

# NATIONAL EXCHANGE CARRIER ASSOCIATION, INC.

## ACCESS TARIFF REVISIONS TARIFF F.C.C. NO. 5 TRANSMITTAL NO. 1653

### Description and Justification

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## I. INTRODUCTION AND SUMMARY

NECA's *2021 Annual Filing*<sup>1</sup> 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 *December 2021 Filing*,<sup>2</sup> implementing voluntary reductions to ARC rates and a voluntary change to one study area's Residential Subscriber Line Charge. In addition this filing modifies Ethernet Transport Service (ETS) Access Service provisions by establishing a Plan Year 2022 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 III. This filing is scheduled to become effective on January 29, 2022.

Coincident with this filing, NECA is amending its *2021 Annual Filing* to modify a footnote in the CAF ICC TRP as described below.

## II. TARIFF RATE AND TRP CHANGES

This filing implements the voluntary reductions of residential ARC charges for six 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 as required by FCC rule 51.917(f)(2). A footnote in the CAF ICC TRP has been updated to expand the list of study areas that have voluntarily

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

<sup>2</sup> National Exchange Carrier Association, Inc., Tariff F.C.C. No. 5, Transmittal No. 1650 (filed Dec. 17, 2021) (*December 2021 Filing*).

modified ARC rates. The resulting CAF ICC TRP is included in an amendment to the *2021 Annual Filing* filed concurrently with this filing.

This filing also implements the decision of one study area receiving model based support to voluntarily modify its tariffed Residential Subscriber Line Charge.

### III. ETS ERO

#### A. Introduction

This filing modifies Ethernet Transport Service (ETS) Access Service provisions by establishing a Plan Year 2022 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 of NECA's Tariff F.C.C. No. 5, 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 2022 ETS ERO provides discounted, stabilized monthly ETS rates on committed service elements that will be in effect from January 29, 2022 through June 30, 2023 (i.e., Plan Year 2022). The ETS ERO is designed to not only help stimulate higher speed broadband adoption, but to increase internet bandwidth by E-rate eligible entities.

#### B. Proposed Tariff Modifications

This proposed Plan Year 2022 ETS ERO is only offered by the following telephone companies within their serving territories:

- Big Bend Telephone Company, Inc. (SAC 442039)
- Granby Telephone Company (SAC 421887)

Proposed ETS ERO pricing is available to any qualified E-rate eligible entity on all currently available ETS service elements, speeds and optional features as listed in NECA's Tariff F.C.C. No. 5. The ETS ERO plan requires:

- The stabilized ETS ERO monthly rates will remain in effect through June 30, 2023 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 2022.
- Existing ETS tariff provisions specified in NECA Tariff F.C.C. No. 5, Sections 16.3.1 through 16.3.4 will apply for ETS elements covered in the Plan Year 2022 ETS ERO unless specified otherwise in this filing.
- An Access Order Charge (AOC) does not apply to establish the ETS ERO.

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 2022 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 2022, and,
- commit to retain in-service all ETS elements ordered under the ETS ERO through June 30, 2023.

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 or ETS PTDP commitment period to the ETS ERO.

The minimum service period provisions associated with stabilized rates do not apply to ETS services covered in the ETS ERO. ETS ERO customers that disconnect some of the ETS services covered

under this ETS ERO plan prior to June 30, 2023 will be subject to a discontinuance charge equal to 20 percent of the ETS ERO monthly rate per month per plan element disconnected prior to June 30, 2023. Any customer that disconnects all ETS services covered under this ETS ERO plan prior to June 30, 2023 will not be permitted to opt back into the current ETS ERO Plan Year 2022 at a future date.

At the end of Plan Year 2022 (i.e., June 30, 2023), 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.

#### C. Proposed Rates, Revenue and Cost Support

The proposed stabilized monthly rates for each ETS rate element available in this ETS ERO are specific to each study area and are offered by Big Bend Telephone Company, Inc. (SAC 442039) and Granby Telephone Company (SAC 421887) as shown in NECA Tariff F.C.C. No. 5, Section 17.4.8 (C)(10)(g).

Because these two companies are in Plan Year 2021, and the proposed ETS ERO rates for Plan Year 2022 are unchanged from Plan Year 2021, NECA expects no impact on the pool revenues for the remainder of the current tariff test period resulting from the introduction of these rates. As a result, NECA is not proposing to adjust other ETS rates or any rate band assignments because of this filing.