

#### § 54.318

#### 47 CFR Ch. I (10–15 Edition)

paragraph (d) of this section. If provided by the appropriate regulatory authority for the State, the annual certification must identify which carriers in the State are eligible to receive federal support during the applicable 12-month period, and must certify that those carriers only used support during the preceding calendar year and will only use support in the coming calendar year for the provision, maintenance, and upgrading of facilities and services for which support is intended. A State may file a supplemental certification for carriers not subject to the State's annual certification. All certificates filed by a State pursuant to this section shall become part of the public record maintained by the Commission.

(2) An eligible telecommunications carrier not subject to the jurisdiction of a State shall file a sworn affidavit executed by a corporate officer attesting that the carrier only used support during the preceding calendar year and will only use support in the coming calendar year for the provision, maintenance, and upgrading of facilities and services for which support is intended. The affidavit must be filed with both the Office of the Secretary of the Commission clearly referencing WC Docket No. 14-58, and with the Administrator of the high-cost universal service support mechanism, on or before the deadlines set forth in paragraph (d) of this section. All affidavits filed pursuant to this section shall become part of the public record maintained by the Commission.

(d) *Filing deadlines.* (1) In order for an eligible telecommunications carrier to receive federal high-cost support, the state or the eligible telecommunications carrier, if not subject to the jurisdiction of a state, must file an annual certification, as described in paragraph (c) of this section, with both the Administrator and the Commission by October 1 of each year. If a state or eligible telecommunications carrier files the annual certification after the October 1 deadline, the carrier subject to the certification shall receive a reduction in its support pursuant to the following schedule:

(i) An eligible telecommunications carrier subject to certifications filed

after the October 1 deadline, but by October 8, will have its support reduced in an amount equivalent to seven days in support;

(ii) An eligible telecommunications carrier subject to certifications filed on or after October 9 will have its support reduced on a pro-rata daily basis equivalent to the period of non-compliance, plus the minimum seven-day reduction.

(2) *Grace period.* If an eligible telecommunications carrier or state submits the annual certification required by this section after October 1 but before October 5, the eligible telecommunications carrier subject to the certification will not receive a reduction in support if the eligible telecommunications carrier and its holding company, operating companies, and affiliates as reported pursuant to § 54.313(a)(8) have not missed the October 1 deadline in any prior year.

[76 FR 73875, Nov. 29, 2011; 79 FR 39189, July 9, 2014; 80 FR 4477, Jan. 27, 2015]

#### § 54.318 High-cost support; limitations on high-cost support.

(a) Beginning July 1, 2012, each carrier receiving high-cost support in a study area under this subpart will receive the full amount of high-cost support it otherwise would be entitled to receive if its rates for residential local service plus state regulated fees as defined in paragraph (e) of this section exceed a local urban rate floor representing the national average of local urban rates plus state regulated fees under the schedule specified in paragraph (f) of this section.

(b) Carriers whose rates for residential local service plus state regulated fees offered for voice service are below the specified local urban rate floor under the schedule below plus state regulated fees shall have high-cost support reduced by an amount equal to the extent to which its rates for residential local service plus state regulated fees are below the local urban rate floor, multiplied by the number of lines for which it is receiving support.

(c) This rule will apply only to rate-of-return carriers as defined in § 54.5 and carriers subject to price cap regulation as that term is defined in § 61.3 of this chapter.

(d) For purposes of this section, high-cost support is defined as the support available pursuant to § 54.1310 and frozen high-cost support provided to price cap carriers to the extent it is based on support previously provided pursuant to § 54.1310 or former high-cost proxy model support.

(e) *State regulated fees.* (1) Beginning on July 1, 2012, for purposes of calculating limitations on high-cost support under this section, state regulated fees shall be limited to state subscriber line charges, state universal service fees and mandatory extended area service charges, which shall be determined as part of a local rate survey, the results of which shall be published annually.

(2) Federal subscriber line charges shall not be included in calculating limitations on high-cost support under this section.

(f) *Schedule.* High-cost support will be limited where the rate for residential local service plus state regulated fees are below the local urban rate floor representing the national average of local urban rates plus state regulated fees under the schedule specified in this paragraph. To the extent end user rates plus state regulated fees are below local urban rate floors plus state regulated fees, appropriate reductions in high-cost support will be made by the Universal Service Administrative Company.

(g) Any reductions in high-cost support under this section will not be redistributed to other carriers that receive support pursuant to § 54.1310.

(h) If, due to changes in local service rates, a local exchange carrier makes an updated rate filing pursuant to section 54.313(h)(2), the Universal Service Administrative Company will update the support reduction applied pursuant to paragraphs (b) and (f) of this section.

(i) For the purposes of this section and the reporting of rates pursuant to paragraph 313(h), rates for residential local service provided pursuant to measured or message rate plans or as part of a bundle of services should be calculated as follows:

(1) Rates for measured or message service shall be calculated by adding the basic rate for local service plus the additional charges incurred for measured service, using the mean number of

minutes or message units for all customers subscribing to that rate plan multiplied by the applicable rate per minute or message unit. The local service rate includes additional charges for measured service only to the extent that the average number of units used by subscribers to that rate plan exceeds the number of units that are included in the plan. Where measured service plans have multiple rates for additional units, such as peak and off-peak rates, the calculation should reflect the average number of units that subscribers to the rate plan pay at each rate.

(2) For bundled service, the residential local service rate is the local service rate as tariffed, if applicable, or as itemized on end-user bills. If a carrier neither tariffs nor itemizes the local voice service rate on bills for bundled services, the local service rate is the rate of a similar stand-alone local voice service that it offers to consumers in that study area.

[76 FR 73876, Nov. 29, 2011, as amended at 77 FR 14302, Mar. 9, 2012; 77 FR 30914, May 24, 2012; 79 FR 39190, July 9, 2014]

**§ 54.319 Elimination of high-cost support in areas with 100 percent coverage by an unsubsidized competitor.**

(a) Universal service support shall be eliminated in an incumbent rate-of-return local exchange carrier study area where an unsubsidized competitor, or combination of unsubsidized competitors, as defined in § 54.5, offers to 100 percent of residential and business locations in the study area voice and broadband service at speeds of at least 10 Mbps downstream/1 Mbps upstream, with latency suitable for real-time applications, including Voice over Internet Protocol, and usage capacity that is reasonably comparable to comparable offerings in urban areas, at rates that are reasonably comparable to rates for comparable offerings in urban areas.

(b) After a determination there is a 100 percent overlap, the incumbent local exchange carrier shall receive the following amount of high-cost support:

(1) In the first year, two-thirds of the lesser of the incumbent's total high-