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Contacts:

Joe Douglas, NECA
202-682-0153, jdouglas@neca.org
Caitlin Colligan, NTCA
703-351-2086, ccolligan@ntca.org
Martha Silver, OPASTCO
202-659-0828, mks@opastco.org
Derrick Owens, WTA
202-548-0202, derrick@w-t-a.org
Carole Woodward, ERTA
919-708-7404, woodward@nctia.org
Paul Cooper, Rural Alliance
314-630-7531, pcooper02@earthlink.net
Tom Smith, Rural Broadband Alliance
202-363-7130, tmfsmith@rcn.com

RURAL TELECOM ASSOCIATIONS ADDRESS INTERCARRIER COMPENSATION WITH A UNIFIED VOICE

***Joint Comments Urge FCC to Confirm VoIP Services Subject to Same Rates as Other Traffic,
Revise Rules to Prevent Phantom Traffic and Adopt Rules Regarding
Rate Development and Access Stimulation***

WASHINGTON (April 1, 2011) – Today, the National Exchange Carrier Association (NECA), the National Telecommunications Cooperative Association (NTCA), the Organization for the Promotion and Advancement of Small Telecommunications Companies (OPASTCO), the Western Telecommunications Alliance (WTA), the Eastern Rural Telecom Association (ERTA), the Rural Alliance and the Rural Broadband Alliance filed comments with the Federal Communications Commission addressing near term intercarrier compensation reform issues.

The associations urge the Commission to:

- Confirm that under existing law, traffic originating from or terminating to interconnected VoIP services is subject to the same intercarrier compensation rates – including access charge obligations – as any other traffic originating from or terminating to the public switched telephone network (PSTN);

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- Adopt rule revisions applying call signaling requirements, including mechanisms adequate to avoid fraud and ensure compliance with such requirements, to all forms of traffic originating or terminating on the PSTN and to all interconnected service providers, regardless of jurisdiction or technology;
- Adopt reasonable rules to address rate development and allowed levels of earnings in access stimulation situations; and
- Make clear interconnecting carriers must pay tariffed charges for legitimate traffic terminating on RLEC networks.

Additionally, the associations urge the Commission to take immediate action to address the ongoing regulatory uncertainty that intercarrier compensation arbitrage has caused and to reduce the pressures on universal service funding and end user rates created as a result of this arbitrage.

“We are committed to working with the Commission to gain fair and equitable intercarrier compensation and USF reforms. Putting the brakes on VoIP providers’ free ride on the PSTN, along with adopting rules to address phantom traffic and access stimulation, is a necessary step in restoring the confidence of small rural carriers to continue investing in their networks for the future,” NECA President Bill Hegmann stated.

“Reforms that correct anomalies in today’s complex and untenable intercarrier compensation system—and that ensure *all* users of the network share equal responsibility for it—will create a stable regime, help to keep end user costs affordable and allow the entire industry to focus on important tasks like delivering high-quality broadband services” stated NTCA CEO Shirley Bloomfield.

“By adopting rules to address the arbitraging of the current intercarrier compensation system, the Commission will make it possible for rural carriers to collect revenues due to them and reinvest those funds in robust broadband networks that serve rural customers and stimulate rural economic development,” OPASTCO President John Rose stated.

"These proposed near term reforms should be adopted immediately by the FCC because they are fair and reasonable," said Kelly Worthington, Executive Vice President for the Western Telecommunications Alliance. "Rural carriers rely a great deal on intercarrier compensation to help them deploy high quality broadband networks, and it is important that the integrity of the intercarrier compensation regime is restored. This requires payment by all whose traffic goes over them."

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“The telecommunications companies that provide services to rural America take seriously the obligation to serve all customers with reliable and high quality services. If the FCC’s rule changes will help telecommunications companies to receive compensation for traffic they terminate then these small businesses and their rural communities will benefit.” ERTA Executive Director Carole Woodward stated.

"The adoption of the positions and proposals set out in the Rural Telecom Association comments by the FCC will be a vital and long-needed first step in addressing changes in inter-carrier compensation rules that will foster continued infrastructure investment in broadband networks in rural America," stated Steve Kraskin, counsel to the Rural Broadband Alliance.

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*The **National Exchange Carrier Association (NECA)** is a membership association of U.S. local telephone companies, dedicated to keeping customers connected on state-of-the-art communications networks. Our services help more than 1,000 members across rural America deliver voice, video and data on high-speed multi-use broadband systems. Visit us at www.neca.org.*

*The **National Telecommunications Cooperative Association** is the premier association representing more than 570 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)** is the leading voice for rural telecommunications, representing approximately 470 small incumbent local exchange carriers serving rural areas of the United States. Its members include both commercial companies and cooperatives, which 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 us at www.opastco.org.*

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Western Telecommunications Alliance (WTA) 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.

ERTA (ERTA) is a trade association comprised of local exchange companies and support companies providing telecommunications services to rural customers in the Eastern half of America. ERTA companies are providers of local, long distance, wireless, cable television, and broadband Internet service.

The primary focus of the **Rural Alliance** is intercarrier compensation reform, but the group is also assisting rural associations in their efforts to develop a rational USF and ICC reform plan for rural ILECs.

The **Rural Broadband Alliance** is a coalition of more than two hundred rural incumbent local exchange carriers formed to advance sensible, evidence-based policies for the deployment and adoption of broadband services for all of the nation's citizens including consumers and businesses residing in rural, insular and high cost-to-serve areas of the nation.

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