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## FCC Votes 5-0 to Adopt Rural Call Completion Order/FNPRM, Rural BDS Price Cap NPRM

The FCC unanimously approved rural calling and business data service items at its commissioners' meeting Tuesday. An order and Further NPRM seek to improve rural call completion (RCC) by making originating long-distance providers accountable for intermediate carrier performance and by launching a rulemaking to implement a new rural call quality law. A separate NPRM looks at allowing certain rural telcos to shift their BDS offerings from rate-of-return regulation to incentive-based price caps. Commissioners cited some changes made to drafts ([here](#) and [here](#)) circulated by Chairman Ajit Pai (see [1803280046](#)). Commissioner Mike O'Rielly again backed an extended jurisdictional separations freeze (see [1802230019](#)).

The RCC order requires long-distance providers that select routes to monitor performance of intermediate carriers handling calls, establish a point of contact and ensure remedial actions for problems, said a [release](#). Covered providers will no longer be required to comply with reporting obligations the agency found ineffective. The NPRM seeks comment on crafting rules to implement the Improving Rural Call Quality and Reliability Act, which requires intermediate providers to register with the FCC, bars covered providers from using non-registered intermediate providers, and mandates the agency set service-quality standards for intermediate providers.

Pai said the order will more effectively address rural calling problems: "Holding covered providers responsible for addressing call completion issues should reduce the likelihood of a call failure in the middle of the calling chain." He said the FCC was ending covered provider paperwork requirements that were "unduly burdensome and not as helpful" as hoped, after staff found problems with the information collection precluded commission conclusions. "That just doesn't cut it," he said. To help with implementing the new law, he said, the agency will "preserve for now the recording and retention requirements for the data that covered providers" have submitted.

Enforcement capability is enhanced by holding covered providers responsible, said Commissioner Mignon Clyburn, at her last meeting (see [1804170056](#)). She thanked colleagues for including language to direct staff to monitor call completion issues and report on the effectiveness of rules, and for accommodating requests to treat "adherence to best practices in the ATIS Rural Call Completion Handbook as a safe harbor" and require "covered providers to respond to rural carriers

complaining of [RCC] issues within a single business day." Commissioner Jessica Rosenworcel said the agency is fine-tuning efforts to help end rural calling problems, noting further adjustments may be needed.

Commissioner Brendan Carr said edits on monitoring duties make clear "we are focused on ensuring the covered providers make reasonable efforts to address persistent call completion problems." Citing FCC reliance on "covered providers using contractual provisions to address the conduct of intermediate providers," he thanked colleagues "for agreeing to establish a reasonable transition period for providers to review their contracts and implement any necessary changes." The FCC might "have been wise to see the impact of the new law before considering broader changes to our rules," said O'Rielly's written statement, but he appreciated efforts to "help ensure that providers who take reasonable steps to safeguard against [RCC] problems are not subject to unwarranted enforcement actions."

NTCA wasn't wedded to the reporting specifics and hopes the FCC "will remain vigilant" and "be responsive" if there's "backsliding," **said** CEO Shirley Bloomfield. USTelecom CEO Jonathan Spalter **called** the action a "meaningful step toward ensuring" RCC issues are resolved "without unnecessary regulatory costs." Public Knowledge Vice President Chris Lewis **welcomed** efforts to implement the new law but voiced concern about the reporting rollback and urged the FCC to track results.

The BDS notice eyes allowing rate-of-return telcos receiving USF support via the Alternative Connect America Cost Model (A-CAM) to elect to migrate their lower-speed traditional circuit-switched BDS offerings to price caps and be relieved of cost-study requirements, said a **release**. It also seeks comment on: possible elimination of ex-ante pricing regulation for packet-based and higher-speed traditional BDS; a possible competitive market test to determine where pricing relief might be granted to lower-speed traditional service; and allowing other rate-of-return carriers to opt into the regime.

A-CAM carriers could "take money and effort currently wasted on regulatory compliance and devote them to better networks and services, while also strengthening incentives for operational efficiencies and innovation," Pai said. "We are aiming to free up additional capital that these smaller providers can use to build out their networks, hire new employees, and serve additional customers," Carr said.

O'Rielly said a move to price caps should usher in elimination of other legacy regulations, "involving Part 32 accounting, tariffing, cost assignment and jurisdictional separations." He said the shift also undercuts the need to revamp separations rules and renewed his call for extending a current freeze for 15 years, "hopefully in the very near future."

Clyburn thanked colleagues for agreeing to seek comment on whether there's enough competition to eliminate ex-ante pricing regulation for higher capacity rural BDS, rather than proposing such elimination based on market analysis excluding their areas: "We need to assess the number of providers necessary for true competition to discipline the market." Rosenworcel said she would look at the record "carefully."

ITTA and USTelecom, which petitioned for rural BDS price caps, praised the action ([here](#) and [here](#)). NTCA [welcomed](#) the potential flexibility.

Also at Tuesday's meeting, for votes on a national security/USF proposal, among other items: [1804170038](#); and for auctions that could lead to spectrum for 5G deployments: [1804170036](#).

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