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July 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.

(g) A mobile eligible telecommunications carrier that submits the annual reporting information required by this section within three (3) days of the July 1 deadline will not receive a reduction in support if the mobile eligible telecommunications carrier has not missed the July 1 deadline in any prior year.

[82 FR 15450, Mar. 28, 2017, as amended at 82 FR 16297, Apr. 4, 2017]

EFFECTIVE DATE NOTE: At 82 FR 15450, Mar. 28, 2017, §54.1019 was added. This section contains information collection and record-keeping requirements and will not become effective until approval has been given by the Office of Management and Budget.

§54.1020 Milestone reports.

- (a) A winning bidder authorized to receive Mobility Fund Phase II support shall submit the reports required in §54.1015(a) through (d) as well as certifications that it has met the construction requirements in §54.1015(a) through (d).
- (b) The party submitting the report must certify that it has been authorized to do so by the winning bidder.
- (c) Each report shall be submitted to the Office of the Secretary of the Commission, clearly referencing the appropriate docket for Mobility Fund Phase II reporting; the Administrator; and the relevant state commissions, relevant authority in a U.S. Territory, or Tribal governments, as appropriate, until such time that the Administrator announces that such reports shall be filed solely via the Administrator's online portal.
- (d) Winning bidders have a continuing obligation to maintain the accuracy and completeness of the information provided in their long-form applications and their milestone reports. All winning bidders shall provide information about any substantial change that may be of decisional significance regarding their eligibility for Mobility Fund Phase II support and compliance with Mobility Fund Phase II requirements as an update to their milestone report submitted to the entities listed in paragraph (c) of this section. Such

notification of a substantial change, including any reduction in the percentage of eligible square miles being served or any failure to comply with any of the Mobility Fund Phase II requirements, shall be submitted within ten (10) business days after the reportable event occurs.

- (e) In order for a recipient of Mobility Fund Phase II support to continue to receive support for the following calendar year, it must submit the milestone reports required by this section by the deadlines set forth in §54.1015(a) through (d). Mobile eligible telecommunications carriers that file their reports after the relevant deadlines shall receive a reduction in support pursuant to the following schedule:
- (1) A mobile eligible telecommunications carrier that files after the deadline, but within seven days of the deadline, will have its support reduced in an amount equivalent to seven (7) days of support;
- (2) A mobile eligible telecommunications carrier that files on or after the eighth day following the deadline will have its support reduced on a prorata daily basis equivalent to the period of non-compliance, plus the minimum seven-day reduction.
- (f) A mobile eligible telecommunications carrier that submits the milestone reporting information required by this section within three (3) days of the deadline will not receive a reduction in support if the mobile eligible telecommunications carrier has not missed the deadline in any prior year.

[82 FR 15450, Mar. 28, 2017, as amended at 82 FR 16297, Apr. 4, 2017]

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§ 54.1021 Record retention for Mobility Fund Phase II.

A winning bidder authorized to receive Mobility Fund Phase II support and its agents are subject to the record retention requirements in §54.320.

[82 FR 15450, Mar. 28, 2017]

Federal Communications Commission

EFFECTIVE DATE NOTE: At 82 FR 15450, Mar. 28, 2017, §54.1021 was added. This section contains information collection and record-keeping requirements and will not become effective until approval has been given by the Office of Management and Budget.

Subpart M—High Cost Loop Support for Rate-of-Return Carriers

SOURCE: 79 FR 39190, July 9, 2014, unless otherwise noted.

§54.1301 General.

(a) This subpart addresses support for loop-related costs included in §54.1308. The expense adjustment calculated pursuant to this subpart M shall be added to interstate expenses and deducted from state expenses after expenses and taxes have been apportioned pursuant to subpart D of part 36 of this chapter. Beginning January 1, 2012, this subpart will only apply to incumbent local exchange carriers that are rateof-return carriers not affiliated, as "affiliated companies" are defined in §32.9000 of this chapter, with price cap local exchange carriers. Rate-of-return carriers and price cap local exchange carriers are defined pursuant to §54.5 and §61.3(bb) of this chapter, respectively.

(b) The expense adjustment will be computed on the basis of data for a preceding calendar year which may be updated at the option of the carrier pursuant to §54.1306(a).

§54.1302 Calculation of incumbent local exchange carrier portion of nationwide loop cost expense adjustment for rate-of-return carriers.

(a) Beginning January 1, 2013, and each calendar year thereafter, the total annual amount of the incumbent local exchange carrier portion of the nation-wide loop cost expense adjustment shall not exceed the amount for the immediately preceding calendar year, multiplied times one plus the Rural Growth Factor calculated pursuant to §54.1303.

(b) The annual rural incumbent local exchange carrier portion of the nation-wide loop cost expense adjustment shall be reduced to reflect the transfer of rural incumbent local exchange carrier access lines that are eligible for expense adjustments pursuant to

§54.1310. The reduction shall equal the amount of the §54.1310 expense adjustment available to the transferred access lines at the time of the transfer and shall be effective in the next calendar quarter after the access lines are transferred.

(c) Safety net additive support calculated pursuant to §54.1304, and transferred high-cost support and safety valve support calculated pursuant to §54.305 of this part shall not be included in the rural incumbent local exchange carrier portion of the annual nationwide loop cost expense adjustment.

§54.1303 Calculation of the rural growth factor.

(a) The Rural Growth Factor (RGF) is equal to the sum of the annual percentage change in the United States Department of Commerce's Gross Domestic Product-Chained Price Index (GPD-CPI) plus the percentage change in the total number of rural incumbent local exchange carrier working loops during the calendar year preceding the July 31st filing submitted pursuant to §54.1305. The percentage change in total rural incumbent local exchange carrier working loops shall be based upon the difference between the total number of rural incumbent local exchange carrier working loops on December 31 of the calendar year preceding the July 31st filing and the total number of rural incumbent local exchange carrier working loops on December 31 of the second calendar year preceding that filing, both determined by the company's submissions pursuant to §54.1305. Loops acquired by rural incumbent local exchange carriers shall not be included in the RGF cal-

(b) Beginning July 31, 2012, pursuant to §54.1301(a), the calculation of the Rural Growth Factor shall not include price cap carrier working loops and rate-of-return local exchange carrier working loops of companies that were affiliated with price cap carriers during the calendar year preceding the July 31st filing submitted pursuant to §54.1305.