

## **Wireless Carrier Actual Cost (WiCAC) proposal Frequently Asked Questions (FAQ)**

### **General Questions**

Q1. What is WiCAC?

A1. Wireless Carrier Actual Cost (WiCAC) is a cost-based system to calculate the equivalent of wireline carrier high-cost loop support for wireless ETCs.

Q2. Does WiCAC require wireless carriers to perform overly burdensome tasks?

A2. No, the algorithm only requires mapping data to 23 accounts.

Q3. Is WiCAC mandatory?

A3. No, a wireless carrier is not required to be a CETC, and therefore be required to submit data to the Administrator in order to be eligible for a cost-based USF recovery. However, a wireless carrier that desires to receive cost-based USF recovery would be required to become a CETC and submit WiCAC data to USAC.

Q4. On page 4 of the proposal, footnote 1 refers to the proposal as an intermediate step after the short-term solution has expired. Why is it termed an intermediate step?

A4. Empirical data needs to be gathered and analyzed by the Joint Board staff prior to considering WiCAC a long-term solution possibility.

### **Questions about the Part 32 Accounting required**

Q1. Does WiCAC require wireless carriers to maintain a full Part 32 system of accounts?

A1. No, the algorithm only requires carriers to map balances for 23 accounts.

Q2. Why are revenue accounts not included?

A2. No revenue accounts are input into the wireline HCF algorithm, so none are required for WiCAC.

Q3. Is there a recommendation if regulators desire to review wireless revenue levels?

A3. One possible option would be to have three accounts: end user revenue, intercarrier compensation revenue, and support mechanisms revenue.

Q4. Traditional Part 32 accounts are geared to wireline carriers. Do the proposed Part 32.8000 – 32.8720 accounts reflect wireless architecture?

A4. Yes, the WiCAC section of accounts (32.8000 – 32.8720) reflect wireless circumstances. For example, Account 32.8223 is for Towers and Account 32.8242 is for Spectrum Acquisition costs.

### **Questions about the Algorithm**

Q1. What support mechanism does the WiCAC algorithm calculate?

A1. WiCAC calculates, for wireless carriers, support on an identical basis to wireline carrier High-Cost Loop support.

Q2. Does the wireless carrier calculate the algorithm?

A2. No, the wireless carrier submits a data request to the Administrator similar to what wireline carriers currently submit to NECA.

Q3. Why does the algorithm specify the Administrator as USAC as opposed to NECA?

A3. This is due to the current bifurcated arrangement wherein NECA handles Part 36 USF while USAC is assigned the Part 54 portion. The recommended WiCAC rules are reflected as changes to Part 54.

Q4. One of challenges in developing an identical basis of support for wireless carriers is to replicate the loop to total investment ratio that is used in the current wireline HCL support algorithm. How does WiCAC replicate this type of ratio for wireless carriers?

A4. In the algorithm, the ratio developed is for the study area using the traffic (MOUs) that is both originated and terminated within the MSA to the total traffic within the study area. For study areas outside an MSA, the factor will be developed using the intrastudy area traffic compared to total traffic. This amount is the input for line 710 of the WiCAC algorithm.

If the company does not have the capability of measuring the MOUs or chooses not to measure, a default ratio of 0.5 will be used at line 710 of the WiCAC algorithm.

Q5. Is there any difference in recovery from the algorithm based on wireless carrier size in terms of number of lines served?

A5. Except for the different levels embedded in the corporate operations limitation portion of the algorithm, all wireless carriers are treated equally under the WiCAC mechanism.

Q6. The WiCAC refers specifically to wireless carriers that are ETCs. What about wireline CETCs?

A6. If the Commission were to adopt the WiCAC mechanism for wireless carriers, we recommend they include wireline CETCs under the existing mechanism that is applied to wireline ETCs. These wireline CETCs would only need to map data to the existing Part 32 accounts that are used by wireline ETCs that complete the current algorithm data request for NECA.