

## FEDERAL COMMUNICATIONS COMMISSION

[WC Docket Nos. 10–90 and 05–337; DA 12–868]

### Data Specifications for Collecting Study Area Boundaries

**AGENCY:** Federal Communications Commission.

**ACTION:** Notice; solicitation of comments.

**SUMMARY:** In this document, the Wireline Competition Bureau proposes data specifications for collecting study area boundaries for purposes of implementing various reforms adopted as part of the *USF/ICC Transformation Order* and seeks comment on this proposal.

**DATES:** Comments are due on or before July 2, 2012. Reply comments are due on or before July 17, 2012.

**ADDRESSES:** Interested parties may file comments on or before July 17, 2012. All pleadings are to reference WC Docket Nos. 10–90 and 05–337. Comments may be filed using the Commission’s Electronic Comment Filing System (ECFS) or by filing paper copies, by any of the following methods:

- *Electronic Filers:* Comments may be filed electronically using the Internet by accessing the ECFS: <http://fjallfoss.fcc.gov/ecfs2/>.
- *Paper Filers:* Parties who choose to file by paper must file an original and four copies of each filing. If more than one docket or rulemaking number appears in the caption of this proceeding, filers must submit two additional copies for each additional docket or rulemaking number.
- *People with Disabilities:* To request materials in accessible formats for people with disabilities (Braille, large print, electronic files, audio format), send an email to [fcc504@fcc.gov](mailto:fcc504@fcc.gov) or call the Consumer & Governmental Affairs Bureau at (202) 418–0530 (voice), (202) 418–0432 (tty).

**FOR FURTHER INFORMATION CONTACT:** Katie King, Wireline Competition Bureau at (202) 418–7491 or TTY (202) 418–0484. For detailed instructions for submitting comments and additional information on the rulemaking process, see the **SUPPLEMENTARY INFORMATION** section of this document.

**SUPPLEMENTARY INFORMATION:** This is a synopsis of the Wireline Competition Bureau’s Public Notice in WC Docket Nos. 10–90, 05–337; DA 12–868, released June 1, 2012. The complete text of this document is available for inspection and copying during normal business hours in the FCC Reference

Information Center, Portals II, 445 12th Street SW., Room CY–A257, Washington, DC 20554. The document may also be purchased from the Commission’s duplicating contractor, Best Copy and Printing, Inc., 445 12th Street SW., Room CY–B402, Washington, DC 20554, telephone (800) 378–3160 or (202) 863–2893, facsimile (202) 863–2898, or via the Internet at <http://www.bcpweb.com>.

### I. Synopsis of Public Notice

1. In this Public Notice, the Wireline Competition Bureau (Bureau) proposes data specifications for collecting study area boundaries for purposes of implementing various reforms adopted as part of the *USF/ICC Transformation Order*, 76 FR 73830, November 29, 2011, and seeks comment on this proposal. In the *USF/ICC Transformation Order*, the Commission comprehensively reformed universal service funding for high-cost, rural areas, adopting fiscally responsible, accountable, incentive-based policies to preserve and advance voice and broadband service. As discussed below, confirming the relevant geographic boundaries is important for implementing several components of those reforms, including: the Commission’s benchmarking rule; the Connect America Fund (CAF) Phase II cost model; and the elimination of support where an unsubsidized competitor offers voice and broadband service that overlaps an incumbent carrier’s study area. The Bureau proposes to collect boundary data from all incumbent local exchange carriers (LECs) using the same data specifications and seeks comment on this proposal. After receiving input from the public and interested parties and approval from the Office of Management and Budget, the Bureau will issue a data request so that it will have a complete and accurate set of study area boundaries.

2. *Benchmarking Rule.* In the *USF/ICC Transformation Order*, the Commission adopted a benchmarking rule intended to moderate the expenses of rate-of-return carriers with very high costs compared to their similarly situated peers, while encouraging other rate-of-return carriers to advance broadband deployment. On April 25, 2012, the Bureau adopted the methodology for implementing this rule, which establishes limits on recovery of capital costs and operating expenses for high-cost loop support (HCLS). The methodology uses quantile regression analyses to generate a capital expense limit and an operating expense limit for each rate-of-return cost company study area. The geographic independent

variables used in the regressions were rolled up to the study area using Tele Atlas wire center boundaries, which is a widely-used commercially available comprehensive source for this information. To address parties’ concerns about the accuracy of this data set in the near term, the Bureau provided a streamlined, expedited waiver process for carriers affected by the benchmarks to correct any errors in their study area boundaries. The Bureau also stated it would issue a Public Notice to initiate the process of collecting study area boundaries directly from all rate-of-return carriers to correct any remaining inaccuracies. Through this Public Notice, the Bureau is now initiating that process.

3. *CAF Phase II Model.* In the *USF/ICC Transformation Order*, the Commission adopted a framework for providing ongoing support in areas served by price cap carriers using a combination of competitive bidding and a new forward-looking cost model. A model will be used to “identify at a granular level the areas where support will be available” and to determine the amount annual support available to each price cap carrier that accepts a “commitment to offer voice across its service territory within a state and broadband service to supported locations within that service territory.” Support will be awarded through a competitive bidding mechanism in territories for which price cap LECs declines to make that commitment. The model also will be used to identify areas “that should receive funding specifically set aside for remote and extremely high-cost areas.” Accurate service area boundaries will be necessary in order to implement these CAF II reforms.

4. *Overlap by Unsubsidized Competitors.* In the *USF/ICC Transformation Order*, the Commission adopted a rule to phase out universal service support where an unsubsidized competitor—or a combination of unsubsidized competitors—offers voice and broadband service throughout 100 percent of an incumbent’s study area. In the *USF/ICC Transformation FNPRM*, 76 FR 78384, December 16, 2011, the Commission sought comment on a process to reduce support where such an unsubsidized competitor offers voice and broadband service to a substantial majority, but not 100 percent of the study area.

5. Accurate study area and exchange boundaries are important for implementing each of these reforms. As the Commission previously explained, Tele Atlas data may not represent the actual LEC footprint in all instances. In

particular, some rate-of-return carriers have argued that the Tele Atlas boundaries used in the benchmark methodology misstate the size of their study areas, and, as discussed above, the Bureau provided an expedited waiver process for carriers affected by the HCLS benchmarks to correct errors on an ad hoc basis. Relying on individual carriers to identify inaccurate boundaries in particular instances provides only an interim solution, however. Accordingly, we now seek comment on a systematic way to confirm the service territories of all incumbent LECs.

6. We propose to collect study area and exchange boundaries from all incumbent LECs and seek comment on the specifications for submitting boundary information (below) in a manner and format that Bureau staff can readily evaluate and process. These specifications are based on the template for filing study area maps that the Bureau provided for use by rate-of-return carriers seeking expedited waivers related to HCLS benchmarks. Although we permitted petitioners seeking expedited waivers of the new benchmark rule to choose to submit boundary information in other formats, we now propose requiring all incumbent LECs to submit study area maps in esri compatible shapefile format as set forth below. As the Bureau previously explained, information submitted in other formats may require additional processing that could introduce new errors and/or delay. For example, if carriers file hard-copy maps, those would need to be rectified (stretched) to have a spatial reference, and this could cause spatial errors. Moreover, Bureau staff would need to digitize such maps. On screen digitizing is done by "tracing" which can lead to errors in accuracy (undershoots and overshoots). In addition, digitized data needs to be post-processed by adding attribute data manually. These errors can compound. That is, errors in the original map that are magnified during rectification may lead to further digitizing errors. Finally, digitizing is labor intensive. It could take Bureau staff substantially longer to digitize hard copy maps than to process shapefiles. We seek comment on our proposal to require all incumbent LECs to submit study area maps in esri compatible shapefile format. Commenters proposing that we permit alternative formats should address the data processing issues discussed above.

7. After the Bureau receives boundaries, we propose to incorporate the data filed into one nationwide map and, in the process of doing so, identify any overlaps and voids. We propose to

adopt a process to resolve any overlap issues to accurately reflect each study area's boundaries. We seek comment on comparing the submitted data to state maps where available (whether developed by the state public utility commission, state carrier association, or other sources). To the extent there are apparent conflicts in various data sources, we propose in the first instance to seek input from the relevant state public utility commission regarding the location of the relevant boundary. To the extent a state commission does not provide any input, are there other entities, such as state telecommunications associations and state geographic information systems (GIS) agencies, that could also provide valuable assistance in resolving any boundary issues? We propose to determine which void areas are populated using Census data and to determine which carrier, if any, serves these areas. We propose to publish our determinations in this regard, and provide a period of public comment for the relevant carriers to challenge any boundary decisions. We seek comment on this proposal.

8. We also seek comment on a voluntary process for state commissions to resolve overlap claims or otherwise assist carriers in their states in submitting boundaries for all carriers in the state. State commissions are likely to have access to information that could resolve conflicting boundary claims between adjoining companies. State commissions generally are the entities that establish incumbent LECs' service areas. Many state commissions and/or state telecommunications associations have published maps showing the boundaries. Some states already may have digitized maps of service territories. State involvement could substantially reduce the burden to both the industry and the Commission. If a state commission assists incumbent carriers in their state by collecting mapping data and resolving conflicts, could it certify the accuracy of the resulting boundaries to the Commission in addition to carrier certifications? If we were to establish such a voluntary process, how many states would be interested in performing this function? Should we establish a deadline by which any state commission would notify the Commission of its intention to do so, and if so, what should that deadline be? What time frame would be reasonable for states to process the requisite information and resolve any conflicts? Would it be beneficial for the state to certify to this Commission that boundaries submitted by the incumbent

LECs within its jurisdiction are accurate, to supplement any certification from the individual submitting carriers? We encourage input from state commissions on these issues, and on how we could develop a workable process. To the extent parties suggest alternative mechanisms for resolving any overlap issues, to the extent reported information conflicts, they should provide a detailed explanation of how such a process would be implemented.

9. *Filing Requirements.* Pursuant to §§ 1.415 and 1.419 of the Commission's rules, 47 CFR 1.415, 1.419, interested parties may file comments and reply comments on or before the dates indicated on the first page of this document. Comments may be filed using the Commission's Electronic Comment Filing System (ECFS). See *Electronic Filing of Documents in Rulemaking Proceedings*, 63 FR 24121, May 1, 1998.

- *Electronic Filers:* Comments may be filed electronically using the Internet by accessing the ECFS: <http://fjallfoss.fcc.gov/ecfs2/>.

- *Paper Filers:* Parties who choose to file by paper must file an original and one copy of each filing. If more than one docket or rulemaking number appears in the caption of this proceeding, filers must submit two additional copies for each additional docket or rulemaking number.

- Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail. All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

- All hand-delivered or messenger-delivered paper filings for the Commission's Secretary must be delivered to FCC Headquarters at 445 12th St., SW., Room TW-A325, Washington, DC 20554. The filing hours are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes and boxes must be disposed of *before* entering the building.

- Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743.

- U.S. Postal Service first-class, Express, and Priority mail must be addressed to 445 12th Street SW., Washington DC 20554.

*People with Disabilities:* To request materials in accessible formats for people with disabilities (braille, large print, electronic files, audio format),

send an email to [fcc504@fcc.gov](mailto:fcc504@fcc.gov) or call the Consumer & Governmental Affairs Bureau at 202-418-0530 (voice), 202-418-0432 (tty).

10. The proceeding this Notice initiates shall be treated as a “permit-but-disclose” proceeding in accordance with the Commission’s *ex parte* rules. Persons making *ex parte* presentations must file a copy of any written presentation or a memorandum summarizing any oral presentation within two business days after the presentation (unless a different deadline applicable to the Sunshine period applies). Persons making oral *ex parte* presentations are reminded that memoranda summarizing the presentation must (1) list all persons attending or otherwise participating in the meeting at which the *ex parte* presentation was made, and (2) summarize all data presented and arguments made during the presentation. If the presentation consisted in whole or in part of the presentation of data or arguments already reflected in the presenter’s written comments, memoranda or other filings in the proceeding, the presenter may provide citations to such data or arguments in his or her prior comments, memoranda, or other filings (specifying the relevant page and/or paragraph numbers where such data or arguments can be found) in lieu of summarizing them in the memorandum. Documents shown or given to Commission staff during *ex parte* meetings are deemed to be written *ex parte* presentations and must be filed consistent with rule § 1.1206(b). In proceedings governed by rule § 1.49(f) or for which the Commission has made available a method of electronic filing, written *ex parte* presentations and memoranda summarizing oral *ex parte* presentations, and all attachments thereto, must be filed through the electronic comment filing system available for that proceeding, and must be filed in their native format (e.g., .doc, .xml, .ppt, searchable .pdf). Participants in this proceeding should familiarize themselves with the Commission’s *ex parte* rules.

11. *Paperwork Reduction Act*. This Public Notice contains proposed new information collection requirements. The Commission, as part of its continuing effort to reduce paperwork burdens, invites the general public and the Office of Management and Budget (OMB) to comment on the information collection requirements contained in this document, as required by the Paperwork Reduction Act of 1995, Public Law 104-13.PRA. In addition, pursuant to the Small Business

Paperwork Relief Act of 2002, we seek specific comment on how we might “further reduce the information collection burden for small business concerns with fewer than 25 employees.”

12. *Initial Regulatory Flexibility Analysis*. As required by the Regulatory Flexibility Act of 1980, as amended (RFA), the Commission has prepared this Initial Regulatory Flexibility Analysis (IRFA) of the possible significant economic impact on a substantial number of small entities by the policies and rules proposed in this Public Notice. Written comments are requested on this IRFA. Comments must be identified as responses to the IRFA and must be filed by the deadlines for comments on the Public Notice. The Commission will send a copy of the Public Notice, including this IRFA, to the Chief Counsel for Advocacy of the Small Business Administration (SBA). In addition, the Public Notice and IRFA (or summaries thereof) will be published in the **Federal Register**.

13. *Need for, and Objectives of, the Proposed Rules*. The Public Notice proposes data specifications for collecting study area boundaries for purposes of implementing various reforms adopted as part of the *USF/ICC Transformation Order* and seeks comment on this proposal. In the *USF/ICC Transformation Order*, the Commission comprehensively reformed universal service funding for high-cost, rural areas, adopting fiscally responsible, accountable, incentive-based policies to preserve and advance voice and broadband service. As discussed in the Public Notice, confirming the relevant geographic boundaries is important for implementing several components of those reforms, including: the Commission’s benchmarking rule; the Connect America Fund (CAF) Phase II cost model; and the elimination of support where an unsubsidized competitor offers voice and broadband service that overlaps an incumbent carrier’s study area. Accurate study area and exchange boundaries are important for implementing each of these reforms.

14. *Legal Basis*. The legal basis for any action that may be taken pursuant to the Public Notice is contained in sections 1, 2, 4(i), 201-205, 214, 218-220, 254, 256, 303(r), and 403 of the Communications Act of 1934, as amended, 47 U.S.C. 151, 152, 154(i), 201-205, 214, 218-220, 251, 252, 254, 256, 303(r), and 403, and §§ 0.91, 01.201(d), 0.291, 1.3 and 1.427 of the Commission’s rules, 47 CFR 0.91, 01.201(d), 0.291, 1.3 and 1.4271.

15. *Description and Estimate of the Number of Small Entities to which the*

*Proposed Rules will Apply*. The RFA directs agencies to provide a description of, and where feasible, an estimate of the number of small entities that may be affected by the proposed rules, if adopted. The RFA generally defines the term “small entity” as having the same meaning as the terms “small business,” “small organization,” and “small governmental jurisdiction.” In addition, the term “small business” has the same meaning as the term “small-business concern” under the Small Business Act. A small-business concern” is one which: (1) Is independently owned and operated; (2) is not dominant in its field of operation; and (3) satisfies any additional criteria established by the SBA.

16. *Small Businesses*. Nationwide, there are a total of approximately 27.5 million small businesses, according to the SBA.

17. *Wired Telecommunications Carriers*. The SBA has developed a small business size standard for Wired Telecommunications Carriers, which consists of all such companies having 1,500 or fewer employees. According to Census Bureau data for 2007, there were 3,188 firms in this category, total, that operated for the entire year. Of this total, 3,144 firms had employment of 999 or fewer employees, and 44 firms had employment of 1,000 employees or more. Thus, under this size standard, the majority of firms can be considered small.

18. *Local Exchange Carriers (LECs)*. Neither the Commission nor the SBA has developed a size standard for small businesses specifically applicable to local exchange services. The closest applicable size standard under SBA rules is for Wired Telecommunications Carriers. Under that size standard, such a business is small if it has 1,500 or fewer employees. According to Commission data, 1,307 carriers reported that they were incumbent local exchange service providers. Of these 1,307 carriers, an estimated 1,006 have 1,500 or fewer employees and 301 have more than 1,500 employees. Consequently, the Commission estimates that most providers of local exchange service are small entities that may be affected by the rules and policies proposed in the Public Notice.

19. *Incumbent Local Exchange Carriers (incumbent LECs)*. Neither the Commission nor the SBA has developed a size standard for small businesses specifically applicable to incumbent local exchange services. The closest applicable size standard under SBA rules is for Wired Telecommunications Carriers. Under that size standard, such a business is small if it has 1,500 or

fewer employees. According to Commission data, 1,307 carriers reported that they were incumbent local exchange service providers. Of these 1,307 carriers, an estimated 1,006 have 1,500 or fewer employees and 301 have more than 1,500 employees. Consequently, the Commission estimates that most providers of incumbent local exchange service are small businesses that may be affected by rules adopted pursuant to the Public Notice.

20. *Description of Projected Reporting, Recordkeeping, and other Compliance Requirements for Small Entities.* In the Public Notice, the Bureau proposes to collect study area and exchange boundaries from all incumbent local exchange carriers (LECs) and seeks comment on data specifications for submitting boundary information in a manner and format that Bureau staff can readily evaluate and process. Specifically, the Bureau proposes requiring all incumbent LECs to submit study area maps in esri compatible shapefile format as set forth in Appendix A of the Public Notice. This requirement would affect all incumbent LECs, including small entities, and may include new administrative processes. We seek comment on the reporting, recordkeeping and compliance requirements that may apply to all incumbent LECs, including small entities. We seek comment on any costs and burdens on small entities associated with the proposed rules including data quantifying the extent of those costs or burdens.

21. *Steps taken to Minimize the Significant Economic Impact on Small Entities, and Significant Alternatives Considered.* The RFA requires an agency to describe any significant, specifically small business, alternatives that it has considered in reaching its proposed approach, which may include the following four alternatives (among others): “(1) The establishment of differing compliance or reporting requirements or timetables that take into account the resources available to small entities; (2) the clarification, consolidation, or simplification of compliance and reporting requirements under the rules for such small entities; (3) the use of performance rather than design standards; and (4) an exemption from coverage of the rule, or any part thereof, for such small entities.”

22. The Public Notice seeks comment from all interested parties. The Commission is aware that the proposals under consideration may impact small entities. Small entities are encouraged to bring to the Commission’s attention any

specific concerns they may have with the proposals outlined in the Public Notice.

23. The Commission expects to consider the economic impact on small entities, as identified in comments filed in response to the Public Notice, in reaching its final conclusions and taking action in this proceeding. The reporting, recordkeeping, and other compliance requirements in the Public Notice could have an impact on both small and large entities. The Commission believes that any impact of such requirements is outweighed by the accompanying public benefits. Further, these requirements are necessary to ensure that the statutory goals of section 254 of the Act are met without waste, fraud, or abuse.

24. In the Public Notice, the Bureau seeks comment on a voluntary process for state commissions to assist carriers in their states in submitting boundaries for all carriers in the state. State commissions generally are the entities that establish incumbent LECs’ service areas. Many state commissions and/or state telecommunications associations have published maps showing the boundaries. Some states already may have digitized maps of service territories. Although data is requested from the industry generally, small carriers may be differently affected by the proposed data collection. State involvement could substantially reduce the burden to both the industry and the Commission.

25. *Federal Rules that May Duplicate, Overlap, or Conflict with the Proposed Rules.* None.

## II. Specification for Study Area Boundary Submission

26. *General.* Incumbent local exchange carriers (LECs) must submit study area and wire center boundaries. Boundaries must be submitted in esri compatible shapefile format such that each shapefile represents a single study area. The shapefile must contain one data record for each exchange that constitutes the study area. Each exchange should be represented as a closed, non-overlapping polygon with the associated feature attributes described below. Submitted boundaries must be accompanied by metadata or a plain text “readme” file containing the information listed below.

27. Since shapefiles typically consist of 3 to 9 individual files, the shapefile for the study area should be submitted as a single, zipped file containing all the component files. The shapefile and encapsulating zip file names must contain the company name and the 6-digit study area code. Shapefile templates are available at [http://](http://www.fcc.gov/encyclopedia/rate-return-resources)

[www.fcc.gov/encyclopedia/rate-return-resources](http://www.fcc.gov/encyclopedia/rate-return-resources).

*Note that submitted boundaries are public data and may be used in published FCC documents and Web pages.*

28. *Shapefile.* A shapefile template is available at <http://www.fcc.gov/encyclopedia/rate-return-resources>. Submitted shapefiles must:

A. Contain one closed, non-overlapping polygon for each exchange in the study area that represents the area served from that exchange.

B. Have associated with each exchange polygon the following identifying feature attributes:

1. OCN—NECA-assigned operating company number as in the LERG.

2. Company Name.

3. Exchange Name.

4. Acquired Exchange subject to § 54.305 of the Commission’s rules.

5. CLLI Code(s) associated with the exchange.

6. Study Area Code.

7. State.

8. FRN (please use the FRN used for the 477 filing in the state).

C. Have an assigned projection w/ accompanying .prj file.

D. Use unprojected (geographic) WGS84 geographic coordinate system.

E. Have a minimum horizontal accuracy of +/- 40 feet or less, conforming to 1:24K national mapping standards.

F. Be submitted as a WinZip archive with a name containing the company name and study area code (e.g., CompanyName\_123456.zip).

29. *Cover Page Information.* In addition to the shapefile data described above, we also will collect electronically the following information:

A. Contact person name.

B. Contact person address.

C. Contact person phone number.

D. Contact person email address.

E. Date created/revised.

F. Methodology—process steps to create the data.

G. Certifying official name.

H. Certifying official address.

I. Certifying official phone number.

J. Certifying official email address.

Federal Communications Commission.

**Trent B. Harkrader,**

*Division Chief, Telecommunications Access Policy Division, Wireline Competition Bureau.*

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