For events where the date is different from the dates previously published for that event, new Temporary Rules may be issued to enforce limited access areas for the marine event. The Coast Guard may patrol each event area under the direction of a designated Coast Guard Patrol Commander (PATCOM). The PATCOM may be contacted on Channel 16 VHF–FM (156.8 MHz) by the call sign ''PATCOM.'' Official patrol vessels may consist of any Coast Guard, Coast Guard Auxiliary, state, or local law enforcement vessels assigned or approved by the COTP, Sector Northern New England. For information about regulations and restrictions for waterway use during the effective periods of these events, please refer to 33 CFR 100.120 and 33 CFR 165.171.

This notice is issued under authority of 33 CFR 100.120, 33 CFR 165.171, and 5 U.S.C. 552(a). In addition to this notice in the **Federal Register**, the Coast Guard will provide the maritime community with advance notification of this enforcement period via the Local Notice to Mariners and marine information broadcasts. If the COTP determines that the regulated area need not be enforced for the full duration stated in this notice, he or she may use a Broadcast Notice to Mariners to grant general permission to enter the regulated area.

Dated: May 1, 2014.

B.S. Gilda,

Captain, U.S. Coast Guard, Captain of the Port Sector Northern New England.

[FR Doc. 2014–11561 Filed 5–19–14; 8:45 am]

BILLING CODE 9110–04–P

FEDERAL COMMUNICATIONS COMMISSION

47 CFR Part 51

[WC Docket No. 10–90, CC Docket No. 01–92; DA 14–434]

Connect America Fund; Developing a Unified Intercarrier Compensation Regime

AGENCY: Federal Communications Commission.

ACTION: Final rule.

SUMMARY: In this document, the Federal Communications Commission's Wireline Competition Bureau clarifies and amends certain provisions of the Commission's new rules relating to intercarrier compensation transformation reforms adopted in the *USF/ICC Transformation Order.*

DATES: Effective June 19, 2014.

FOR FURTHER INFORMATION CONTACT: Pamela Arluk, Wireline Competition Bureau, Pricing Policy Division (202) 418–1520 or (202) 418–0484 (TTY); or Robin Cohn, Wireline Competition Bureau, Pricing Policy Division (202) 418–1520 or (202) 418–0484 (TTY).

SUPPLEMENTARY INFORMATION: This is a summary of the Wireline Competition Bureau's Order in WC Docket No. 10–90 and CC Docket No. 01–92, adopted and released on March 31, 2014. The full text of this document is available electronically via ECFS at *http://fjallfoss.fcc.gov/ecfs/* or may be downloaded at *http://hraunfoss.fcc.gov/edocs_public/attachmatch/DA-14-434A1.pdf*. The full text of this document is also available for public inspection during regular business hours in the FCC Reference Center, 445 12th Street SW., Room CY–A257, Washington, DC 20554. The complete text may be purchased from the Commission's copy contractor, Best Copy and Printing, Inc. (BCPI), 445 12th Street SW., Room CY–B402, Washington, DC 20554, (202) 488–5300 (voice) or (202) 488–5563 (facsimile) or via email at *fcc@bcpiweb.com*. To request materials in accessible formats for people with disabilities (*e.g.* braille, large print, electronic files, audio format, etc.) or to request reasonable accommodations (*e.g.* accessible format documents, sign language interpreters, CART, etc.), send an email to *fcc504@fcc.gov* or call the Consumer & Governmental Affairs Bureau at (202) 418–0530 (voice) or (202) 418–0432 (TTY).

I. Introduction

1. In the *USF/ICC Transformation Order,* the Commission delegated to the Wireline Competition Bureau (Bureau) the authority to make any rule revisions necessary to ensure that the reforms adopted by the Commission are properly reflected in the rules, including correction of any conflicts between the new or revised rules and addressing of any omissions or oversights. In this Order, the Bureau acts pursuant to its delegated authority to clarify and correct certain rules relating to implementation of the intercarrier compensation (ICC) transition adopted in the *USF/ICC Transformation Order.* Specifically, the Bureau clarifies language in sections 51.907 and 51.909 to reflect ongoing rate parity in the transition process for price cap and rate-of-return local exchange carriers (LECs), consistent with the intent of the *USF/ICC Transformation Order.* The Bureau also clarifies certain aspects of the Commission's rules relating to the transition of terminating end office access rates and the calculation of Eligible Recovery for price cap and rate-of-return carriers beginning in 2014. Finally, the Bureau clarifies issues related to duplicative recovery and the true-up of regulatory fees and revenue calculations.

II. Background

2. The *USF/ICC Transformation Order* adopted, among other things, an ICC reform timeline including rules that require carriers to adjust, over a period of years, many of their legacy ICC rates effective on July 1 of each of those years, with the ultimate goal of transitioning to a bill-and-keep regime. The Commission also adopted a recovery mechanism to mitigate the impact of reduced ICC revenues on carriers and to facilitate continued investment in broadband infrastructure while providing greater certainty and predictability going forward. The recovery mechanism allows incumbent LECs to recover ICC revenues reduced due to the ICC reforms, up to an amount defined for each year of the transition, which is referred to as ''Eligible Recovery.'' A carrier may recover a limited portion of its Eligible Recovery each year from its end users through a fixed monthly charge called the Access Recovery Charge (ARC), and the remainder of its Eligible Recovery for the year, if it so elects, from Connect America Fund ICC support.

3. The Bureau previously clarified and corrected several rules adopted in the *USF/ICC Transformation Order* in response to requests for clarification or correction in prior years. In this Order, we clarify and correct several rules pertaining to future filings that price cap and rate-of-return carriers will make in the 2014 annual access charge tariff filings and beyond.

III. Discussion

A. Rate Parity for Interstate and Intrastate Terminating End Office Access Service

4. In 2013, both price cap and rate-of-return regulated incumbent LECs were required to reduce certain intrastate switched access rates that exceeded comparable interstate switched access rates to interstate rate levels using the interstate rate structure. Carriers whose intrastate switched access rates were below comparable interstate rates generally were not allowed to increase such rates. Beginning in 2014, price cap carriers must reduce terminating switched end office and reciprocal compensation rates ''by one-third of the differential between end office rates and

$0.0007.'' Rate-of-return carriers must also begin making similar reductions using a target rate of $0.005 rather than $0.0007 to calculate the reductions. Because some end office rate elements are assessed on a per-minute basis and others on a flat-rated basis, the transition rules employed composite terminating end office access rates to determine the amount by which terminating end office access rates were required to be reduced in each year of the transition. The rules also employed separate interstate and intrastate composite terminating end office access rates to establish the actual rates. To the extent any flat-rated elements are included in end office rates, the use of separate interstate and intrastate composites in determining rate reductions would take interstate and intrastate rates out of parity as terminating end office access rates are reduced.

5. Price cap carriers work cooperatively with Bureau staff each year to develop tariff review plan spreadsheets that support their annual access filings. In the course of such discussions, some carriers have questioned whether the use of separate interstate and intrastate rate composites to measure whether intrastate terminating end office access rates do not exceed interstate terminating end office access rates is consistent with the *USF/ICC Transformation Order.* These carriers assert that the Commission intended for interstate and intrastate rates to remain at parity as the rate transition proceeds, which one interpretation of the existing rules would not always achieve. We agree that the Commission intended in the *USF/ICC Transformation Order* for rate parity to be maintained during the transition of terminating end office access rates to bill-and-keep beginning in 2014. The Commission noted that varying access rates ''have created incentives for arbitrage and pervasive competitive distortions within the industry.'' The Commission further noted that ''[b]y transitioning all traffic in a coordinated manner, we will minimize opportunities for arbitrage that could be presented by disparate intrastate rates.'' Having reached rate parity whenever possible in 2013, and reduced rate disparity in other cases, we find that a methodology that could be interpreted to increase rate disparity for two years, only to return to rate parity in the succeeding year, is inconsistent with the objectives described above. Thus, we clarify that the Commission intended to achieve parity between interstate and intrastate rates, not interstate and intrastate composite rates. While the composite rate is necessary to calculate the required rate reductions, we clarify that sole reliance on composite rates, rather than the rates themselves, is unnecessary to ensure that intrastate terminating end office access rates do not exceed comparable interstate terminating end office access rates. Therefore, as set forth in the Appendix, we revise sections 51.907 and 51.909 to clarify that achieving rate parity for the access rates themselves, not the composite rate for price cap and rate-of-return LECs, was the intent of the *USF/ICC Transformation Order.* Under this approach, carriers may continue to establish interstate terminating end office access rate caps that do not exceed the target composite terminating end office access rate for each year in the transition in the manner the adopted rules require. To achieve rate parity, the interstate rate caps so determined will be used in setting intrastate rate caps for the comparable intrastate terminating end office access elements rather than developing new intrastate rate caps that would satisfy a separately determined intrastate composite terminating end office access rate. To ensure the maximum rate parity, intrastate terminating end office rates will be set at the interstate rate level for the comparable rate element unless the intrastate rate for that rate element is lower, in which case the lower rate will be used. As terminating end office rates decrease, intrastate terminating end office rates that are below comparable interstate rates will begin to be reduced when rate parity is reached. This approach to developing reduced rates best achieves the Commission's goals of maintaining rate parity during the transition process.

6. An overview of the calculations necessary for reducing terminating end office access rates beginning July 1, 2014, as described above, is as follows. In broad terms, the reductions are based on rates developed to comply with targets developed from interstate rates and demand, with the interstate rates generally being used to establish intrastate rate levels. Using 2014 as a model, carriers first establish the 2011 Baseline Composite Terminating End Office Access Rate, which reflects interstate rates and demand. Next, carriers must calculate the 2014 Target Composite Terminating End Office Access Rate, by reducing the 2011 Baseline Composite Terminating End Office Access Rate by one-third of the difference between the 2011 Baseline Composite Terminating End Office Access Rate and $0.0007 for price cap carriers and $0.005 for rate-of-return carriers. Carriers will then develop terminating interstate end office access rates for their interstate tariffs that are consistent with the target composite rate. These terminating interstate end office access rates will be used to establish terminating intrastate end office access rates for comparable rate elements unless the intrastate rate for a rate element is lower than the interstate rate for that element. Carriers have the option to elect to charge a single per minute rate element for terminating end office access in both their interstate and intrastate tariffs that is no greater than the target terminating end office access rate for the year in question. This option is contingent on such an electing carrier's intrastate terminating end office access rates being at parity with the interstate rates if separate rates for different rate elements were used. Below, we clarify certain aspects of these calculations to ensure consistent implementation among carriers.

B. Calculation of Terminating End Office Access Rates

7. *2011 Baseline Composite Terminating End Office Access Rate.* Section 51.907(d) and 51.909(d) of the Commission's rules specify the access charge rate reductions that price cap and rate-of-return carriers, respectively, must make to terminating end office access rates in 2014. The first step in this process is for carriers to calculate the ''2011 Baseline Composite Terminating End Office Access Rate,'' which is calculated using Fiscal Year 2011 demand and the End Office Access Service rates at the levels in effect on December 29, 2011. This composite rate is calculated this one time, and is used in making calculations in subsequent years. Section 51.907(d)(2)(i), which is applicable to price cap carriers, does not specify whether price cap carriers should use interstate or intrastate demand and rates in making this calculation, although the comparable rule applicable to rate-of-return carriers specifies that it should be interstate rates and demand. The absence of a jurisdictional designation for the demand and rates to be used by price cap carriers creates potential ambiguity in the calculation of the required rate reductions.

8. We clarify that the 2011 Fiscal Year *interstate* demand and rates are to be utilized for the reasons explained below. The ICC rate transition started by capping interstate and intrastate switched access rates for price cap carriers at December 29, 2011, levels. The 2012 and 2013 transition steps reduced ''Transitional Intrastate Access

Service'' rates (which included reduction of end office rates that were above interstate switched access rates to interstate switched access rate levels), but did not require any changes to interstate switched access rates during that period. The 2014 annual access tariff filing begins the transition process of focusing annual rate reductions to interstate and intrastate Terminating End Office Access rates from their 2013–14 rate levels. Because intrastate switched access rates above comparable interstate rates are now reduced to interstate levels, 2011 intrastate rate and demand data are no longer relevant to the calculation of a baseline from which to reduce Terminating End Office Access Service rates in 2014. The calculation of the 2011 Baseline Composite Terminating End Office Access Rate, which is made for the first time this year, thus should only include 2011 Fiscal Year interstate demand and rates. We revise section 51.907(d)(2)(i) accordingly, as set forth in the Appendix, to eliminate any ambiguity and to facilitate the annual tariff filing process. We note further that using interstate rates and demand in calculating the required terminating end office access rate reductions for price cap carriers is consistent with how we require rate-of-return carriers to calculate their 2011 Baseline Composite Terminating End Office Access Rates.

9. *Target Composite Terminating End Office Access Rate.* Beginning this year, the ICC transition steps require carriers to calculate a Target Composite Terminating End Office Access Rate in certain years in which a target rate is not specified to determine the amount of reductions that must be made that year. Carriers have raised the question of whether separate interstate and intrastate target composite rates are required. The above clarification that the Commission intended rate parity between interstate and intrastate rates to apply during the reductions in terminating end office access rates renders this question moot. We therefore clarify that there is only one Target Composite Terminating End Office Access Rate each year, which is to be determined consistent with sections 51.907(d)(2)(iii) and 51.909(d)(3)(ii).

10. To begin the implementation of rate parity, a carrier may develop terminating end office access rates for the interstate jurisdiction whose composite rate does not exceed the composite target terminating end office access rate for the year in question. The carrier's intrastate terminating end office access rates may not exceed the carrier's interstate terminating end office access rates so developed for the comparable rate elements. A carrier's terminating intrastate end office access rates are further constrained in that the carrier may not increase any existing intrastate rate during this transition. Alternatively, the carrier may assess the target terminating end office access rate in both the interstate and intrastate jurisdictions as long as the carrier's intrastate terminating end office access rates would all be at parity with the interstate rates under the preceding approach. We amend the rules accordingly, as set forth in the Appendix.

C. Other Corrections or Clarifications

11. *Recovery Mechanism Calculations.* Sections 51.915(d)(1)(iii)(C), (iv)(C), and (v)(C) refer to the ''[i]ntrastate 2014 Composite Terminating End Office Access Rate'' in the process for establishing the rate level from which reductions in terminating end office rates are to be measured for purposes of determining a price cap carrier's Eligible Recovery for 2014. However, no methodology for calculating a 2014 Composite Terminating End Office Access Rate is specified in the rules. We clarify the procedure to be used by adding a definition of ''Intrastate 2014 Composite Terminating End Office Access Rate'' that specifies the required calculation method for price cap carriers. This definition is consistent with the calculation required under section 51.907(d) and uses 2011 Fiscal Year demand to weight the different rates used in calculating the composite rate in the same manner that the corresponding price cap carrier ICC rate transition rules weight different rates used to calculate composites. Consistent with the clarification that rate parity was to be maintained during the transition, we revise the introductory language in sections 51.915(d)(1)(iii)(C), (iv)(C) and (v)(C) that relied on composite rate comparisons to determine if rates had been reduced. The clarifying language makes clear that the recovery permitted by subparagraphs (d), (e), and (f) is allowed only if intrastate Terminating End Office Access Service rates are reduced in the year in question.

12. We also correct an inadvertent omission in section 51.907(f) by adding language clarifying that a price cap carrier has the option, in 2016, to implement a single per minute rate element for terminating End Office Access Service at a rate no greater than the 2016 Target Composite Terminating End Office Access Rate. This clarification is consistent with price cap carrier options in 2014 and 2015 and thus tracks the description in sections 51.907(d)(2)(iii) and (e)(1)(ii) of the Commission's rules specifying a price cap carrier's pricing options for terminating end office access service in those years.

13. We also make the following clarifications and corrections to the rate-of-return ICC transition and recovery rules. First, we delete the word ''interstate'' in each instance when it referred to a particular year's target composite rate. This change reflects our clarification that there is only one target composite rate each year starting in 2014, not separate interstate and intrastate target composite rates. Second, we clarify that in calculating the target composite terminating end office access rates in 2017 and 2018, rate-of-return carriers should use the 2016 Target Composite Terminating End Office Access Rate rather than the Terminating End Office Access Service Rate as of July 1, 2016 as the initial rate to reflect the uniform transition the Commission intended rather than requiring a carrier with a very low terminating rate to have to further reduce its rates before the uniform target rate falls below its rates. Finally, we add or delete ''interstate'' or ''intrastate'' in several places to more clearly reflect the intended rates.

14. *Access Recovery Charge True-Up.* Section 51.917(d) outlines the process for determining Eligible Recovery for rate-of-return carriers. The Eligible Recovery calculation set forth in section 51.917(d)(1)(iii)(D) requires rate-of-return carriers to, among other things, subtract from their Base Period Revenues (as reduced by multiplying these revenues by the Rate-of-Return Carrier Baseline Adjustment Factor) ''an amount equal to True-up Revenues for Access Recovery Charges for the year beginning July 1, 2012.'' In the *2013 ICC Clarification Order,* we substituted a defined term for the previous calculation of the ARC true-up. This substitution resulted in inadvertently reversing the order of the calculation, which would have the effect of reducing Eligible Recovery when it should have been increased, or vice versa. To correct this error in the rule language, we add the clause ''multiplied by negative one'' to the rule language in order to have the calculation described in the rule produce the intended result.

15. *True-Up of Regulatory Fees.* For rate-of-return carriers, telecommunications relay services (TRS) fees, regulatory fees, and North American Numbering Plan administration (NANPA) fees were historically recovered, in part, through interstate switched access rates. When

the Commission adopted a cap on interstate switched access rate elements in the *USF/ICC Transformation Order,* it did not address how carriers should recover any increases in these regulatory fees, or reflect any reductions in such fees in future years. In 2012, we clarified that increases in these regulatory fees that would have been assigned to capped interstate switched access services could be recovered through subscriber line charges (SLC) and/or Eligible Recovery under certain conditions. We have been asked informally whether any regulatory fees recovered pursuant to this methodology in the 2012–13 tariff period are to be trued-up in the calculation of 2014–15 Eligible Recovery. Regulatory fees are based on projected amounts just as is going-forward, tariff-year demand for rate elements in the calculation of a carrier's Eligible Recovery. Given the projected nature of these items, similar treatment in the true-up process is warranted. We clarify that if a rate-of-return carrier included an amount for these fees in its Eligible Recovery calculation in any year, it should reflect the amounts of any true-ups for the referenced regulatory fees as increases in, or reductions to, Eligible Recovery calculations on the same schedule that ARCs are trued-up—*i.e.,* two years following their initial inclusion.

16. *Duplicative Recovery.* Sections 51.915(d)(2) and 51.917(d)(1)(vii) prohibit price cap and rate-of-return carriers, respectively, from duplicative recovery. Specifically, the rules provide that if a carrier ''recovers any costs or revenues that are already being recovered as Eligible Recovery through Access Recovery Charges or the Connect America Fund from another source, that carrier's ability to recover reduced switched access revenue from Access Recovery Charges or the Connect America Fund shall be reduced to the extent it receives duplicative recovery.'' The rules do not, however, specify how Eligible Recovery should be adjusted to reflect any duplicative recovery, and carriers have informally inquired about how such adjustments should be made. We address this omission by revising the rules as set forth in the Appendix to provide that any duplicative recovery shall be reflected through reductions to the carrier's Eligible Recovery in its annual tariff supporting materials. This approach to addressing duplicative recovery is appropriate because it is carrier-specific and narrowly tailored to result in necessary Eligible Recovery reductions in specific years.

17. *Single Per-Minute Rate Element for Terminating End Office Access Service.* Beginning in 2014, the ICC transition rules permit both price cap and rate-of-return carriers, under certain conditions, to elect to implement a single per-minute rate element for Terminating End Office Access Service that is no greater than the Target Composite Terminating End Office Access rate for the respective year. Beginning on July 1, 2014, many carriers will begin to assess rates for several terminating end office rate elements, one of which will be a local switching charge assessed on all terminating minutes of use. Several carriers have informally asked whether, if they assess the single composite rate, which would be assessed on all terminating end office traffic, they can tariff it as a terminating switched access rate to avoid the expenses associated with revising their billing systems to create a new rate element. We believe that this approach implements the reforms adopted in the *USF/ICC Transformation Order* in a manner that would reduce implementation costs and burdens without any offsetting negative concerns. We thus clarify that both price cap and rate-of-return carriers may tariff the single composite rate as a terminating local switching access rate, consistent with the ICC transition, as long as all other rate elements associated with terminating end office access service are reduced to zero. If its Target Composite Terminating End Office Access Rate is higher than the terminating local switching rate such carrier tariffed the previous year that will not constitute an impermissible rate increase.

18. *Revenue True-Ups.* Carriers are required this year to begin making true-ups to certain revenue amounts projected in 2012 to reflect differences between projected and actual demand. To measure actual demand for purposes of making the true-up calculation, carriers will need to establish a cutoff date for finalizing the measured demand. Sections 51.917(d)(1)(v) and (vi) direct rate-of-return carriers who receive ARC or other revenues after the period used to measure the adjustments to reflect the differences between estimated and actual revenues, to treat such payments as actual revenue in the year the payment is received, and to reflect this as an additional adjustment for that year. This requirement addresses the potential that carriers could affect the true-up calculation by shifting the timing of the collection of revenues absent a requirement that later collections will need to be recognized in subsequent filings. The codified price cap rules are silent as to how to apply ARC revenues received after the cutoff date to adjust price cap carriers' eligible recovery in future years. This was clearly an omission because the *USF/ICC Transformation Order* did not specify that it was treating carriers differently in this regard—thus, the silence in the price cap rules is best interpreted consistently with the approach expressly adopted for rate-of-return carriers. To correct this omission, we amend the codified rules, as set forth in the Appendix, to make clear that price cap carriers will comply with the same requirements as rate-of-return carriers with respect to ARC revenues. We also take this opportunity to clarify that carriers should use revenues for services provided in tariff year 2012–13, collected through December 31, 2013, as a cut-off for making their true-ups this year. This will ensure that filings are consistent among carriers and will ease review, and the December 31 date gives carriers sufficient time to prepare their filings. Carriers shall also use December 31 as the cutoff date in future true-up calculations.

19. NECA has asked whether, in making the true-up calculations, it could use the difference between projected revenues and realized revenues. The rules generally provide for this calculation to be made by multiplying the rate for the service in question by projected demand less actual realized demand. Because projected and realized revenues are summations of the results of the calculations (including rates and demand), the proposed methodology should produce the same results as the process provided for in the rules, as long as the carrier is charging the maximum allowed rate. We find that the proposed methodology will significantly simplify the process and therefore clarify that all carriers may use revenue differences in making their true-up adjustments, as long as the carrier is charging the maximum allowed rate.

IV. Procedural Matters

A. Paperwork Reduction Act

20. This document does not contain any new or modified information collection requirements subject to the Paperwork Reduction Act of 1995 (PRA). Therefore, the Order does not contain any new or modified information collection burdens for small businesses with fewer than 25 employees, pursuant to the Small Business Paperwork Relief Act of 2002.

B. Final Regulatory Flexibility Act Certification

21. The Regulatory Flexibility Act of 1980, as amended (RFA), requires

agencies to prepare a regulatory flexibility analysis for rulemaking proceedings, unless the agency certifies that ''the rule will not have a significant economic impact on a substantial number of small entities.'' The RFA generally defines ''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 Small Business Administration (SBA).

22. We hereby certify that the rule revisions adopted in this Order will not have a significant economic impact on a substantial number of small entities. This Order amends rules adopted in the *USF/ICC Transformation Order* by correcting conflicts between the new or revised rules and existing rules, as well as addressing omissions or oversights. These revisions do not create any burdens, benefits, or requirements that were not addressed by the Final Regulatory Flexibility Analysis attached to the *USF/ICC Transformation Order.* The Commission will send a copy of this Order, including a copy of this final certification, to the Chief Counsel for Advocacy of the SBA. In addition, the Order (or a summary thereof) and certification will be published in the **Federal Register**.

C. Congressional Review Act

23. The Commission will send a copy of this Order to Congress and the Government Accountability Office pursuant to the Congressional Review Act.

V. Ordering Clauses

24. Accordingly, *it is ordered,* that pursuant to the authority contained in sections 1, 2, 4(i), 201–203, 220, 251, 252, 254, 303(r) and 403 of the Communications Act of 1934, as amended, 47 U.S.C. 151, 152, 154(i), 201–203, 220, 251, 252, 254, 303(r) and 403, and pursuant to sections 0.91, 0.201(d), 0.291, 1.3, and 1.427 of the Commission's rules, 47 CFR 0.91, 0.201(d), 0.291, 1.3 and 1.427, and pursuant to the delegation of authority in paragraph 1404 of 26 FCC Rcd 17663 (2011), this Order is *adopted,* effective thirty (30) days after publication of the text or summary thereof in the **Federal Register**.

25. *It is further ordered* that part 51 of the Commission's rules, 47 CFR sections 51.907, 51.909, 51.915, and 51.917 are *amended* as set forth in the document, and such rule amendments shall be effective 30 days after the date of publication of the rule amendments in the **Federal Register**.

26. *It is further ordered* that the Commission *shall send* a copy of this Order to Congress and the Government Accountability Office pursuant to the Congressional Review Act.

27. *It is further ordered* that the Commission's Consumer and Governmental Affairs Bureau, Reference Information Center, *shall send* a copy of this Order, including the Final Regulatory Flexibility Certification, to the Chief Counsel for Advocacy of the Small Business Administration.

Federal Communications Commission.

Deena M. Shetler,

Associate Bureau Chief, Wireline Competition Bureau.

Final Rules

For the reasons discussed in the preamble, the Federal Communications Commission amends 47 CFR part 51 as follows:

PART 51—INTERCONNECTION

■ 1. The authority citation for part 51 continues to read as follows:

Authority: Sections 1–5, 7, 201–05, 207–09, 218, 220, 225–27, 251–54, 256, 271, 303(r), 332, 706 of the Telecommunication Act of 1996, 48 Stat. 1070, as amended, 1077; 47 U.S.C. 151–55, 157, 201–05, 207–09, 218, 220, 225–27, 251–54, 256, 271, 303(r), 332, 1302, 47 U.S.C. 157 note, unless otherwise noted.

Subpart J—Transitional Access Service Pricing

■ 2. Amend § 51.907 by revising paragraphs (d)(2)(i) and (iii), (e)(1)(ii), and (f) to read as follows:

§ 51.907 Transition of price cap carrier access charges.

* * * * *

(d) * * *

(2) * * *

(i) Each Price Cap Carrier shall calculate the 2011 Baseline Composite Terminating End Office Access Rate. The 2011 Baseline Composite Terminating End Office Access Rate means the Composite Terminating End Office Access Rate calculated using Fiscal Year 2011 interstate demand multiplied by the interstate End Office Access Service rates at the levels in effect on December 29, 2011, and then dividing the result by 2011 Fiscal Year interstate local switching demand.

* * * * *

(iii) Beginning July 1, 2014, no Price Cap Carrier's interstate Composite Terminating End Office Access Rate shall exceed its 2014 Target Composite Terminating End Office Access Rate. A price cap carrier shall determine compliance by calculating interstate Composite Terminating End Office Access Rates using the relevant Fiscal Year 2011 interstate demand multiplied by the respective interstate rates as of July 1, 2014, and then dividing the result by the relevant 2011 Fiscal Year interstate terminating local switching demand. A price cap carrier's intrastate terminating end office access rates may not exceed the comparable interstate terminating end office access rates. In the alternative, any Price Cap Carrier may elect to implement a single per minute rate element for both interstate and intrastate terminating End Office Access Service no greater than the 2014 Target Composite Terminating End Office Access Rate if its intrastate terminating end office access rates would be at rate parity with its interstate terminating end office access rates.

* * * * *

(e) * * *

(1) * * *

(ii) Beginning July 1, 2015, no Price Cap Carrier's interstate Composite Terminating End Office Access Rate shall exceed its 2015 Target Composite Terminating End Office Access Rate. A price cap carrier shall determine compliance by calculating interstate Composite Terminating End Office Access Rates using the relevant Fiscal Year 2011 interstate demand multiplied by the respective interstate rates as of July 1, 2015, and then dividing the result by the relevant 2011 Fiscal Year interstate terminating local switching demand. A price cap carrier's intrastate terminating end office access rates may not exceed the comparable interstate terminating end office access rates. In the alternative, any Price Cap Carrier may elect to implement a single per minute rate element for both interstate and intrastate terminating End Office Access Service no greater than the 2015 Target Composite Terminating End Office Access Rate if its intrastate terminating end office access rates would be at rate parity with its interstate terminating end office access rates.

* * * * *

(f) *Step 5.* Beginning July 1, 2016, notwithstanding any other provision of the Commission's rules, each Price Cap Carrier shall establish interstate terminating End Office Access Service rates such that its Composite

Terminating End Office Access Service rate does not exceed $0.0007 per minute. A price cap carrier shall determine compliance by calculating interstate Composite Terminating End Office Access Rates using the relevant Fiscal Year 2011 interstate demand multiplied by the respective interstate rates as of July 1, 2016, and then dividing the result by the relevant 2011 Fiscal Year interstate terminating local switching demand. A price cap carrier's intrastate terminating end office access rates may not exceed the comparable interstate terminating end office access rates. In the alternative, any Price Cap Carrier may elect to implement a single per-minute rate element for both interstate and intrastate Terminating End Office Access Service no greater than the 2016 Target Composite Terminating End Office Access Rate if its intrastate terminating end office access rates would be at rate parity with its interstate terminating end office access rates. Nothing in this section obligates or allows a Price Cap Carrier that has intrastate rates lower than its functionally equivalent interstate rates to make any intrastate tariff filing or intrastate tariff revisions raising such rates.

* * * * *

■ 3. Amend 51.909 by revising paragraphs (d)(3)(ii) and (iii), (e)(1)(i) and (ii), (f), (g)(1) introductory text, (g)(1)(i) and (ii), (h)(1) introductory text, and (h)(1)(i) and (ii) to read as follows:

§ 51.909 Transition of rate-of-return carrier access charges.

* * * * *

(d) * * *

(3) * * *

(ii) Each Rate-of-Return Carrier shall calculate its 2014 Target Composite Terminating End Office Access Rate. The 2014 Target Composite Terminating End Office Access Rate means $0.005 per minute plus two-thirds of any difference between the 2011 Baseline Composite Terminating End Office Access Rate and $0.005 per minute.

(iii) Beginning July 1, 2014, no Rate-of-Return Carrier's interstate Composite Terminating End Office Access Rate shall exceed its 2014 Target Composite Terminating End Office Access Rate. A rate-of-return carrier shall determine compliance by calculating interstate Composite Terminating End Office Access Rates using the relevant projected interstate demand for the tariff period multiplied by the respective interstate rates as of July 1, 2014, and then dividing by the projected interstate terminating end office local switching demand for the tariff period. A rate-of-return carrier's intrastate terminating end office access rates may not exceed the comparable interstate terminating end office access rates. In the alternative, any Rate-of-Return Carrier may elect to implement a single per minute rate element for both interstate and intrastate terminating End Office Access Service no greater than the 2014 Target Composite Terminating End Office Access Rate if its intrastate terminating end office access rates would be at rate parity with its interstate terminating end office access rates.

* * * * *

(e) * * *

(1) * * *

(i) Each Rate-of-Return Carrier shall calculate its 2015 Target Composite Terminating End Office Access Rate. The 2015 Target Composite Terminating End Office Access Rate means $0.005 per minute plus one-third of any difference between the 2011 Baseline Composite Terminating End Office Access Rate and $0.005 per minute.

(ii) Beginning July 1, 2015, no Rate-of-Return Carrier's interstate Composite Terminating End Office Access Rate shall exceed its 2015 Target Composite Terminating End Office Access Rate. A rate-of-return carrier shall determine compliance by calculating interstate Composite Terminating End Office Access Rates using the relevant projected interstate demand for the tariff period multiplied by the respective interstate rates as of July 1, 2015, and then dividing by the projected interstate terminating end office local switching demand for the tariff period. A rate-of-return carrier's intrastate terminating end office access rates may not exceed the comparable interstate terminating end office access rates. In the alternative, any Rate-of-Return Carrier may elect to implement a single per minute rate element for both interstate and intrastate terminating End Office Access Service no greater than the 2015 Target Composite Terminating End Office Access Rate if its intrastate terminating end office access rates would be at rate parity with its interstate terminating end office access rates. Nothing in this section obligates or allows a Rate-of–Return Carrier that has intrastate rates lower than its functionally equivalent interstate rates to make any intrastate tariff filing or intrastate tariff revisions raising such rates.

* * * * *

(f) *Step 5.* Beginning July 1, 2016, notwithstanding any other provision of the Commission's rules, each Rate-of-Return Carrier shall establish interstate terminating End Office Access Service rates such that its interstate Composite Terminating End Office Access Service rate does not exceed $0.005 per minute. A rate-of-return carrier shall determine compliance by calculating interstate Composite Terminating End Office Access Rates using the relevant projected interstate demand for the tariff period multiplied by the respective interstate rates as of July 1, 2016, and then dividing by the projected interstate terminating end office local switching demand for the tariff period. A rate-of-return carrier's intrastate terminating end office access rates may not exceed the comparable interstate terminating end office access rates. In the alternative, any Rate-of-Return Carrier may elect to implement a single per minute rate element for both interstate and intrastate terminating End Office Access Service no greater than the 2016 Target Composite Terminating End Office Access Rate if its intrastate terminating end office access rates would be at rate parity with its interstate terminating end office access rates. Nothing in this section obligates or allows a Rate-of-Return Carrier that has intrastate rates lower than its functionally equivalent interstate rates to make any intrastate tariff filing or intrastate tariff revisions raising such rates.

(g) * * *

(1) Each Rate-of-Return Carrier shall establish interstate and intrastate rates for terminating End Office Access Service using the following methodology:

(i) Each Rate-of-Return Carrier shall calculate its 2017 Target Composite Terminating End Office Access Rate. The 2017 Target Composite Terminating End Office Access Rate means $0.0007 per minute plus two-thirds of any difference between that carrier's 2016 Target Composite Terminating End Office Access Rate and $0.0007 per minute.

(ii) Beginning July 1, 2017, no Rate-of–Return Carrier's interstate Composite Terminating End Office Access Rate shall exceed its 2017 Target Composite Terminating End Office Access Rate. A rate-of-return carrier shall determine compliance by calculating interstate Composite Terminating End Office Access Rates using the relevant projected interstate demand for the tariff period multiplied by the respective interstate rates as of July 1, 2017, and then dividing by the projected interstate terminating end office local switching demand for the tariff period. A rate-of-return carrier's intrastate terminating end office access rates may not exceed the comparable interstate terminating end office access rates. In the

alternative, any Rate-of-Return Carrier may elect to implement a single per minute rate element for both interstate and intrastate terminating End Office Access Service no greater than the 2017 Target Composite Terminating End Office Access Rate if its intrastate terminating end office access rates would be at rate parity with its interstate terminating end office access rates. Nothing in this section obligates or allows a Rate-of–Return Carrier that has intrastate rates lower than its functionally equivalent interstate rates to make any intrastate tariff filing or intrastate tariff revisions raising such rates.

* * * * *

(h) * * *

(1) Each Rate-of-Return Carrier shall establish interstate and intrastate rates for terminating End Office Access Service using the following methodology:

(i) Each Rate-of-Return Carrier shall calculate its 2018 Target Composite Terminating End Office Access Rate. The 2018 Target Composite Terminating End Office Access Rate means $0.0007 per minute plus one-third of any difference between that carrier's 2016 Target Composite Terminating End Office Access Rate and $0.0007 per minute.

(ii) Beginning July 1, 2018, no Rate-of-Return Carrier's interstate Composite Terminating End Office Access Rate shall exceed its 2018 Target Composite Terminating End Office Access Rate. A rate-of-return carrier shall determine compliance by calculating interstate Composite Terminating End Office Access Rates using the relevant projected interstate demand for the tariff period multiplied by the respective interstate rates as of July 1, 2018 and then dividing by the projected interstate terminating end office local switching demand for the tariff period. A rate-of-return carrier's intrastate terminating end office access rates may not exceed the comparable interstate terminating end office access rates. In the alternative, any Rate-of-Return Carrier may elect to implement a single per minute rate element for both interstate and intrastate terminating End Office Access Service no greater than the 2018 interstate Target Composite Terminating End Office Access Rate if its intrastate terminating end office access rates would be at rate parity with its interstate terminating end office access rates. Nothing in this section obligates or allows a Rate-of–Return Carrier that has intrastate rates lower than its functionally equivalent interstate rates to make any intrastate tariff filing or intrastate tariff revisions raising such rates.

* * * * *

■ 4. Amend § 51.915 by adding paragraph (b)(14) and revising paragraphs (d)(1)(iii)(B) and (C), (d)(1)(iv)(B) and (C), (d)(1)(v)(B) and (C), (d)(1)(vi)(B), (d)(1)(vii)(B), and (d)(2) and adding paragraph (d)(4) to read as follows:

§ 51.915 Recovery mechanism for price cap carriers.

* * * * *

(b) * * *

(14) Intrastate 2014 Composite Terminating End Office Access Rate. The Intrastate 2014 Composite Terminating End Office Access Rate as used in this section is determined by

(i) If a separate terminating rate is not already generally available, developing separate intrastate originating and terminating end office rates in accordance with § 51.907(d)(1) using end office access rates at their June 30, 2014, rate caps;

(ii) Multiplying the existing terminating June 30, 2014, intrastate end office access rates, or the terminating rates developed in paragraph (b)(14)(i) of this section, by the relevant Fiscal Year 2011 intrastate demand; and

(iii) Dividing the sum of the revenues determined in paragraph (b)(14)(ii) of this section by 2011 Fiscal Year intrastate terminating local switching minutes.

* * * * *

(d) * * *

(1) * * *

(iii) * * *

(B) The reduction in interstate switched access revenues equal to the difference between the 2011 Baseline Composite Terminating End Office Access Rate and the 2014 Target Composite Terminating End Office Access Rate determined pursuant to § 51.907(d) using Fiscal Year 2011 terminating interstate end office switching minutes, and then multiply by the Price Cap Carrier Traffic Demand Factor;

(C) If the carrier reduced its 2014 Intrastate Terminating End Office Access Rate(s) pursuant to § 51.907(d)(2), the reduction in revenues equal to the difference between either the Intrastate 2014 Composite Terminating End Office Access Rate and the Composite Terminating End Office Access Rate based on the maximum terminating end office rates that could have been charged on July 1, 2014, or the 2014 Target Composite Terminating End Office Access Rate, as applicable, using Fiscal Year 2011 terminating intrastate end office switching minutes, and then multiply by the Price Cap Carrier Traffic Demand Factor;

* * * * *

(iv) * * *

(B) The reduction in interstate switched access revenues equal to the difference between the 2011 Baseline Composite Terminating End Office Access Rate and the 2015 Target Composite Terminating End Office Access Rate determined pursuant to § 51.907(e) using Fiscal Year 2011 terminating interstate end office switching minutes, and then multiply by the Price Cap Carrier Traffic Demand Factor;

(C) If the carrier reduced its Intrastate Terminating End Office Access Rate(s) pursuant to § 51.907(e)(1), the reduction in intrastate switched access revenues equal to the difference between either the intrastate 2014 Composite Terminating End Office Access Rate and the Composite Terminating End Office Access Rate based on the maximum terminating end office rates that could have been charged on July 1, 2015, or the 2015 Target Composite Terminating End Office Access Rate, as applicable, using Fiscal Year 2011 terminating intrastate end office switching minutes, and then multiply by the Price Cap Carrier Traffic Demand Factor; and

* * * * *

(v) * * *

(B) The reduction in interstate switched access revenues equal to the difference between the 2011 Baseline Composite Terminating End Office Access Rate and $0.0007 determined pursuant to § 51.907(f) using Fiscal Year 2011 terminating interstate end office switching minutes, and then multiply by the Price Cap Carrier Traffic Demand Factor;

(C) If the carrier reduced its Intrastate Terminating End Office Access Rate(s) pursuant to § 51.907(f), the reduction in revenues equal to the difference between either the Intrastate 2014 Composite Terminating End Office Access Rate and $0.0007 based on the maximum terminating end office rates that could have been charged on July 1, 2016, or the 2016 Target Composite Terminating End Office Access Rate, as applicable, using Fiscal Year 2011 terminating intrastate end office minutes, and then multiply by the Price Cap Carrier Traffic Demand Factor;

* * * * *

(vi) * * *

(B) The reduction in interstate switched access revenues equal to the 2011 Baseline Composite Terminating End Office Access Rate using Fiscal Year 2011 terminating interstate end

office switching minutes, and then multiply by the Price Cap Carrier Traffic Demand Factor;

* * * * *

(vii) * * *

(B) The reduction in interstate switched access revenues equal to the 2011 Baseline Composite Terminating End Office Access Rate using Fiscal Year 2011 terminating interstate end office switching minutes, and then multiply by the Price Cap Carrier Traffic Demand Factor;

* * * * *

(2) If a Price Cap Carrier recovers any costs or revenues that are already being recovered through Access Recovery Charges or the Connect America Fund from another source, that carrier's ability to recover reduced switched access revenue from Access Recovery Charges or the Connect America Fund shall be reduced to the extent it receives duplicative recovery. Any duplicative recovery shall be reflected as a reduction to a carrier's Eligible Recovery calculated pursuant to § 51.915(d).

* * * * *

(4) If a Price Cap Carrier receives payment for Access Recovery Charges after the period used to measure the adjustment to reflect the differences between estimated and actual revenues, it shall treat such payments as actual revenues in the year the payment is received and shall reflect this as an additional adjustment for that year.

* * * * *

■ 5. Amend § 51.917 by revising (d)(1)(iii)(D) and (d)(1)(vii) to read as follows:

§ 51.917 Revenue recovery for rate-of-return carriers.

* * * * *

(d) * * *

(1) * * *

(iii) * * *

(D) An amount equal to True-up Revenues for Access Recovery Charges for the year beginning July 1, 2012 multiplied by negative one.

* * * * *

(vii) If a Rate-of-Return Carrier recovers any costs or revenues that are already being recovered as Eligible Recovery through Access Recovery Charges or the Connect America Fund from another source, that carrier's ability to recover reduced switched access revenue from Access Recovery Charges or the Connect America Fund shall be reduced to the extent it receives duplicative recovery. Any duplicative recovery shall be reflected as a reduction to a carrier's Eligible Recovery calculated pursuant to § 51.917(d). A Rate-of-Return Carrier seeking revenue recovery must annually certify as part of its tariff filings to the Commission and to the relevant state commission that the carrier is not seeking duplicative recovery in the state jurisdiction for any Eligible Recovery subject to the recovery mechanism.

* * * * *

[FR Doc. 2014–11479 Filed 5–19–14; 8:45 am]

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DEPARTMENT OF THE INTERIOR

Fish and Wildlife Service

50 CFR Part 17

[Docket Number FWS–HQ–ES–2013–0055; FXES111809F2070B6]

RIN 1018–AY76

Endangered and Threatened Wildlife and Plants; Listing the Southern White Rhino (Ceratotherium simum simum) as Threatened

AGENCY: Fish and Wildlife Service, Interior.

ACTION: Affirmation of interim rule as final rule.

SUMMARY: We, the U.S. Fish and Wildlife Service (Service), are adopting as a final rule an interim rule to list the southern white rhino (*Ceratotherium simum simum*) as threatened under the authority of section 4(e) of the Endangered Species Act of 1973, as amended (Act), due to the similarity in appearance with the endangered Javan (*Rhinoceros sondaicus*), Sumatran (*Dicerorhinos sumatrensis*), Indian (*Rhinoceros unicornis),* black (*Diceros bicornis*) and northern white rhino (*Ceratotherium simum cottoni*). The interim rule was necessary, as differentiating between the horns and other products made from the southern white rhino and the endangered Javan, Sumatran, Indian, black, and northern white rhino is difficult for law enforcement to determine without genetic testing, decreasing their ability to enforce and further the provisions and policies of the Act. This similarity of appearance has resulted in the documented trade of listed rhinoceros species, often under the guise of being the unprotected southern white rhinoceros, and this difficulty in distinguishing between the rhino species protected under the Act and the southern white rhino constitutes an additional threat to all endangered rhinoceros species. The determination that the southern white rhino should be treated as threatened due to similarity of appearance will substantially facilitate law enforcement actions to protect and conserve all endangered rhino species. Therefore, for the reasons given in the interim rule and in this document, we are adopting the interim rule as a final rule without substantive change.

DATES: Effective May 20, 2014, we are adopting as a final rule the interim rule published at 78 FR 55649 on September 11, 2013.

FOR FURTHER INFORMATION CONTACT: Janine Van Norman, Chief, Branch of Foreign Species, Endangered Species Program, U.S. Fish and Wildlife Service, 4401 North Fairfax Drive, Room 420, Arlington, VA 22203; telephone 703–358–2171; facsimile 703–358–1735. If you use a telecommunications device for the deaf (TDD), call the Federal Information Relay Service (FIRS) at 800–877–8339.

SUPPLEMENTARY INFORMATION:

Background

In an interim rule we published in the **Federal Register** on September 11, 2013 (78 FR 55649–55656, *http://www.regulations.gov* Docket No. FWS–HQ–ES–2013–0055), we listed the southern white rhino (*Ceratotherium simum simum*) (SWR) as threatened under the ''similarity of appearance'' provisions of the Endangered Species Act of 1973, as amended (Act), 16 U.S.C. 1531 et seq. The effective date of the listing was September 11, 2013. We amended subpart B of chapter I, title 50 of the Code of Federal Regulations at § 17.11(h), by adding the southern white rhinoceros to the List of Endangered and Threatened Wildlife due to a similarity of appearance. Public comments on the interim rule were received on or before October 11, 2013.

Comments

We received 32,139 comments from both the public and nongovernmental institutions; all but two commenters supported the interim rule. One comment conditionally supported the interim rule; the other did not support the interim rule. A brief description of the two comments and our responses are provided below.

Comment: Both commenters expressed concern regarding the permitting requirements related to the legal take and importation of trophy specimens. One of the commenters also requested a special rule (under section 4(d) of the Act) that would waive the ''enhancement'' requirement associated with the ESA importation permit for SWR that are listed as Appendix I under the Convention on International Trade in Endangered Species (CITES),