

NATIONAL EXCHANGE CARRIER ASSOCIATION, INC.

ACCESS TARIFF REVISIONS TARIFF F.C.C. NO. 5
TRANSMITTAL NO. 1699

Description and Justification

TABLE OF CONTENTS

- I. Introduction and Summary
- II. Revenue Requirement Changes
- III. Tariff Rate and TRP Updates
 - A. CBOL Tariff Updates
 - B. CAF BLS TRP Update
 - C. ARC Rate Updates
 - D. CAF ICC TRP Update

I. INTRODUCTION AND SUMMARY

NECA's *2023 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, 2023 as scheduled. NECA files further modifications to some charges for certain carriers in monthly filings after the annual filing.

This filing is an update to the *July 2023 Tariff Filing*² and to the second amendment³ to the *2023 Annual Filing*. It adds two study areas to the CBOL tariff and modifies one study area's tariffed CBOL rate. Updated cost and corresponding updated revenue requirement shifts from special access to the CBOL category result in a *de minimis* net effect to remaining Common Line and Special Access rates, which continue to target the authorized 9.75 percent rate of return as documented in NECA's *2023 Annual Filing*. This filing also implements one study area's decision to voluntarily reduce its Residential, Single Line Business and Multiline Business ARCs as described in Section III.C. This filing is scheduled to become effective on September 1, 2023.

Coincident with this filing, NECA is amending its *2023 Annual Filing* to include an updated CAF BLS Tariff Review Plan (TRP) and CAF ICC (TRP) as described in Sections III.B and III.D respectively, below.

¹ National Exchange Carrier Association, Inc., Tariff F.C.C. No. 5, Transmittal No. 1694 (filed Jun. 16, 2023) (*2023 Annual Filing*).

² National Exchange Carrier Association, Inc., Tariff F.C.C. No. 5, Transmittal No. 1697 (filed Jul. 17, 2023) (*July 2023 Tariff Filing*).

³ National Exchange Carrier Association, Inc., Tariff F.C.C. No. 5, Transmittal No. 1694 – Amended (filed Jul. 31, 2023) (amended filing provided updated Tariff Review Plan Connect America Fund Intercarrier Compensation spreadsheet files).

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*.⁴ 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.

One study area receiving legacy support is being added to the CBOL tariff in this filing. Detailed CBOL cost data are shown in the updated Tariff Review Plan (TRP) CAF BLS data described in Section III.B. There are now 366 NECA CL cost and average schedule pool participants that have opted to have NECA tariff their CBOL rates effective with this filing.

III. TARIFF RATE AND TRP UPDATES

A. CBOL TARIFF UPDATES

NECA calculated a new CBOL charge 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 *May 23, 2023 BCM Order*⁵ which waived the application of the budget control mechanism on CAF BLS support for the 2023/2024 test period. This study area chose to tariff a CBOL charge at the calculated maximum CBOL charge. In addition, one study area receiving model based support chose to enter the CBOL tariff, and one

⁴ 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.

⁵ *Connect America Fund*, WC Docket No. 10-90, Order, FCC 23-40 (rel. May 23, 2023) (*May 23, 2023 BCM Order*).

study area receiving model based support requested to reduce its CBOL charge, resulting in a total of three modified CBOL rates in this filing.

The tariffed monthly CBOL charges for study areas in the CBOL tariff range from \$0.00 to \$51.17. In conjunction with prior filings, 141 study areas have elected to have NECA tariff a CBOL charge lower than the maximum calculated CBOL charge. 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 limited CBOL revenues for 366 study areas currently participating in NECA's CL pool now amount to \$409.9M for July 1, 2023 through June 30, 2024.

The 2023/2024 test period CAF BLS Broadband-only support for 366 common line pool study areas that have currently opted to have NECA tariff their CBOL is projected to be \$709.1M prior to implementation of the \$200/line/month cap.

B. CAF BLS TRP UPDATE

Concurrent with this filing, NECA is amending the *2023 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.

C. ARC RATE UPDATES

This filing implements the voluntary reduction of Residential, Single Line Business, and Multiline Business ARCs for one study area to \$0.00. There is no effect on the study area's CAF ICC support calculation as companies are required to impute ARC revenues at the maximum allowable rate.

D. CAF ICC TRP UPDATE

Concurrent with this filing, NECA is amending the *2023 Annual Filing* to include an updated Tariff Review Plan (TRP) CAF ICC file. A footnote in the CAF ICC TRP has been modified to reflect that an additional study area has voluntarily reduced its ARCs.