

**DESCRIPTION AND JUSTIFICATION**

The filing made on June 24, 2016, to be effective July 1, 2016, completes the transition of interstate switched access rates to a composite rate of \$0.005 pursuant to 47 CFR § 51.909(f) and revises the Access Recovery Charge (ARC) for Smithville Communications, Inc. (Smithville) Tariff F.C.C. No. 1, pursuant to 47 CFR §51.917(e). This filing also revises, where applicable, Smithville’s special access services, including wholesale Digital Subscriber Line (DSL) service, rates per special operation of 47 C.F.R. § 61.39 as discussed further below.

This Tariff is issued pursuant to 47 CFR §61.39, and as such, an annual tariff filing is not required in 2016. However, pursuant to the Wireline Competition Bureau’s Order, WC Docket No. 16-71, DA 16-399 released on April 13, 2016, all rate-of-return carriers “subject to section 61.39 of the Commission’s rules must file a [tariff review plan] this year to reflect the revised 11.0 percent rate of return” adopted in the *Rate-of-Return Reform Order* (WC Docket No. 10-90, etc, FCC 16-33, rel. March 30, 2016). The rates included in this Tariff reflect the new interstate rate-of-return. In the April 13, 2016 Order (DA 16-399), carriers are provided two methods for applying the new rate of return: (1) using cost data from the previous filing, or (2) completing new cost studies. Smithville opted to update cost data from the previous (2015) filing.

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. 16-71, dated March 16, 2016 (DA 16-274) and April 13, 2016 (DA 16-399).

Pursuant to 47 CFR § 51.909(f), Smithville established target composite interstate terminating end office access service rates at \$0.005. The rate revisions reflected herein result in a composite rate no higher than Smithville’s target composite rate. All non-end office rates were capped pursuant to 47 CFR §51.909(a)(1) as of December 29, 2011 and reflect no revisions in this transmittal.

Smithville is including the material to be provided in support of 2016 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:

- 2016 Rate Ceiling CAF
- 2016 Rate of Return ILEC ICC Data
- 2016 Tariff Rate Comp CAF
- 2016 True Up (2)
- 2016 Rate of Return TRP
- 2016 RoR ILEC Summary

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.

Smithville, also via Transmittal No.9, 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 16-399, the issuing carriers are required to certify that their historical and forecast data used in the annual tariff filing are accurate.