

Media Contact:

Mark Wigfield, (202) 418-0253
mark.wigfield@fcc.gov

For Immediate Release

**FCC REPEALS UNNECESSARY POLICY THAT RAISES RURAL
PHONE RATES**

‘Rate Floor’ Outlived Usefulness, Hurts Vulnerable Consumers

WASHINGTON, April 12, 2019—The Federal Communications Commission today eliminated a rule that would have imposed a nearly 50% increase in local telephone rates for many rural consumers on July 1.

Known as the “rate floor,” the 2011 rule was aimed at limiting universal service support received by rural carriers whose rates are below a set minimum rate. However, the practical effect of the rate floor has been to artificially raise telephone rates for many rural Americans, including elderly and low-income Americans, and consumers who keep a phone for limited purposes, such as 911 calls.

Absent action by the FCC, the rate floor was scheduled to rise from \$18 to \$26.98 on July 1, nearly a 50% increase for rural consumers. Elimination of the rate floor was supported by a diverse coalition of stakeholders, including the AARP, the National Consumer Law Center, and the National Tribal Telecommunications Association.

By eliminating the rate floor, the FCC has repealed a de facto federal government mandate that increased rates paid by rural Americans. Today’s action is consistent with the FCC’s statutory responsibility to ensure that rural consumers receive quality services at just, reasonable, and affordable rates, and that rural carriers continue to receive the predictable and sufficient universal service support needed to serve high-cost areas.

Action by the Commission April 12, 2019 by Report and Order (FCC 19-32). Chairman Pai, Commissioners O’Rielly, Carr, Rosenworcel, and Starks approving and issuing separate statements.

WC Docket No. 10-90

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Media Relations: (202) 418-0500 / ASL: (844) 432-2275 / TTY: (888) 835-5322 / Twitter: @FCC / www.fcc.gov

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