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June 15, 2018

VIA HAND DELIVERY

Ms. Carlotta S. Stauffer, Director
Office of the Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

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2018 JUN 15 AM 11:53
COMMISSION
CLERK

RE: Docket No. 20180122 – TP
Smart City Telecommunications LLC d/b/a Smart City Telecom; 2017 State
certification §54.313 and §54.314, annual reporting requirements for high-cost
recipients, and certification of support for eligible telecommunications carriers.

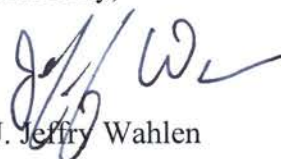
Dear Ms. Stauffer:

In accordance with 47 CFR § 54.313, enclosed for filing is Smart City's affidavit that attests the company will only use the federal high-cost support it receives for the purposes outlined in statute.

Smart City requests that the Florida Public Service Commission file the annual certifications regarding federal high-cost support with the FCC and Universal Service Administrative Company (USAC) pursuant to 47 CFR § 54.314.

You may contact me if there are questions regarding this filing.

Sincerely,


J. Jeffrey Wahlen

Enclosures

cc: Debbie Huttenhower; Eric Wooten (w/ encls.)

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AFFIDAVIT

BEFORE ME, the undersigned authority appeared **James T. Schumacher**, who deposed and said:

1. My name is James T. Schumacher. I am employed by Smart City Telecommunications LLC d/b/a Smart City Telecom ("Smart City Telecom" or the "Company") as its Vice President – Finance and Administration. I am an officer of the Company and am authorized to give this affidavit on behalf of the Company. This affidavit is being given to support the Florida Public Service Commission's certification as contemplated in 47 C.F.R. §54.313 and §54.314.

2. Smart City Telecom hereby certifies that all federal high-cost and CAF support ("USF") was used in the preceding year and will be used in 2019 only for the provision, maintenance and upgrading of facilities and service for which such support is intended.

Smart City Telecom hereby certifies that it has submitted via annual NECA filings, the supporting documentation on network improvements and expenditures in support of its universal service filing and refers to this in lieu of formal network plans. On March 30, 2016, the Federal Communications Commission ("FCC") released "Report and Order and Order on Reconsideration, and Further Notice of Proposed Rulemaking" (FCC 16-33) ("Reform Order") which modernizes and reforms the federal universal service program supporting the nation's rate-of-return ("ROR") carriers. Prior to the release of this decision, USF disbursement received by the Company and other rural incumbent local exchange companies were divided into four categories: Interstate Common Line Support ("ICLS"); High Cost Loop Support ("HCLS"); Safety Net Additive Support ("SNAS") and CAF-ICC Support ("CAF-ICC") (otherwise known as "legacy support.").

With the release of the Reform Order, ROR carriers were given the option to voluntarily elect to use a cost-based model for support known as the "Alternative Connect America Model" or "A-CAM." Carriers that elect A-CAM support will receive model support for a ten-year period that is associated with specific build-out obligations and will no longer receive ICLS and HCLS. Carriers that did not choose A-CAM support remain on a modified version of ROR regulation under which the authorized interstate ROR will be reduced from 11.25% to 9.75% over a six-year period. CAF-ICC Support will remain regardless of whether the carrier chooses A-CAM or remains on modified ROR.

On August 3, 2016, the FCC released a Public Notice (DA 16-869) in which it announced the offers of A-CAM support to ROR carriers and specified a November 1, 2016 deadline for carriers to respond if they chose to elect this type of support. Prior to that deadline, Smart City Telecom made this election and, in a Public Notice released on December 20, 2016 (DA 16-1422), the FCC authorized Smart City Telecom to receive A-CAM support which it began receiving in January 2017. Because Smart City Telecom's A-CAM support is less than its 2015 legacy support, the company is on a "glidepath" from legacy to A-

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CAM support in which it will receive a lesser amount of annual support each year throughout the ten-year period. At the end of the ten-year period, the company must have reached the following minimum buildout requirements in census blocks that receive A-CAM funding: offer 25/3 Mbps to 144 locations; 10/1 Mbps to 48 locations; and 4/1 Mbps to 11 locations. The company also is required to provide broadband upon reasonable request to an additional 12 locations in the funded census blocks and meet buildout benchmarks beginning in year four.

Accordingly, in 2016, Smart City Telecom received legacy support (HCLS and ICLS) and CAF-ICC. Beginning in January 2017 and continuing until December 2026, the company will receive A-CAM support and CAF-ICC. CAF-ICC was established in the USF-ICC Transformation Order and includes a recovery mechanism designed to partially offset revenues reduced as a result of the intercarrier compensation ("ICC") rate transition. For ROR carriers, the recovery mechanism begins with calculation of Base Period Revenue ("BPR"). BPR is the sum of certain ICC intrastate switched access revenues and net reciprocal compensation revenues received by March 31, 2012, for services provided during FY 2011, and the projected revenue requirement for interstate switched access services provided during the 2011-2012 tariff period. BPR is then reduced by 5% initially and by an additional 5% in each year of the transition. The amount a ROR carrier is entitled to recover in each year of the transition is equal to the adjusted BPR for the year in question less, for each relevant year of the ICC transition, the sum of: (1) projected intrastate (terminating) switched access revenue; (2) projected interstate switched access revenue; and (3) projected net reciprocal compensation revenue. This amount, known as Eligible Recovery, is recoverable through an Access Recovery Charge ("ARC") assessed on end-users, and, to the extent not recoverable through ARCs, through CAF-ICC support. The FCC also found that Eligible Recovery based on carrier's interstate switched access requirement allowed the FCC to eliminate Local Switching Support ("LSS") which had been a separate universal service support mechanism for ROR carriers. BPR is calculated only one time, but is used during each step of the ICC recovery mechanism calculations for each year of the transition. Rate-of-return LECs calculated their BPR once as part of their tariff filings in 2012. Carriers must then file data on an annual basis regarding their ICC rates, revenues, expenses, and demand for the preceding fiscal year.

All of these programs are administered through the USAC. USAC, as a private, not-for-profit corporation, is responsible for providing every state and territory of the United States with access to affordable telecommunications service through the federal USF. USAC has contracted with NECA to assist in data collection necessary for the remittance of universal service funds. What this means is that each company submits, no less frequently than annually, detailed information requested by NECA in the USF data collection process. Per NECA's May 30, 2018 correspondence: "Current FCC rules state all rate-of-return carriers including A-CAM and Alaska Plan companies must provide the information in the High Cost Loop Support data submissions. Data submitted must be accurate, comply with FCC rules, and certified by the company.

Rural ILECs must attest to the information submitted. The information provided in response to universal service fund mechanisms utilizes FCC accounts for regulated costs and must be in compliance with FCC rules in Parts 32, 36, 54 and 64.

Smart City Telecommunications, LLC

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All studies submitted by rural ILECs for all USF funding submitted by rural ILECs must be based upon financial statements. In addition, an officer of the rural ILEC must certify the accuracy and validity of the filed information.


1. Smart City Telecom hereby certifies that it follows appropriate federal procedures for network outage reporting. For the period between March 1, 2017 and March 1, 2018, SCT did not have any Federal FCC reportable outages.

2. Smart City Telecom hereby certifies that it did fulfill all requests for service from potential customers.

3. Smart City Telecom hereby certifies that for the period from March 1, 2017 and March 1, 2018 no Florida Public Service Commission or FCC complaints were received.

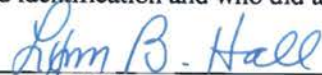
4. Smart City Telecom hereby certifies that it is able to function in emergency situations, offers a tariffed local usage plan and provides equal access to long distance carriers.

FURTHER AFFIANT SAYETH NOT.


James T. Schumacher
Vice President – Finance and Administration

STATE OF FLORIDA
COUNTY OF ORANGE

Acknowledged before me this 12th day of June, 2018, by James T. Schumacher, as Vice President – Finance and Administration of Smart City Telecommunications LLC d/b/a Smart City Telecom, who is personally known to me or produced identification and who did take an oath.


Lynn B. Hall
Notary Public – State of Florida



Personally Known _____ X
Produced Identification _____
Type of Identification Produced _____