

DESCRIPTION AND JUSTIFICATION

The filing made on June 18, 2018, to be effective July 3, 2018, continues the transition of interstate switched access rates from a composite rate of \$0.005 to a composite rate of \$0.0007 pursuant to 47 CFR § 51.909(h) and revises the Access Recovery Charge (ARC) for the issuing carriers in the Alexicon Telecommunications Consulting, Inc. Tariff F.C.C. No. 1, pursuant to 47 CFR §51.917(e). This filing also revises, where applicable, the issuing carriers' special access service, including retail Digital Subscriber Line (DSL) service, rates to reflect revisions in the interstate authorized rate-of-return and for changes in the federal tax code as discussed further below. In addition, this filing revises, where appropriate, special access rates in compliance with the Commission's Consumer Broadband-Only Line rate and revenue requirement rules and decisions as discussed further below. Finally, recent Commission actions regarding Access Replacement Charge (ARC) imputation on Consumer Broadband-Only Lines.

This Tariff reflects the addition of one company to the issuing carriers list – Ketchikan Public Utilities d/b/a KPU Telecommunications – and the removal of one company from the issuing carriers list - Rural Telephone Service d/b/a Nex-Tech.

Issuing carrier Cordova Telephone Company has implemented and maintains a Consumer Broadband-only Loop (CBOL) rate in the Alexicon Tariff. The other issuing carriers have chosen to offer the CBOL service on a detariffed basis.

This Tariff is issued pursuant to 47 CFR §61.39, and as such, an annual tariff filing is not required in 2018. The rates contained in this transmittal reflect the interstate rate of return adopted in the Commission's March 30, 2016 *Rate of Return Carrier USF Reform Order* (FCC 16-33) which is scheduled to decrease to 10.50% on July 1, 2018, and, where applicable, the revised federal corporate income tax rates adopted in the Tax Cut and Jobs Act of 2018.

In addition to the revised tariff pages listed in the Transmittal Letter, the issuing carriers are also providing information pursuant to the Wireline Competition Bureau's (Bureau) Orders in WC Docket No. 18-100, dated April 5, 2018 (DA 18-335) and April 25, 2018 (DA 18-404).

Alaska Plan and ACAM Support Recipients

Issuing carriers Cordova Telephone Company and Ketchikan Public Utilities d/b/a KPU Telecommunications participate in the Alaska Plan as adopted by the Commission in August 2016 (WC Docket No. 10-90, 16-271, FCC 16-115).

Issuing carriers Blue Earth Valley, Cannon Valley, Hager, and Easton elected to receive high cost support pursuant to the Commission's alternative Connect America Model (ACAM) mechanism adopted in the *RoR Carrier USF Reform Order*.

Consumer Broadband-Only Line Rates and Revenue Requirement

Pursuant to the Commission's Consumer Broadband-Only Line (CBOL) rules, carriers that did not elect model-based support under rules adopted in the *RoR Carrier USF Reform Order* are required to take certain actions to determine the CBOL-related revenue requirement and rates and the related calculation of Connect America Fund Broadband Loop Support (CAF BLS). For those carriers, which include issuing carriers

Laurel Highland Telephone Company, Lake Livingston Telephone Company, Wamego Telephone Company and Yukon Waltz Telephone Company, a change was made for this year's tariff filing based on and in compliance with the Commission's *Second Order on Reconsideration and Clarification* (WC Docket No. 10-90, rel. February 16, 2018, FCC 18-13). This change ensures the amount of revenue requirement moved from the Special Access category to the CBOL category is consistent with Part 36 and Part 69 rules.

Intercarrier Compensation Rate Transition

Pursuant to 47 CFR § 51.909(h), the Alexicon Tariff issuing carriers established target composite interstate terminating end office access service rates at \$0.002133, which represents two-thirds of the difference between the \$0.005 rate established in 2016 and the target \$0.0007 rate, consistent with 47 CFR § 51.909(h)(1)(i). The rate revisions reflected herein result in a composite rate no higher than the Alexicon Tariff issuing carriers' target composite rates. All non-end office rates were capped pursuant to 47 CFR §51.909(a)(1) as of December 29, 2011 and reflect no revisions in this transmittal, except that the new carrier listed above is revising rates to reflect exit from the National Exchange Carrier Association pool, pursuant to 47 C.F.R. §51.909(a)(5)(i), and has provided support justifying the revised interstate switched access rates herein.

The Alexicon Tariff issuing carriers are including the material to be provided in support of 2018 annual access tariff filings, pursuant to the Bureau Orders listed above. This information includes the following Tariff Review Plan (TRP) schedules promulgated by the Bureau:

	<u>ACAM CARRIERS</u>
Blue Earth Valley Telephone Co.:	61.39 ILEC Special Access Reallocation (SPACR) Annual Filing ROR ACAM Rate Ceiling CAF ROR ILEC ROR ILEC ICC Data Tariff Rate Comp CAF ROR ILEC True Up ROR ILEC ROR ILEC Summary
Cannon Valley Telecom:	61.39 ILEC Special Access Reallocation (SPACR) Annual Filing ROR ACAM Rate Ceiling CAF ROR ILEC ROR ILEC ICC Data Tariff Rate Comp CAF ROR ILEC True Up ROR ILEC ROR ILEC Summary
Hager Telecom, Inc.:	61.39 ILEC Special Access Reallocation (SPACR) Annual Filing ROR ACAM Rate Ceiling CAF ROR ILEC ROR ILEC ICC Data Tariff Rate Comp CAF ROR ILEC True Up ROR ILEC ROR ILEC Summary
Easton Telephone Company:	61.39 ILEC Special Access Reallocation (SPACR) Annual Filing ROR ACAM

	Rate Ceiling CAF ROR ILEC ROR ILEC ICC Data Tariff Rate Comp CAF ROR ILEC True Up ROR ILEC ROR ILEC Summary
Cordova Telephone Co.:	<u>AK PLAN CARRIERS</u> 61.39 ILEC Special Access Reallocation (SPACR) Annual Filing ROR ACAM Rate Ceiling CAF ROR ILEC ROR ILEC ICC Data Tariff Rate Comp CAF ROR ILEC True Up ROR ILEC ROR ILEC Summary
Ketchikan Public Utilities d/b/a KPU Telecommunications	61.39 ILEC Special Access Reallocation (SPACR) Annual Filing ROR ACAM Rate Ceiling CAF ROR ILEC ROR ILEC ICC Data Tariff Rate Comp CAF ROR ILEC True Up ROR ILEC ROR ILEC Summary
Lake Livingston Telephone Co.:	<u>ROR CARRIERS</u> 61.39 ILEC Special Access Reallocation (SPACR) Annual Filing ROR CAF-BLS Rate Ceiling CAF ROR ILEC ROR ILEC ICC Data Tariff Rate Comp CAF ROR ILEC True Up ROR ILEC ROR ILEC Summary
Laurel Highland Telephone Co.:	61.39 ILEC Special Access Reallocation (SPACR) Annual Filing ROR CAF-BLS Rate Ceiling CAF ROR ILEC ROR ILEC ICC Data Tariff Rate Comp CAF ROR ILEC True Up ROR ILEC ROR ILEC Summary
Yukon Waltz Telephone Co.:	61.39 ILEC Special Access Reallocation (SPACR) Annual Filing ROR CAF-BLS Rate Ceiling CAF ROR ILEC ROR ILEC ICC Data Tariff Rate Comp CAF ROR ILEC True Up ROR ILEC ROR ILEC Summary
Wamego Telephone Company:	61.39 ILEC Special Access Reallocation (SPACR)

Annual Filing ROR CAF-BLS
Rate Ceiling CAF ROR ILEC
ROR ILEC ICC Data
Tariff Rate Comp CAF ROR ILEC
True Up ROR ILEC
ROR ILEC Summary

The information contained in the above-listed schedules constitutes the data necessary to establish each of the issuing carrier's ARC rates and each of the issuing carrier's projected eligibility for CAF ICC funding during the upcoming funding period, as required by 47 CFR 54.304(d)(1) and pursuant to 47 CFR 51.917. The information in the above-listed schedules also constitutes the data necessary to establish each of the issuing carrier's projected CAF BLS during the upcoming funding period. The schedules also present data related to the amounts of new special access costs generated by CBOL service, the amount of costs shifted from the special access category to the CBOL category, the projected Consumer Broadband-only loops, and the ARC imputation pursuant to the *RoR Carrier USF Reform Order*, and the *Second Order on Reconsideration and Clarification*.

Certifications

Each of the issuing carriers, also via Transmittal No. 27, provided the following required certifications:

- 47 CFR 51.917(f)(3) - A Rate-of-Return Carrier that elects to receive CAF ICC support must certify with its annual access tariff filings that it has complied with paragraphs (d) and (e), and, after doing so, is eligible to receive the CAF ICC support requested pursuant to paragraph (f) of this section.
- 47 CFR 51.917(d)(vii) - 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.
- Pursuant to DA 18-404, the issuing carriers are required to certify that their historical and forecast data used in the annual tariff filing are accurate.