

### ***DESCRIPTION AND JUSTIFICATION***

The filing made on June 16, 2021, to be effective July 1, 2021, revises the Access Recovery Charge (ARC) pursuant to 47 CFR §51.917(e), and implements changes adopted in the Commission's 8YY Access Charge Reform Order (FCC 20-143, rel. Oct. 9, 2020) for Smithville Communications, Inc (Smithville) Tariff F.C.C. No. 1. This filing also revises, where applicable, Smithville's special access service rates to reflect revisions in the interstate authorized rate-of-return 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, Commission actions regarding Access Recovery Charge (ARC) imputation on Consumer Broadband-Only Lines are reflected in this tariff filing.

Smithville has 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 required in 2021. 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 9.75% on July 1, 2021. Smithville has elected not to increase certain rates that would otherwise be allowed under these rules.

In addition to the revised tariff pages listed in the Transmittal Letter, Smithville is also providing information pursuant to the Wireline Competition Bureau's (Bureau) Orders in WC Docket No. 21-148, dated April 16, 2021 (DA 21-433) and May 14, 2021 (DA 21-568).

#### **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 includes Smithville, this year's tariff filing is based on and is in continued compliance with the Commission's *Second Order on Reconsideration and Clarification* (WC Docket No. 10-90, rel. February 16, 2018, FCC 18-13). This 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.

Finally, the determination of Smithville's CAF BLS and CBOL rates reflects the waiver of the Budget Control Mechanism (BCM) adopted in the Commission's June 3, 2021 Order in WC Docket No. 10-90 (FCC 21-67).

#### **8YY Access Charge Reform Order**

Pursuant to the Commission's 8YY Access Charge Reform Order, rate-of-return incumbent LECs are required to transition certain interstate and intrastate toll-free originating end office rates to bill and keep over two years; adopt, where applicable, a new Joint Tandem Switched Transport (JTST) rate; and cap and transition database query charges. The rates contained in this tariff revision reflect the requirements in the 8YY Access Charge Reform Order, and the Bureau's May 14, 2021 Order (DA 21-568).

Smithville is including the material to be provided in support of 2021 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:

61.39 ILEC Special Access Reallocation  
Rate Ceiling CAF ROR ILEC  
ROR ILEC ICC Data  
Tariff Rate Comp CAF ROR ILEC  
True Up ROR ILEC

The information contained in the above-listed schedules constitutes the data necessary to establish Smithville's ARC rates and 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 for Smithville'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**

Smithville, also via Transmittal No. 16, 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 21-568, the issuing carriers are required to certify that their historical and forecast data used in the annual tariff filing are accurate.