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Bloomfield Testifies That Universal Service Supports Universal Economy

Rural Telecom Contributes \$9.6 billion to Urban Markets through Purchased Goods

October 12, 2011 (Washington, DC) – Shirley Bloomfield, CEO of the National Telecommunications Cooperative Association (NTCA), testified on behalf of NTCA, the Organization for the Promotion and Advancement of Small Telecommunications Companies (OPASTCO) and the Western Telecommunications Alliance (WTA) before the Senate Committee on Commerce, Science and Transportation today in the matter of “Universal Service Reform—Bringing Broadband to All Americans.” She testified that rural telecom companies create rural jobs, fuel the rural economy and connect rural America to the world. She also noted that a recently released study showed that rural telecom also contributes \$9.6 billion to urban areas through purchased goods. “We speak of universal service, but we really need to view these programs in the context of a universal economy,” she stated. “Flash-cuts or ill-advised reforms would undermine economic recovery and growth.”

Bloomfield acknowledged that while the high-cost portion of the USF program has worked well, the time has come for change in the universal service system to create greater predictability and promote a broadband future. “Reforms must be surgical and well-planned,” Bloomfield stated. “We must build upon what has worked, while repositioning the systems for a sustainable future.”

In their reform proposals, the rural telecom industry was mindful of the need to modernize the USF and ICC systems while at the same time ensuring fiscal responsibility and promoting accountability. “We looked also to the statutory mandate for universal service which is to promote availability and affordability of broadband on a sustainable basis throughout high-cost areas,” Bloomfield testified.

The telecom industry came together in recent months to create a “Consensus Framework” that was submitted to the FCC in late July. “The Consensus Framework is comprised of two distinct but complementary plans—the RLEC Plan for rural areas served by small carriers and the America’s Broadband Connectivity Plan for areas served by larger and mid-sized providers,” Bloomfield told the committee. She noted that no one in the industry is getting everything they want; everyone is sacrificing for the greater good of reform. She added, “The Consensus Framework provides the only reasonable path forward for USF and ICC reform.”

Bloomfield also tackled the debt reduction issue during the hearing stating that a “raid” on USF could derail the decade long pursuit of USF reform. “There can be no doubt regarding the severe nature of the debt crisis and the need to address it with due speed. Nevertheless, both legal precedent and good policy confirm that the privately managed and funded USF program has no place in these public debt discussions,” Bloomfield stated.

She reminded the Senate Commerce Committee that the rural telecom industry heeded the FCC’s call for reform and came up with a detailed plan, sought industry consensus and provided detailed data to the FCC to support better-informed reform. “Now we need the FCC to enable small carriers of last resort to fully meet their most important challenge—the delivery of affordable, high-quality broadband to millions of rural Americans who depend upon such access.”

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*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.*