

# **NATIONAL EXCHANGE CARRIER ASSOCIATION, INC.**

## **REVISIONS TO TARIFF F.C.C. NO. 5**

### **ETHERNET TRANSPORT SERVICE TRANSMITTAL NO. 1567**

#### **Description and Justification**

#### **1. Introduction**

This filing modifies Ethernet Transport Service (ETS) Access Service provisions by establishing a Plan Year 2019 ETS E-Rate Option (ERO) that applies to ETS services provided to E-rate eligible entities, i.e., schools, libraries and consortia. As described in Section 16.3.8, the ETS ERO is a specialized pricing plan available to any E-rate eligible entity as defined in Title 47, Part 54, Subpart F, Section 54.500 and 54.501.

The ETS ERO is available on all currently available ETS service elements, speeds and optional features as listed in NECA's Tariff F.C.C. No. 5. The Plan Year 2019 ETS ERO provides discounted, stabilized monthly ETS rates on committed service elements that will be in effect from February 14, 2019 through June 30, 2020 (i.e., Plan Year 2019). The ETS ERO is designed to help stimulate higher speed broadband adoption by E-rate eligible entities.

#### **2. Proposed Tariff Modifications**

This proposed Plan Year 2019 ETS ERO is only offered by the following telephone companies within their respective serving territories:

- Big Bend Telephone Company, Inc. (SAC 442039)
- Le-Ru Telephone Company (SAC 421908)
- Salina-Spavinaw Tel. Co. (SAC 432022)

Proposed ETS ERO pricing is available on all currently available ETS service elements, speeds and optional features as listed in NECA's Tariff F.C.C. No. 5, to any qualified E-rate eligible entity. The stabilized ETS ERO monthly rates will remain in effect through June 30, 2020 and will not be subject to any telephone company-initiated rate changes. ETS nonrecurring charges are not stabilized under this ETS ERO. ETS ERO rates are not eligible for additional discounts under an ETS Port Term Discount Plan (PTDP) or an ETS Term Discount Plan (TDP). The E-rate eligible entity may add additional ETS services or features, or upgrade ETS services at any time during Plan Year 2019.

Existing ETS tariff provisions specified in Sections 16.3.1 through 16.3.4 will apply for ETS elements covered in the Plan Year 2019 ETS ERO unless specified otherwise in this filing. An Access Order Charge (AOC) does not apply to establish the ETS ERO. Minimum service period provisions do not apply to ETS services covered in the ETS ERO.

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To be eligible to subscribe to the ETS ERO, the E-rate eligible entity must have a valid FCC Form 470 posted on the Universal Service Administration Company's (USAC's) website requesting Category One Internet and/or Telecommunications services for USAC's Funding Year 2019 and NECA's ETS ERO Plan Year, February 14, 2019 through June 30, 2020, which can be served using ETS services as provided under NECA's Tariff F.C.C. No. 5. After qualifying as an E-rate eligible entity, the ETS ERO customer must provide written notice to the telephone company of its subscription to the ETS ERO for Plan Year 2019 and commit to retain in-service all ETS elements ordered under the ETS ERO through June 30, 2020.

The ETS ERO customer may convert existing in-service ETS elements provided by the telephone company to rates under the ETS ERO without application of nonrecurring charges or AOCs. Discontinuance or shortfall charges will be waived for an ETS ERO customer wishing to convert existing in-service ETS committed Ports covered by an existing ETS TDP commitment period to the ETS ERO.

Should the ETS ERO customer disconnect any or all the ETS services covered under this ETS ERO plan at any time prior to June 30, 2020, it will be subject to a discontinuance charge equal to 20 percent of the ETS ERO monthly rate per month for each element in the plan disconnected prior to June 30, 2020. In addition, should the ETS ERO customer disconnect all the ETS services covered under this ETS ERO plan prior to June 30, 2020, it will not be permitted to opt back into the current ETS ERO Plan Year 2019 at a future date.

At the end of Plan Year 2019 (i.e., June 30, 2020), the ETS ERO customer can subscribe to an ETS PTDP or an ETS TDP, convert to month-to-month billing at the telephone company's then current non-stabilized rates, or subscribe to a new ETS ERO, if one is available. A customer may replace an existing ETS ERO at any time during the current Plan Year with a new ETS ERO for the following Plan Year, if one is available, without the application of discontinuance charges provided all the committed ETS service elements under the existing ETS ERO are transferred to the new ETS ERO.

### **3. Proposed Rates, Revenue and Cost Support**

NECA used the E-Rate eligible entity customers of Big Bend Telephone Company, Inc., Salina-Spavinaw Tel. Co., and Le-Ru Telephone Company to estimate the costs underlying the introduction of the Plan Year 2019 ETS ERO and the pool revenue projection from the E-rate eligible entity customers for the companies.

The proposed stabilized monthly rates for each ETS rate element available in this ETS ERO are offered by Big Bend Telephone Company, Inc., Le-Ru Telephone Company and Salina-Spavinaw Tel. Co. as shown in NECA Tariff F.C.C. No. 5, Section 17.4.8(C)(10)(d)(ii)(a) through (c), respectively.

The projected annual ETS ERO revenue covers the projected annual costs of providing ETS ERO service to the E-rate eligible entity customers for Big Bend Telephone Company, Inc., Salina-Spavinaw Tel. Co., and Le-Ru Telephone Company. NECA expects a *de minimis* pool

revenue impact of -0.01% for the remainder of the current tariff test period resulting from the proposed new service. As a result, NECA is not proposing to adjust other ETS rates or any rate band assignments because of this filing.