

For Immediate Release

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**Rural Telecom Associations File Comments with FCC
Regarding USF/ICC Transformation**

Groups Call on FCC to Adopt RLEC Plan as Part of a Broader Consensus Framework

August 24, 2011 (Washington, DC) – Today, the Rural Telecom Associations, composed of the National Exchange Carrier Association (NECA), the National Telecommunications Cooperative Association (NTCA), the Organization for the Promotion and Advancement of Small Telecommunications Companies (OPASTCO) and the Western Telecommunications Alliance (WTA), filed comments with the Federal Communications Commission (FCC) calling on the Commission to adopt the Rural Rate-of-Return Incumbent Local Exchange Carrier (RLEC) Plan, as amended by the “Consensus Framework” submitted to the FCC on July 29, 2011. The amended RLEC Plan is a path forward for Universal Service Fund (USF) and intercarrier compensation (ICC) reform in RLEC service areas that not only serves the interests of consumers in these areas, but also consumers nationwide.

The Consensus Framework, agreed to and submitted to the FCC on July 29, 2011, balances a number of competing objectives, including:

- aiming to constrain growth in USF funding for the next several years;
- seeking to both promote service in unserved areas and support the ongoing availability and affordability of service in areas that are only served today because of USF support;
- unifying and reducing certain ICC rates over a reasonable period of time and subject to reasonable alternatives for cost recovery;
- transitioning legacy USF mechanisms to support broadband; and
- resolving various “access avoidance” issues while also avoiding unreasonable rate increases and service disruptions for rural consumers and businesses.

“The Consensus Framework that we reached agreement upon last month is the product of extensive discussions among service providers of all sizes and with different interests,” said Shirley Bloomfield, Chief Executive Officer of NTCA. “Modifications to the RLEC Plan that is part of the Framework, even if seemingly minor to some, could easily undermine carefully-constructed industry solutions and would push shared sacrifice into the realm of serious harm for rural consumers and the carriers committed to serve them. Accordingly, we urge the FCC to avoid tinkering with the carefully constructed balance of the Consensus Framework and to adopt the amended RLEC Plan ‘as filed.’”

“The RLEC plan as part of the Consensus Framework achieves all these objectives,” added OPASTCO President John Rose. “If the FCC follows our recommendation and implements these proposals, consumers and businesses in rural areas will see continued, steady improvements in access to high-quality, affordable broadband services, without loss of access to quality voice services or unreasonable increases in rates.”

In their comments, the Rural Telecom Associations also detail how the Consensus Framework appropriately recognizes key differences in technology and marketplace roles played by fixed and mobile broadband services, as well as differences in regulatory status between price cap carriers and RLECs.

In addition, the Associations recommend that the FCC undertake further review before adopting and implementing any mechanism that would shift support in purportedly “competitive” portions of RLEC areas to outlying portions of such areas. The Associations explain that, among other things, the practical difficulties associated with such a measure would complicate already-complex reforms and would likely undermine other FCC objectives, such as constraining growth in the size of the fund.

The Associations also note that the proposals included in the Consensus Framework establish a reasonable transition path for reforming RLEC-terminating ICC rates and should be adopted as proposed. In particular, the proposed Restructure Mechanism described in the RLEC plan and incorporated in the Consensus Framework is critical to successful ICC reform.

A number of additional recommendations in regard to the Public Notice are also included in the filing.

“We believe that the adoption of the RLEC plan as part of a broader Consensus Framework is a win-win for all parties,” stated Kelly Worthington, WTA’s Executive Vice President. “If the FCC wants to achieve President Obama’s goal of bringing broadband to rural America and then making sure that it stays there, we strongly urge the FCC to implement the Consensus Framework as soon as possible.”

For more information on this critical issue for rural America, the Rural Telecom Associations have launched a website, www.SaveRuralBroadband.org, a Facebook fan page, “Save Rural Broadband,” a Twitter handle, @SaveRuralBB, and a “Save Rural Broadband” YouTube channel, to inform consumers and encourage them to contact members of Congress to urge them to tell the FCC to support the Consensus Framework. A full copy of this filing can be found on the website under the “Get the Facts” tab.

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*The **National Exchange Carrier Association, Inc.**, a membership association of U.S. local telephone companies, is dedicated to keeping customers connected on state-of-the-art communications networks. Our services help more than 1000 members across rural America deliver high-speed multi-use broadband services. 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 460 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.*

***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. Visit us at www.w-t-a.org.*