

NATIONAL EXCHANGE CARRIER ASSOCIATION, INC.

ACCESS TARIFF REVISIONS TARIFF F.C.C. NO. 5
TRANSMITTAL NO. 1648

Description and Justification

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I. INTRODUCTION AND SUMMARY

NECA's *2021 Annual Filing*¹ modified company-specific charges, underlying data and resulting estimated Universal Service support (CAF BLS and CAF ICC) amounts, and became effective on July 1, 2021 as scheduled. NECA files further modifications to some charges and universal service support for certain carriers in mid-monthly filings after the annual filing. This filing is an update to the *October 2021 Filing*,² adding one study area to the CBOL tariff, modifying one CBOL rate, and implementing three voluntary Access Recovery Charge (ARC) rate reductions. This filing is scheduled to become effective on December 1, 2021.

II. REVENUE REQUIREMENT CHANGES

For those companies participating in NECA's Common Line (CL) pool with updated CBOL demand in this filing, the cost of consumer broadband-only loops is transferred from Traffic Sensitive (TS) special access to the CBOL element in common line consistent with Part 36 and Part 69 cost allocation rules as directed in the *February 16, 2018 Order*.³ The net CBOL revenue requirement was added to the CBOL category in CL for any study area with CBOL demand changes since the last filing. Detailed CBOL cost data are shown in the updated Tariff Review Plan (TRP) CAF BLS data.

¹ National Exchange Carrier Association, Inc., Tariff F.C.C. No. 5, Transmittal No. 1635 (filed Jun. 16, 2021) (*2021 Annual Filing*).

² National Exchange Carrier Association, Inc., Tariff F.C.C. No. 5, Transmittal No. 1645 (filed Oct. 15, 2021) (*October 2021 Filing*).

³ See *Connect America Fund*, WC Docket No. 10-90, *ETC Annual Reports and Certifications*, WC Docket No. 14-58, *Developing a Unified Intercarrier Compensation*, CC Docket No. 01-92, Second Order on Reconsideration and Clarification, 33 FCC Rcd. 2399 (2018) (*February 16, 2018 Order*) ¶ 9. See also 47 C.F.R. § 69.311 and 69.416.

There are now 342 NECA CL cost and average schedule pool participants that have opted to have NECA tariff their CBOL rates effective with this filing.

III. TARIFF CHANGES

A. CHANGES TO CBOL RATES

NECA calculated new CBOL charges for one study area receiving legacy support in accordance with section 69.132 of the Commission's rules using certified broadband-only data and the *June 3, 2021 BCM Order* which eliminated the application of the budget control mechanism on CAF BLS support for the 2021/2022 Test Period. This study area chose to tariff a CBOL charge at the calculated maximum CBOL charge. In addition, one study area receiving legacy support requested a voluntary rate decrease to a rate lower than the rate currently in effect, resulting in a total of two modified CBOL rates in this filing.

In conjunction with prior filings, 122 study areas have elected to have NECA tariff a CBOL charge lower than the maximum calculated CBOL charge. The tariffed monthly CBOL charges for these study areas range from \$0.00 to \$42.00. Study areas may be required, however, to impute revenues at the calculated maximum CBOL charge for the purposes of reporting CAF BLS data to USAC and for pool settlement distribution and support true-up calculations. The imputed projected CBOL revenues for July 1, 2021 through June 30, 2022 for 342 study areas participating in NECA's CL pool now amount to \$276.4M.

The 2021/2022 test period CAF BLS Broadband-only support for 342 common line pool study areas that have currently opted to have NECA tariff their CBOL is projected to be \$444.1M prior to the implementation of the \$200/line/month cap.

Concurrent with this filing, NECA is amending the *2021 Annual Filing* to include updated Tariff Review Plan (TRP) CAF BLS data. Required carrier certifications of CAF BLS data are contained in Appendix D Exhibit 4.

B. CHANGES TO ARC RATES

This filing implements the voluntary reductions of residential ARC charges for three study areas. There is no corresponding change to CAF ICC support amounts as the companies will impute ARC revenues at the maximum allowable rate for CAF ICC calculation purposes. A footnote in the CAF ICC TRP has been modified to reflect the voluntary reductions for these study areas. The resulting CAF ICC TRP is included in the amendment to the *2021 Annual Filing*.