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NOVEMBER 10, 2017

SPECIAL BULLETIN

FCC Local and Broadband Rate Data Released

The FCC’s Wireline Competition Bureau recently [released](#) the results of the 2018 rate survey for fixed voice and broadband services. The key amounts contained in the release are (1) the local rate floor, (2) reasonable comparability benchmark rate for fixed voice services, (3) the reasonable comparability benchmark rate(s) for fixed broadband services, and (4) the minimum usage allowance.

Local Rate Floor. The FCC adopted a local rate floor in 2011’s *ICC/USF Transformation Order* that requires local residential rates (plus state regulated fees such as state USF charges) to be above a certain level or else High Cost Loop Support will be reduced. Earlier this year, the FCC froze the local rate floor at \$18.00. For 2017, and for reporting purposes only (Form 481), the local rate floor was \$22.49. For 2018, the local rate floor will be **\$25.50** (again, only to be used for ETC reporting purposes). For rate-of-return carriers only lines with residential local rates below \$18.00 as of June 1, 2018 will experience any reduction in support.

Local Rate Comparability Benchmark—Voice. The FCC requires that all ETCs must certify that pricing of basic residential voice services is no more than an annually-determined benchmark level. This year’s benchmark is \$45.38, a decrease from last year’s \$49.51 of around 8%. This annual certification is accomplished via the Form 481.

Broadband Reasonable Comparability Benchmark Rate. The FCC also adopted a reasonably comparable broadband rate requirement that will eventually apply to RoR carriers. The data for 2018 related to several speed and capacity tiers are (specific benchmark rates are determined via a formula, and reflect levels that are 2 standard deviations above the mean rates):

| Download Speed (Mbps) | Upload Speed (Mbps) | Capacity Allowance (GB) | 2018 US | 2018 AK |
|-----------------------|---------------------|-------------------------|----------|----------|
| 4 | 1 | 170 | \$85.54 | \$109.89 |
| 4 | 1 | Unlimited | \$86.00 | \$110.34 |
| 10 | 1 | 170 | \$87.68 | \$110.94 |
| 10 | 1 | 250 | \$87.83 | \$111.08 |
| 10 | 1 | Unlimited | \$88.13 | \$111.39 |
| 25 | 3 | 250 | \$94.01 | \$114.70 |
| 25 | 3 | Unlimited | \$94.32 | \$115.01 |
| 25 | 5 | 250 | \$94.36 | \$115.66 |
| 25 | 5 | Unlimited | \$94.67 | \$115.97 |
| 50 | 5 | Unlimited | \$106.52 | \$120.68 |
| 100 | 10 | Unlimited | \$126.42 | \$133.85 |
| 100 | 20 | Unlimited | \$127.89 | \$138.61 |
| 250 | 25 | Unlimited | \$168.02 | \$220.26 |
| 500 | 50 | Unlimited | \$203.71 | \$304.76 |
| 1000 | 100 | Unlimited | \$217.43 | \$296.02 |



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Questions? Comments?

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Minimum Usage Allowance. ETCs subject broadband buildout obligations must also provide a minimum amount of monthly usage. This year's minimum allowance, based on a new data set compared to last year, is 170 GB. This reflects a slight increase over last year's 160 GB minimum allowance.

Please let us know if you have any questions.



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