

cost estimates generated by the model. For instance, using year-end 2000 line counts as input values, the combined effect of these technical improvements would cause the nationwide average cost per line to increase by less than \$0.03 for 2002. However, the effect on statewide average cost per line varies by state. The statewide average cost per line increases in states containing wire centers with higher density zones because such service areas require more underground structure, larger SAIs, and larger drop terminals. By contrast, the average cost per line for states containing wire centers with lower density zones decreases, relative to the nationwide average, because their service areas require less underground structure, smaller SAIs, and fewer large drop terminals. Under the benchmark methodology adopted in the *Ninth Report and Order*, minor changes in nationwide or statewide average costs will affect non-rural high-cost support amounts.

8. The Bureau shall defer calculating support for non-rural carriers using the Delphi version of the cost model with incorporated technical improvements until the effective date of an order in the *Ninth Report and Order* remand proceeding. The *Ninth Report and Order* remand proceeding could lead to modifications to the non-rural high-cost support methodology that, in turn, would lead to changes in support

amounts. Calculating support using the Delphi version of the cost model with incorporated technical improvements likewise could lead to changes in support amounts. Section 254(b)(5) of the Communications Act of 1996 Act states that the universal support mechanism should be specific and predictable. Consistent with this principle, the Bureau finds that coordinating the determination of support for non-rural carriers using the revised Delphi version of the cost model, incorporating the technical improvements described above, with the effective date of an order in the *Ninth Report and Order* remand proceeding will avoid the possibility of two successive changes in the model's calculations and support amounts within a relatively short period of time. Specifically, the Delphi version of the model with incorporated technical improvements will be used for purposes of estimating forward-looking costs and determining support for non-rural carriers following the effective date of an order in the *Ninth Report and Order* remand proceeding. In the intervening interim period, non-rural support shall continue to be based on cost estimates of the Turbo-Pascal version of the cost model using the data updates adopted in the *2002 Line Counts Update Order*. In addition, the Bureau will continue to adjust support amounts calculated using the current model's cost estimates to

reflect the lines reported by non-rural carriers each quarter. The Bureau finds that adopting the Delphi version with incorporated technical improvements at this time is appropriate to enable the staff to perform necessary work to determine cost estimates under this version. Accompanying this Order is a Public Notice seeking comment on updating line counts and other input values for the Delphi version of the cost model consistent with the framework adopted in the *2001 and 2002 Line Counts Update Orders*, 65 FR 81759, December 27, 2000. Such action will enable the Commission to consider such estimates in conjunction with its consideration of the Joint Board recommendations in the *Ninth Report and Order* remand proceeding.

III. Ordering Clause

9. *It is ordered* pursuant to the authority contained in sections 1–4, 201–205, 214, 218–220, 254, 303(r), 403, and 410 of the Communications Act of 1934, as amended, 47 U.S.C. 151–154, 201–205, 214, 218–220, 254, 303(r), 403, and 410, this Order *is adopted*.

10. *It is further ordered* that this Order will be effective March 12, 2003.

Federal Communications Commission.

Marlene H. Dortch,
Secretary.

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