

**BEFORE THE WASHINGTON
UTILITIES & TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,

Complainant,

v.

THE CENTRUYLINK COMPANIES - QWEST CORPORATION; CENTURYTEL OF
WASHINGTON; CENTURYTEL OF INTERISLAND; CENTURYTEL OF
COWICHE; AND UNITED TELEPHONE COMPANY OF THE NORTHWEST

Respondent.

DOCKET UT-240029

**CROSS-EXAMINATION EXHIBIT OF SEAN BENNETT
ON BEHALF OF THE
WASHINGTON STATE OFFICE OF THE ATTORNEY GENERAL
PUBLIC COUNSEL UNIT**

EXHIBIT SB-__X

Webber, Exhibit JDW-5

July 15, 2024

Exh. JDW-5
Docket UT-240029
Witness: John D. Webber

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of the

DOCKET UT-240029

**QWEST CORPORATION;
CENTURYTEL OF WASHINGTON;
CENTURYTEL OF INTERISLAND;
CENTURYTEL OF COWICHE; AND
UNITED TELEPHONE COMPANY OF
THE NORTHWEST**

**to be Competitively Classified Pursuant
to RCW 80.36.320**

EXHIBIT TO TESTIMONY OF

JOHN D. WEBBER

**ON BEHALF OF STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

Reasonable Comparability Benchmark Notice

April 3, 2024



PUBLIC NOTICE

Federal Communications Commission
45 L Street NE
Washington, DC 20554

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**WIRELINE COMPETITION BUREAU AND OFFICE OF ECONOMICS AND
ANALYTICS ANNOUNCE RESULTS OF 2024 URBAN RATE SURVEY FOR FIXED
VOICE AND BROADBAND SERVICES, POSTING OF SURVEY DATA AND
EXPLANATORY NOTES, AND REQUIRED MINIMUM USAGE ALLOWANCE FOR
ELIGIBLE TELECOMMUNICATIONS CARRIERS**

WC Docket No. 10-90

By this Public Notice, the Wireline Competition Bureau (Bureau) and the Office of Economics and Analytics (Office) announce the 2024 reasonable comparability benchmarks for fixed voice and broadband services for eligible telecommunications carriers (ETCs) that are subject to broadband public interest obligations. These ETCs include incumbent local exchange rate-of-return carriers, Rural Broadband Experiment providers, CAF Phase II Auction (Auction 903) winners, Rural Digital Opportunity Fund Auction (Auction 904) winners, and Enhanced A-CAM providers.¹ In addition, we announce the posting of the fixed voice and broadband services data collected in the most recent urban rate survey, and explanatory notes regarding the data, on the Commission's website at <https://www.fcc.gov/economics-analytics/industry-analysis-division/urban-rate-survey-data-resources>. The Bureau and Office also announce the required minimum usage allowance for ETCs subject to public interest obligations for fixed broadband.

Voice Rates. Based on the survey results, the 2024 urban average monthly rate is \$34.27.² Therefore, the reasonable comparability benchmark for voice services, two standard deviations above the urban average, is \$55.13.³ Under the Commission's rules, each ETC, including competitive ETCs

¹ See *Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 17663 (2011) (*USF/ICC Transformation Order*), *aff'd sub nom*, *In re: FCC 11-161*, 753 F.3d 1015 (10th Cir. 2014); *Rural Digital Opportunity Fund*, WC Docket No. 19-126, *Connect America Fund*, WC Docket No. 10-90, Report and Order, 35 FCC Rcd 686, 707, para. 42 (2020).

² The *USF/ICC Transformation Order* defined the average urban rate to include local end-user rates plus state regulated fees (specifically, state subscriber line charges (SLCs), state universal service, and mandatory extended area service charges). *USF/ICC Transformation Order*, 26 FCC Rcd at 17751, para. 238. The reasonable comparability benchmark for voice services applies to mainland providers and those in Alaska.

³ *Id.* at 17694, para. 84.

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providing fixed voice services,⁴ must certify in the FCC Form 481 filed no later than July 1, 2024, that the pricing of its basic residential voice services is no more than \$55.13.⁵

Broadband Rates. Recipients of high-cost and/or Connect America Fund support that are subject to broadband performance obligations are required to offer broadband service at rates that are at or below the relevant reasonable comparability benchmark.⁶ Carriers subject to the Alaska Plan are required to meet Alaska-specific benchmarks⁷ and to certify that they are meeting the relevant reasonable comparability benchmark for their broadband service offering in the FCC Form 481 filed no later than July 1, 2024.⁸

Under the approach adopted by the Bureau in 2014, the reasonable comparability broadband benchmark varies, depending upon the supported service's download and upload bandwidths and usage allowance.⁹ Alaska-specific benchmarks were developed in the same manner using data from Alaska carriers serving Alaska urban areas.

The following table provides the 2024 benchmark for several different broadband service offerings, though providers will need to determine the benchmark for services with characteristics not shown in the table:¹⁰

⁴ The Bureau has adopted a benchmark only for fixed voice services because “the differences in rate plans and other attributes of fixed and mobile services would make it inordinately difficult to create a unified benchmark” that applied to both fixed and mobile services. *See Connect America Fund*, WC Docket No. 10-90, Order, 28 FCC Rcd 4242, para. 6 (WCB 2014).

⁵ 47 CFR § 54.313(a)(10); *see also USF/ICC Transformation Order*, 26 FCC Rcd at 18046-47, para. 1026. In the *USF/ICC Transformation Order*, the Commission required that as a condition of receiving high-cost support, ETCs must offer voice service in supported areas at rates that are reasonably comparable to rates for similar services in urban areas. *USF/Transformation Order*, 26 FCC Rcd at 17693, para. 81.

⁶ *USF/Transformation Order*, 26 FCC Rcd at 17695, para. 86.

⁷ *Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order and Further Notice of Proposed Rulemaking, 31 FCC Rcd 10139, 10149, para 28 (2016).

⁸ 47 CFR § 54.313(a)(12). The Commission has directed the Bureau to develop an Alaska-specific reasonable comparability benchmark. *See Connect America Fund; Universal Service Reform–Mobility Fund; Connect America Fund–Alaska Plan*, WC Docket Nos. 10-90, 16-271, WT Docket No. 10-208, Report and Order and Further Notice of Proposed Rulemaking, 31 FCC Rcd 10139, 10149, para. 28 (2016); *Connect America Fund*, WC Docket No. 10-90, Order, 31 FCC Rcd 12086, 12092, para. 21 (2016).

⁹ *Connect America Fund*, WC Docket No. 10-90, Report and Order, 29 FCC Rcd 13485 (WCB 2014).

¹⁰ We emphasize that carriers subject to broadband public interest obligations may offer their customers services other than those meeting the defined benchmark and minimum usage allowance. As long as the carrier offers at least one broadband service plan that meets the relevant metrics, it is free to offer other plans and packages to meet the varying needs of consumers. We note that usage allowance requirements do not apply to those areas that rely exclusively on satellite backhaul. *See USF/ICC Transformation Order*, 26 FCC Rcd at 17699-700, para. 101; *see also* 47 CFR § 54.313(g).

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Download Bandwidth (Mbps)	Upload Bandwidth (Mbps)	Capacity Allowance (GB)	2024 U.S.	2024 Alaska
4	1	660	\$89.76	\$62.62
4	1	Unlimited	\$89.94	\$64.22
10	1	660	\$89.17	\$82.24
10	1	Unlimited	\$89.35	\$84.38
25	3	660	\$87.83	\$83.24
25	3	Unlimited	\$87.83	\$85.18
50	5	660	\$88.38	\$71.24
50	5	Unlimited	\$88.38	\$71.29
100	20	660	\$92.26	\$125.89
100	20	Unlimited	\$92.26	\$145.75
1000	500	660	\$118.24	\$240.58
1000	500	Unlimited	\$118.24	\$240.58
25	5	660	\$87.93	\$83.24
25	5	Unlimited	\$87.93	\$85.18
100	10	Unlimited	\$88.07	\$129.41
250	25	Unlimited	\$89.98	\$172.75
1000	100	Unlimited	\$117.26	\$167.09

*As noted below, the minimum usage allowance for carriers receiving support from the Rural Digital Opportunity Fund is 2 Terabytes (TB) for the Above-Baseline and Gigabit tiers.

To facilitate benchmark calculations, the Office will post an Excel file with a tool in which providers can enter the relevant variables to determine the benchmark for specific service characteristics at <https://www.fcc.gov/economics-analytics/industry-analysis-division/urban-rate-survey-data-resources>.

Minimum Usage Allowance. Under the *USF/ICC Transformation Order* and subsequent orders, ETCs subject to broadband public interest obligations must provide broadband with usage allowances reasonably comparable to those available through comparable offerings in urban areas.¹¹ The Commission delegated to the Bureau the task of setting a specific minimum usage allowance and stated that the minimum should be adjusted over time.¹² For the reasons explained below, the Bureau adopts a minimum monthly usage allowance of 660 GB for 2024. However, the minimum usage allowance for carriers receiving support from the Rural Digital Opportunity Fund (RDOF) is the greater of 250 GB or the average usage calculated by the Bureau for the Minimum and Baseline tiers and 2 Terabytes (TB) for the Above-Baseline and Gigabit tiers.¹³

In the 2016 *Rate-of-Return Reform Order*, the Commission specified that the required minimum usage allowance for rate-of-return carriers receiving model-based support would be 150 GB per month, or a usage allowance reflecting the average usage of a majority of fixed broadband customers, using

¹¹ See *USF/ICC Transformation Order*, 26 FCC Rcd at 17699, para. 99. See 47 CFR §§ 54.308(a), 54.309(a).

¹² *USF/ICC Transformation Order*, 26 FCC Rcd at 17699, para. 99.

¹³ *Rural Digital Opportunity Fund*, WC Docket No. 19-126, Connect America Fund, WC Docket No. 10-90, Report and Order, 35 FCC Rcd 686, 702-03, para. 31 (2020).

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Measuring Broadband America (MBA) data or a similar data source, whichever is higher.¹⁴ With the exception of the RDOF program, the usage allowance adopted by the Commission for the baseline performance tier is: 150 GB per month, or a usage allowance that reflects the average usage of a majority of fixed broadband customers, using MBA data or a similar data source, whichever is higher.¹⁵

For ETCs not subject to the 2 TB minimum usage allowance, we rely on published quarterly data from OpenVault's Broadband Insights Reports as "a similar data source" of broadband usage because they are based on millions of users and are reliably published quarterly, consistent with our process last year.¹⁶ To ensure an accurate estimate of usage in 2024, we use average broadband data usage amounts as reported from OpenVault and employ regression analysis to forecast average broadband usage for the four quarters of 2024 and then take the average value of those predictions.¹⁷ Averaging the predicted broadband usage values for 2024 yields 660 GB per month after rounding. We therefore find that 660 GB is a reasonable minimum monthly usage allowance for 2024.

For further information, please contact Suzanne Yelen, Wireline Competition Bureau, at (202) 418-7400 or (202) 418-0484 (TTY), or at suzanne.yelen@fcc.gov.

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¹⁴ *Connect America Fund et al.*, Report and Order, Order and Order on Reconsideration, and Further Notice of Proposed Rulemaking, 31 FCC Rcd 3087, 3099, para. 27 (2016). See 47 CFR § 54.308(a)(1).

¹⁵ *Connect America et al.*, Report and Order and Further Notice of Proposed Rulemaking, 31 FCC Rcd 5949, 5959-60, para. 25 (2016). See 47 CFR § 54.309(a)(2)(ii).

¹⁶ See OpenVault, Broadband Insights Report, OVBI (3Q21) available at https://openvault.com/wp-content/uploads/2021/11/OVBI_3Q21_Report.pdf (stating that the averages are based on millions of machines).

¹⁷ See generally OpenVault, Uncover the Power of Data, Resources, OVBI, <https://openvault.com/resources/ovbi/>.