



Federal Communications Commission
Washington, D.C. 20554

April 2, 2014

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

Re: WC Docket No. 10-90

Dear Ms. Dortch:

On November 18, 2011, the Federal Communications Commission (Commission) released the *USF/ICC Transformation Order*, which comprehensively reformed and modernized the universal service and intercarrier compensation systems.¹ In that *Order*, the Commission directed the Wireline Competition Bureau (Bureau) and Wireless Telecommunications Bureau to conduct a survey of residential urban rates for voice services.²

With this letter, the Bureau formally submits into the record the following information:

- (1) Commission staff analysis showing aggregated information regarding the number of eligible telecommunications carrier lines that receive High-Cost Loop Support or frozen support based on High-Cost Model Support and had rates below the \$14 rate floor as of July 1, 2013 and January 2, 2014.

Lines below the \$14 Rate Floor*

	July 1, 2013	January 2, 2014
Price Cap Carrier Lines	163,747	147,842
Rate of Return Carrier Lines	55,836	49,693
Total Lines	219,583	197,535

*These totals exclude lines in those West Virginia study areas for which temporary waivers of support reductions were granted.

- (2) Commission staff analysis of the approximate monthly reductions in High-Cost Loop Support or High-Cost Model Support as a result of implementation of the rate floor as of January 2, 2014.

¹ See *Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 17663 (2011) (*USF/ICC Transformation Order*), *pets. for review pending sub nom. In re: FCC 11-161*, No. 11-9900 (10th Cir. argued Nov. 19, 2013).

² *USF/ICC Transformation Order*, 26 FCC Rcd at 17694, para. 85.

**Approximate Monthly Reductions in Support from \$14 Rate Floor
as of January 2, 2014***

	Monthly Adjustment
Price Cap Carriers	\$170,000
Rate of Return Carriers	\$120,000
Total	\$290,000

*These totals exclude lines in those West Virginia study areas for which temporary waivers of support reductions were granted.

(3) Commission staff analysis of the number of lines, study areas, and states at or below \$5 as of January 2, 2014.

Lines, Study Areas, and States with Local Rates at or Below \$5 per Line

Rate	Number of Lines	Number of Study	
		Areas	Number of States
\$0	85	15	6
\$.01 to \$1	0	0	0
\$1.01 to \$2	1,800	7	5
\$2.01 to \$3	11	4	1
\$3.01 to \$4	66	2	2
\$4.01 to \$5	471	7	7
Total (Lines, Unique Study Areas, Unique States)	2,433	34	16

Respectfully submitted,

/S/

Michael J. Jacobs
Legal Advisor to the Chief
Wireline Competition Bureau