

# State of Vermont House of Representatives

Montpelier, Vermont



## Joint House Resolution

J.R.H. 7

Joint resolution relating to the reliability of rural telephone service

Offered by: Representatives Stevens of Shoreham, Young of Glover, Buxton of Tunbridge, Conquest of Newbury, Devereux of Mount Holly, Greshin of Warren, Martin of Springfield, Shaw of Pittsford, Toleno of Brattleboro, and Zagar of Barnard

Whereas, business, government, school, and residential telephone customers are entitled to high-quality 21st century service, but long distance telephone service to many rural areas has fallen below this expected level of technical performance, and

Whereas, the cause of this service deterioration appears to be the financially based decisions, referred to as least cost routing, of national retail long distance carriers (interexchange carriers) in selecting the routes and intermediate connecting carriers used to transmit a telephone call or fax to a local rural carrier, and

Whereas, a recent story in the *Addison Independent* brought the problem close to home, describing the difficulties customers of the Shoreham Telephone Company are encountering and reporting on the customers' experiencing serious public safety and economic implications if this situation is not remedied, and

Whereas, in July 2011, the National Association of Regulatory Utility Commissioners (NARUC) adopted a resolution urging state utility commissions and the Federal Communications Commission (FCC) to take necessary action to stop the interexchange carriers from making routing decisions that impact the quality of long distance telephone service to rural carriers and their customers, and

Whereas, on February 6, 2012, the Wireline Competition Bureau (the bureau) of the FCC issued a declaratory ruling (the declaratory ruling) in which the bureau found evidence of "a pattern of call completion and service quality problems on long distance calls to certain rural areas," and local incumbent exchange carriers "have reported a sharp increase in complaints that long distance calls and faxes are not reaching their customers," and

Whereas, in the declaratory ruling, the bureau emphasized the FCC's "longstanding prohibition on carriers blocking, choking, reducing or otherwise restricting traffic" and noted that several state regulatory authorities and trade associations representing rural carriers have stated that this problem is a threat to "the public safety, homeland security, consumer welfare, and economic well-being in rural America," and

Whereas, the declaratory ruling also warned the interexchange carriers that the practices being complained about may constitute a violation of certain FCC rules, and

Whereas, despite this declaratory ruling, the NARUC Board of Directors felt compelled to adopt a second resolution on July 25, 2012 that, while commending the declaratory ruling that detailed continuing problems in long distance service to rural carriers and their customers, called upon the FCC to "take appropriate and swift action consistent with the penalties set forth in the February 6, 2012, Declaratory Ruling," and

Whereas, on September 26, 2012, John Burke, Chair of the NARUC Communications Committee, wrote to Julius Genachowski, Chairman of the FCC, about the persisting problems and again asked for appropriate swift action against interexchange carriers providing inferior service to rural areas, and



Whereas, on December 3, 2012, 36 U.S. Senators, including both Senators Leahy and Sanders, wrote a joint letter to FCC Commissioner Julius Genachowski stating, “Should the Commission suspect an originating provider is violating its Declaratory Ruling, we urge the Commission to expedite its investigation,” and further stating that if the FCC suspects a provider is not properly delivering long distance calls to rural areas that the FCC should inquire if least call routing is being used to transmit the call, and

Whereas, on January 25, 2013, a meeting was held between officials representing the NARUC and senior FCC staff on the continuing problems consumers are encountering in placing long distance calls to rural carriers and their customers, and

Whereas, the FCC has now recognized that despite the issuance of the February 6, 2012 declaratory ruling, delivery of long distance calls to rural carriers and customers remains unsatisfactory, and

Whereas, consequently, on February 4, 2013, the FCC adopted a Notice of Proposed Rulemaking (NPRM) in which the FCC “seek(s) comment on rules to help address problems in the completion of long-distance telephone calls to rural customers,” and

Whereas, in this new federal regulatory action, the FCC is not limiting the discussion to just interexchange carriers but is also looking at wireless providers, cable companies, local exchange carriers, and Voice over Internet Protocol services and their use of intermediate providers for long distance call transmission, and

Whereas, in its introductory statement, the FCC acknowledged that rural carriers “are reporting an alarming increase in complaints from their customers stating that long-distance calls and faxes are not reaching them or that call quality is poor,” and

Whereas, the FCC proposes to adopt rules that require:

- 1) facilities-based originating long distance providers to measure the call answer rate for each telephone number to which 100 or more calls in designated categories were attempted during a calendar month;
- 2) providers to record information for each long-distance call attempt they handle;
- 3) if the originating provider is not facilities based, the various data collection and preservation requirements to apply to the first facilities-based provider in a transmission link;
- 4) categorization of long-distance call attempts according to call source type and terminating provider type; and
- 5) the use of a call answer rate as the basic measure of call completion performance, and

Whereas, the FCC notice allows for public comment on various aspects of the proposal, and

Whereas, the issuance of the NPRM is an important, although hardly final, step for the FCC in solving the problems of inadequate long distance telephone service to rural carriers and their customers, now therefore be it

Resolved by the Senate and House of Representatives:

That the General Assembly urges the Federal Communications Commission to follow through on its Notice of Proposed Rule Making to ensure that long distance telephone service to rural carriers and customers meets 21st century technical standards, and be it further

Resolved: That the Secretary of State be directed to send a copy of this resolution to Julius Genachowski, Chairman of the FCC, and to the Vermont Congressional Delegation.