



FOR IMMEDIATE RELEASE

**Contact: Derrick Owens
202-548-0202, derrick@w-t-a.org**

WTA Welcomes FCC Action on Budget Control Mechanism

WASHINGTON, D.C. (May 10, 2022) – WTA – Advocates for Rural Broadband is gratified to see the FCC, in actions today, waive the Budget Control Mechanism (BCM), for at least another year.

If the BCM were to have gone into effect on July 1 of this year, it was expected to reduce the support of CAF-BLS/HCLS recipients by 13.9%. Based on previous projections of a BCM between 12 and 15 percent, WTA members had estimated that the BCM would result in revenue losses of between a quarter and a half million dollars a year for many smaller rural local exchange carriers (RLECs) and revenue losses that approach or exceed a million dollars a year for many larger RLECs. This would have impaired the ability of affected RLECs to extend and upgrade their broadband networks, repay loans, maintain service quality and retain their staffs and would have created pressures for rate increases.

“WTA strongly support the FCC’s actions to spare small broadband providers serving rural areas the worst effects of the BCM for another year,” said Derrick Owens, Senior Vice President of Government & Industry Affairs. “

“Our members are working hard to deploy more broadband throughout their service territories and the reduction in funding would have definitely had a negative effect. So, we’re extremely grateful to FCC Chairwoman Rosenworcel and her colleagues for voting to waive the BCM in such a timely manner. Although we believe the FCC should eliminate the BCM entirely, we very much appreciate today’s action because it provides certainty the companies need now to be able to meet customer demand.”

###

WTA – Advocates for Rural Broadband is a national trade association that represents more than 360 small, rural telecommunications carriers providing voice, broadband and video-related services in the United States. 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. To learn more about WTA, visit www.w-t-a.org.