



For Immediate Release

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

Groups Urge FCC to Adopt RLEC Plan as a Pragmatic and Balanced Step Forward

September 6, 2011 (Washington, DC) – 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) and the Western Telecommunications Alliance (WTA), filed reply comments with the Federal Communications Commission (FCC) calling on the FCC to adopt the Rural Rate-of-Return Incumbent Local Exchange Carrier (RLEC) Plan, as amended by the broader industry “Consensus Framework” submitted to the FCC on July 29, 2011, without further modification.

Further modifications, as proposed by some in certain recent comments to the FCC, would undermine universal service rather than promote reform and the interests of rural consumers. In addition to being unworkable and containing little, if any details, these “alternative proposals” and suggested modifications to the RLEC Plan would undermine the carefully balanced Consensus Framework and likely derail any meaningful reforms for the foreseeable future.

“Any one of these proposed changes to the amended RLEC plan could put practical and affordable reform in jeopardy,” said OPASTCO President John Rose. “The Rural Telecom Associations understand the need for reform, which is why we came together to arrive at a consensus approach that protects rural telecommunications customers. It is time for the FCC and the telecommunications industry to begin the work of implementing that plan.”

“The RLEC Plan is the product of substantial efforts over the past year to reorient the universal service fund and intercarrier compensation mechanisms. It builds upon the success of current systems, but enhances those systems to make them more sustainable,” said Shirley Bloomfield, Chief Executive Officer of NTCA. “With the RLEC Plan now being part of the broader Consensus Framework, the FCC has before it a reasonable and workable comprehensive solution to achieve reform without threatening the ongoing availability of affordable rural telecommunications services. We urge the FCC to adopt the amended RLEC Plan as filed and keep the government’s commitment to universal service for all.”

Specifically, the reply comments filed today by the Rural Telecom Associations urge the FCC to:

- Not delay needed reforms to the Universal Service Fund (USF) and Intercarrier Compensation (ICC) rules;

- Avoid pursuit of impractical, last-minute, and/or ill-defined proposals when the more detailed RLEC Plan provides a clear and sensible roadmap for reform;
- Reject proposals that “cherry pick” or modify provisions of the RLEC Plan, such as suggestions to impose a hard cap on high-cost funding or implement supposedly “competitively neutral” support mechanisms such as reverse auctions;
- Refrain from modifying the proposed Restructure Mechanism (RM) calculation or phasing out the RLEC RM; and
- End phantom traffic arbitrage and confirm that non-local Voice over Internet Protocol (VoIP) traffic that originates or terminates on the PSTN is subject to payment of access charges.

“Policymakers have been trying to reform USF and ICC for a very long time. The Consensus Framework presents the best opportunity to achieve that goal. Therefore, the time for further debate should end and this process needs to move to resolution. Rural telecommunications providers have had to fear the FCC’s proposed USF and ICC reforms long enough. It is time for the FCC to implement our plan as part of a Consensus Framework as soon as possible and bring some stability to the telecommunications industry so rural consumers can receive the best broadband service possible,” stated Kelly Worthington, WTA’s Executive Vice President.

For more information on this critical issue for rural America, the NTCA, OPASTCO and WTA 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.

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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 includes 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.*