Resolution Addressing Rural Call Termination Issues

WHEREAS, On July 20, 2011, the NARUC Board of Directors adopted a Resolution on Federal/State Joint Efforts to Address and Resolve Call Termination Issues; *and*

WHEREAS, That resolution encouraged the Federal Communications Commission (FCC) to reaffirm its decision in its Call Blocking Declaratory Order, "that no carriers, including interexchange carriers, may block, choke, reduce or restrict traffic in any way;" *and*

WHEREAS, That resolution encouraged the FCC to expand its earlier finding that all providers comply with industry standards and best practices when routing traffic thereby not interfering with the quality of the transmission; *and*

WHEREAS, That resolution also encouraged the FCC and State commissions to take all appropriate actions to protect consumers by immediately addressing the call termination issues that exist; *and*

WHEREAS, On October 18, 2011, the FCC convened a workshop to address rural call routing and call termination issues; *and*

WHEREAS, Participants in that workshop described the rural call termination issues as serious, widespread, and threatening public safety, homeland security, and consumer welfare in rural America; *and*

WHEREAS, On February 6, 2012, the FCC's Wireline Competition Bureau took much needed action when it released a Declaratory Ruling addressing rural call termination issues; *and*

WHEREAS, The Declaratory Ruling stated that it is an unjust and unreasonable practice, in violation of section 201 of the Act, "for a carrier that knows or should know that it is providing degraded service to certain areas to fail to correct the problem or to fail to ensure that intermediate providers, least-cost routers, or other entities acting for or employed by the carrier are performing adequately;" *and*

WHEREAS, The Declaratory Ruling made clear that section 503(b)(2)(B) of the Telecommunications Act authorizes the FCC to assess forfeitures of up to $150,000 for each violation or each day of a continuing violation, up to a statutory maximum of $1,500,000 for a single act or failure to act; *and*

WHEREAS, In April 2012, after the release of the Declaratory Ruling, the National Exchange Carrier Association (NECA) conducted a test call project to assess the status of the rural call termination issues; *and*

WHEREAS, NECA originated 7,400 test calls in 30 States terminating to test lines in 40 States; *and*

WHEREAS, Test lines were located in both rural and non-rural locations; *and*

WHEREAS, On May 21, 2012, NECA filed an ex-parte letter stating that members of various associations representing rural telephone carriers had met with staff from the FCC's Enforcement Bureau and Wireline Competition Bureau to discuss the results of NECA's recent test call project; *and*

WHEREAS, The test call results showed call termination issues in rural areas were still at unacceptable levels, although overall call termination and call quality problems did improve since NECA's previous test call project conducted in September 2011; *and*

WHEREAS, Overall incompletion rates for calls placed to rural test lines remained 13 times higher than the incompletion rates for calls placed to non-rural test lines; *and*

WHEREAS, Of the 100 rural telephone lines tested, one-in-five experienced incompletion rates of 10 percent or greater and one-in-three had a "total issues" (call failure, poor voice quality, or delayed set-up) rate greater than 20 percent; *and*

WHEREAS, The rural call termination issues remain serious, widespread, and continues to threaten public safety, homeland security, and consumer welfare in rural America; *and*

WHEREAS, Rural call termination issues continue, and it appears that some carriers are not taking the Declaratory Ruling seriously; *and*

WHEREAS, The call termination issues seem unlikely to be resolved unless and until a provider that has failed materially and repeatedly to route calls to destinations as sought by originating callers faces serious consequences for such failures; *now, therefore be it*

RESOLVED, That the Board of Directors of the National Association of Regulatory Utility Commissioners, convened at its 2012 Summer Committee Meetings in Portland, Oregon, commends the FCC for its efforts over the past year to resolve the rural call termination issues, in particular, with the release of the Declaratory Ruling, on February 6, 2012; *and be it further*

RESOLVED, That the FCC should continue its work to expeditiously identify providers that have not resolved practices that result in call termination issues identified in the February 6, 2012, Declaratory Ruling; *and be it further*

RESOLVED, That upon identifying providers that are not in compliance with the February 6, 2012, Declaratory Ruling, the FCC should take appropriate and swift action consistent with the penalties set forth in the February 6, 2012, Declaratory Ruling in order to restore public safety, homeland security, and consumer welfare in rural America.

Sponsored by the Committees on Telecommunications and on Consumer Affairs
Adopted by the NARUC Board of Directors July 25, 2012