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RURAL TELECOM ASSOCIATIONS APPLAUD FCC DECISION TO ALLOW STATES TO REQUIRE NOMADIC VOIP PROVIDERS TO CONTRIBUTE TO STATE UNIVERSAL SERVICE FUNDS

Ruling a Crucial Step in Reforming Universal Service Policies for the Future All-IP World

WASHINGTON—The National Telecommunications Cooperative Association (NTCA), the Organization for the Promotion and Advancement of Telecommunications Companies (OPASTCO, and the Western Telecommunications Alliance (WTA) today applauded the Federal Communications Commission’s (FCC) Declaratory Ruling allowing state public utility commissions to require nomadic voice over Internet protocol (VoIP) providers to contribute to state universal service funds. VoIP providers already are required to contribute to the federal Universal Service Fund.

The FCC’s Declaratory Ruling is an important step for rural communications carriers who own, maintain and invest in the rural broadband network infrastructure. Nomadic VoIP providers originate and terminate calls using the existing broadband network infrastructure and should contribute to the state mechanisms that support the infrastructure.

In addition, the rural telecom associations have long held the position that VoIP providers hold their services out as substitutes for traditional telephone service, and thus it is appropriate that these carriers comply with *all* of the same regulatory requirements as RLECs.

“The FCC’s decision rightly confirms the complementary roles that state and federal regulators play in ensuring the objective of universal service—particularly as consumers migrate to IP-enabled services that rely upon underlying broadband network infrastructure investments by rural carriers,” said NTCA CEO Shirley Bloomfield. “We applaud the commission for recognizing the need for *all* network users to contribute to the universal service fund, which will help ensure rural consumers’ continued access to affordable, reliable broadband.”

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“As the network transitions toward all-IP, this declaratory ruling paves the way for the FCC to begin transitioning policy to match the reality of an all-IP world,” OPASTCO President John Rose stated. “Ensuring that the rural broadband infrastructure remains robust and continues to meet the growing needs of consumers starts with policies that reflect the realities of the network. Although this declaratory ruling is narrow, it is a good first step toward recognizing what it will take to provide high-speed broadband everywhere.”

"As we transition further into the broadband world, it is important that everyone who uses the network contribute to it so that it remains robust and vibrant for all consumers to use. We are glad the FCC recognized this and gave the states flexibility to require VoIP providers to contribute to their universal service funds" said Kelly Worthington, WTA's Executive Vice President.

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The National Telecommunications Cooperative Association is the premier association representing more than 560 locally owned and controlled telecommunications cooperatives and commercial companies throughout rural and small-town America. NTCA provides its members with legislative, regulatory and industry representation; meetings; publications and educational programs; and an array of employee benefit programs. Visit us at www.ntca.org.

The Organization for the Promotion and Advancement of Small Telecommunications Companies (OPASTCO) represents approximately 470 small local telecommunications companies serving primarily rural areas of the United States and Canada. OPASTCO membership includes both commercial companies and cooperatives, which range in size from fewer than 100 to 100,000 access lines, and collectively serve more than 3 million customers. OPASTCO represents rural telecommunications interests before federal regulatory bodies and Congress, provides publications, and holds two conventions annually in January and July of each year, addressing the needs of the small telecommunications industry. The association has an affiliate 501(c)(3) nonprofit, the Foundation for Rural Education and Development (FRED). Visit the OPASTCO website at www.opastco.org.

Western Telecommunications Alliance is a trade association whose membership is comprised of approximately 250 rural telecommunications carriers providing high-quality voice, video and data services throughout rural areas in the 24 states west of the Mississippi River. On average, WTA member companies serve fewer than 3,000 access lines with fewer than 500 customers in each exchange. WTA's members serve some of the most rural and hard-to-serve communities in the country and are on the forefront of bringing 21st Century telecommunications services to rural America.