

NATIONAL EXCHANGE CARRIER ASSOCIATION, INC.

ACCESS TARIFF REVISIONS TARIFF F.C.C. NO. 5
TRANSMITTAL NO. 1711

Description and Justification

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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 tariff charges or universal service support for certain carriers in mid-monthly filings after the annual filing.

This filing is an update to the *December 2023 EA-CAM Filing*.² It adds one study area receiving legacy support to the CBOL tariff and makes a correction to data underlying estimated CAF ICC support amounts for one study area. 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 is scheduled to become effective on February 1, 2024.

Coincident with this filing, NECA is filing an amendment to its *2023 Annual Filing* to include an updated CAF BLS Tariff Review Plan and CAF ICC TRP. The CAF BLS TRP has been modified for the revised CBOL demand and associated cost shift described in Sections II and III. The CAF ICC TRP has been modified for the adjustments described in Section IV 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. 1709 (filed Dec. 18, 2023) (*December 2023 EA-CAM Filing*).

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.

One cost study area receiving legacy support is being added to the CBOL tariff in this filing. Detailed CBOL cost data are shown in the updated CAF BLS TRP data described in Section III.B. There are now 266 NECA CL cost and average schedule pool participants that have opted to have NECA tariff their CBOL rates effective with this filing.

III. CBOL UPDATES

A. CHANGES TO CBOL TARIFF

NECA calculated a new CBOL charge for the 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*⁴ 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.

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.

⁴ *Connect America Fund*, WC Docket No. 10-90, Order, FCC 23-40 (rel. May 23, 2023) (*May 23, 2023 BCM Order*).

The tariffed monthly CBOL charges for study areas in the CBOL tariff range from \$0.00 to \$51.17. In conjunction with prior filings, 103 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 266 study areas currently participating in NECA's CL pool now amount to \$296.53M for July 1, 2023 through June 30, 2024.

The 2023/2024 test period CAF BLS Broadband-only support for 266 common line pool study areas that have currently opted to have NECA tariff their CBOL is projected to be \$515.4M prior to implementation of the \$200/line/month cap.

B. CAF BLS TRP UPDATE

Concurrent with this filing, NECA is making an amendment to the *2023 Annual Filing* to include updated CAF BLS TRP data. Required carrier certifications of CAF BLS data are contained in Appendix D Exhibit 4.

IV. CAF ICC UPDATES

A. CAF ICC DATA CORRECTION

This filing implements a correction to data underlying CAF ICC support calculations for one study area. The study area inadvertently reported an annual number instead of a monthly number when inputting the number of CBOLs for use in the *2023 Annual Filing*. The overstated CBOL count was used in the

calculation of imputed ARC revenues, used as a reduction to estimated CAF ICC support amounts.⁵ This correction results in an increase to estimated CAF ICC support for the 2023/2024 test period. Detailed data are displayed in the updated CAF ICC TRP data.

B. CAF ICC TRP UPDATE

Concurrent with this filing, NECA is making an amendment to its *2023 Annual Filing* to include an updated CAF ICC TRP reflecting the correction described in Section IV.A. Required carrier certifications of CAF ICC data are contained in Appendix D Exhibits 1 - 3.

⁵ See 47 C.F.R. § 51.917(f)(4).