-by-state support amounts based on the quarterly line count data filed by non-rural carriers and the clarification adopted in the *Twentieth Reconsideration Order*.⁴ These support estimates supercede the state-

¹ *Federal-State Joint Board on Universal Service, Twentieth Order on Reconsideration, CC Docket No. 96-45, FCC 00-126 (April 7, 2000) (Twentieth Reconsideration Order).*

² See 47 C.F.R. §§ 36.611, 36.612, 54.307; see also *Federal-State Joint Board on Universal Service, Ninth Report and Order and Eighteenth Order on Reconsideration, FCC 99-306 (rel. Nov. 2, 1999) (Ninth Report and Order)*. In the *Ninth Report and Order*, the Commission described the methodology that is used to compute non-rural carriers' high-cost support amounts, beginning January 1, 2000, based on their forward-looking costs and an interim hold-harmless provision. The Commission also required non-carriers to file line count data at the wire center, rather than the study area, level. See *Ninth Report and Order* at paras. 87, 92. Non-rural carriers filed wire center line count data for the first time on December 30, 1999. The Commission deferred the provision of forward-looking support and the targeting of hold-harmless support until the third quarter of 2000. See *Federal-State Joint Board on Universal Service, Nineteenth Order on Reconsideration, FCC 99-396 (rel. Dec. 17, 1999) at paras. 10-11.*

³ See *Federal-State Joint Board on Universal Service, Forward-Looking Mechanism for High Cost Support for Non-Rural LECs, Tenth Report and Order, CC Docket Nos. 96-45, 97-160, FCC 99-304 (rel. Nov. 2, 1999) (Tenth Report and Order).*

⁴ For informational purposes, the spreadsheet also shows support amounts for rural telephone companies in each state. We reiterate that rural support amounts are not affected by the Commission's reform of the universal service support mechanism for non-rural carriers. Reform of the rural carriers' universal service support mechanism is

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by-state support amounts previously released by the Common Carrier Bureau (Bureau). On January 20, 2000, the Bureau announced the procedures for releasing support amounts for non-rural carriers under the new high-cost mechanism and released corrected estimated support amounts.⁵ The Bureau emphasized that these support amounts were estimated support amounts based on the line counts used as input values in the Commission's cost model, and would be superceded by estimates based on the line counts reported by non-rural carriers on a quarterly basis.⁶

As discussed in the *Twentieth Reconsideration Order*, by incorporating the reported lines in the non-rural high-cost universal service support mechanism, support will vary based on the number of lines reported to account for a growth or reduction in lines served by a particular carrier.⁷ The aggregate estimated support amount available under the new mechanism changes from approximately \$210 million to \$220 million. The state-by-state hold-harmless support amounts and the state-by-state support amounts for rural carriers are the same as those released in the *Jan. 20 Public Notice* and are based on the Universal Service Administrative Company's (USAC) projections for the first quarter of the year 2000.⁸

For further information regarding this Public Notice, please contact Katie King at (202) 418-7400.

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proceeding on a separate track. The Commission is awaiting a recommendation to be supplied by the Federal-State Joint Board on Universal Service, based on a report from the Joint Board's Rural Task Force, before considering reform of the support mechanism for rural carriers. See *Ninth Report and Order* at para. 11.

⁵ *Common Carrier Bureau Announces Procedures for Releasing High-Cost Support Amounts for Non-Rural Carriers and Revised Model Results*, Public Notice, CC Docket Nos. 96-45, 97-160, DA 00-110 (rel. Jan. 20,2000) (*Jan. 20 Public Notice*). The support estimates released on January 20, 2000, corrected the support estimates released on November 2, 1999. See *Jan. 20 Public Notice* at 2-3; see also *Common Carrier Bureau Releases State-by-State Universal Service High-Cost Support Amounts for Non-Rural Carriers and Forward-Looking Cost Model Results*, Public Notice, CC Docket Nos. 96-45, 97-160, DA 99-2399 (rel. Nov. 2, 1999) (*Nov. 2 Public Notice*).

⁶ See *Jan. 20 Public Notice* at 2-3.

⁷ See *Twentieth Reconsideration Order*.

⁸ USAC files quarterly projections with the Commission for the high-cost and other universal service programs, which the Bureau then makes available on the Internet (http://www.fcc.gov/ccb/universal_service/quarter.html).

ESTIMATED 1ST QUARTER 2000 FEDERAL HIGH-COST SUPPORT

	NON-RURAL	NON-RURAL	NON-RURAL	RURAL	TOTAL
			Projected	Projected	Projected High
	Hold	New	Support	Support	Cost Support
State	Harmless	Mechanism	1/1/00	Amount	1/1/2000
AK	-	-	-	71,752,572	71,752,572
AL	11,351,472	51,673,194	51,673,194	25,928,616	77,601,810
AR	3,196,404	-	3,196,404	66,980,904	70,177,308
AZ	-	-	-	32,936,700	32,936,700
CA	6,372,420	-	6,372,420	42,712,836	49,085,256
CO	2,391,912	-	2,391,912	42,881,688	45,273,600
CT	-	-	-	885,756	885,756
DC	-	-	-	-	-
DE	-	-	-	-	-
FL	-	-	-	19,902,132	19,902,132
GA	-	-	-	72,532,272	72,532,272
HI	-	-	-	675,216	675,216
IA	-	-	-	27,100,956	27,100,956
ID	-	-	-	28,743,660	28,743,660
IL	-	-	-	24,887,472	24,887,472
IN	-	-	-	18,093,792	18,093,792
KS	-	-	-	63,376,188	63,376,188
KY	1,878,936	1,674,258	2,386,367	17,607,936	19,994,303
LA	-	-	-	68,144,736	68,144,736
MA	-	-	-	582,120	582,120
MD	-	-	-	552,276	552,276
ME	-	10,739,190	10,739,190	18,998,820	29,738,010
MI	1,423,020	-	1,423,020	40,507,596	41,930,616
MN	-	-	-	44,679,804	44,679,804
MO	9,070,692	-	9,070,692	48,167,628	57,238,320
MS	6,882,264	103,518,486	103,518,486	22,762,116	126,280,602
MT	1,177,128	1,536,883	1,536,883	44,643,012	46,179,895
NC	5,618,724	-	5,618,724	24,930,372	30,549,096
ND	-	-	-	25,335,516	25,335,516
NE	-	-	-	21,918,012	21,918,012
NH	-	-	-	8,047,764	8,047,764
NJ	-	-	-	970,056	970,056
NM	3,800,136	-	3,800,136	31,329,984	35,130,120
NV	-	-	-	11,553,864	11,553,864
NY	-	-	-	40,314,168	40,314,168
OH	-	-	-	15,341,928	15,341,928
OK	428,604	-	428,604	61,920,168	62,348,772
OR	-	-	-	38,727,096	38,727,096
PA	-	-	-	22,369,536	22,369,536
PR	137,108,028	-	137,108,028	-	137,108,028
RI	-	-	-	-	-
SC	4,992,276	-	4,992,276	38,301,960	43,294,236
SD	-	-	-	20,879,352	20,879,352
TN	-	-	-	29,966,208	29,966,208
TX	1,896,744	-	1,896,744	114,722,928	116,619,672
UT	-	-	-	10,730,436	10,730,436
VA	969,156	-	969,156	10,415,484	11,384,640
VT	571,236	15,033,387	15,033,387	10,946,592	25,979,979
WA	-	-	-	43,335,360	43,335,360
WI	-	-	-	52,915,416	52,915,416
WV	1,455,276	31,114,665	31,114,665	22,360,164	53,474,829
WY	5,649,528	4,793,324	5,649,528	21,440,244	27,089,772
Total	206,233,956	220,083,387	398,919,816	1,524,809,412	1,923,729,228