



NEWS

Federal Communications Commission
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This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action.
See MCI v. FCC, 515 F 2d 385 (D.C. Circ 1974).

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FCC SEEKS COMMENT ON ALLEGED ACCESS STIMULATION

Commission Also Grants In Part Qwest Access Stimulation Complaint

Washington, D.C. – The Federal Communications Commission today initiated a rulemaking proceeding to investigate cost and tariffing issues raised by allegations that some rural local exchange carriers (LECs) are experiencing significant increases in access demand, resulting in unreasonable access rates.

The Commission notes that chat lines, conference calling and similar services can generate substantial growth in access traffic to the LECs from long-distance companies, which pay access fees to LECs at tariffed rates for every call delivered. The tariffed rates are set at levels targeted to recover the costs of providing access. Although it is reasonable for LECs to seek to increase demand for their services, rates should remain just and reasonable over time as costs and demand change. The Commission tentatively concludes that it must revise its rules so that tariffed rates remain just and reasonable even if a carrier experiences significant increases in access demand.

The Commission asks for comment on several possible approaches to address alleged access stimulation strategies. For example, one proposal would require carriers to file revised tariffs if demand increases beyond a threshold level. The Notice requests information about rate-of-return LECs, price-cap LECs, and competitive LECs.

In addition to the NPRM, the Commission today granted in part a formal complaint, filed by Qwest Communications Corporation, alleging that a rural telephone company had violated the Communications Act. The Commission found that Farmers and Merchants Mutual Telephone Company of Wayland, Iowa, earned an excessive rate of return but ruled that Qwest could not recover damages because the Farmers tariff at issue was “deemed lawful” under the Act.

Action by the Commission, October 2, 2007 by Notice of Proposed Rulemaking (FCC 07-176). Chairman Martin, Commissioners Copps, Adelstein, Tate, and McDowell.
Docket No.: 07-135

Action by the Commission, October 2, 2007, by Memorandum Opinion and Order (FCC 07-175). Chairman Martin, Commissioners Copps, Adelstein, Tate, and McDowell.

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