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FOR IMMEDIATE RELEASE

NPSC APPLAUDS FCC ACTION COMBATTING RURAL TELEPHONE PROBLEMS

LINCOLN – The Nebraska Public Service Commission (NPSC) applauded action by the Federal Communications Commission (FCC) after receiving word the FCC’s Enforcement Bureau had taken steps to improve telephone service in rural parts of the country, including Nebraska. The FCC and Level 3 Communications, Inc., entered into a consent decree whereby Level 3 agreed to pay the federal government \$975,000 and to abide by call completion standards in the future.

In 2011, the NPSC opened an investigation into call completion problems reported by Nebraska customers. The NPSC also joined others, including Congress, in urging the FCC to take action on a national level.

“This action by the Enforcement Bureau represents a big first step in dealing with call failures experienced by Nebraskans.” First District Commissioner Frank Landis of Lincoln said. “More work is left to do, but this move by the FCC puts everyone on notice, poor service quality to customers is not going to be tolerated.”

The FCC said in its announcement, the rural call completion problem, in general, can be tied to long-distance carriers attempting to minimize the amount they pay to local telephone companies for completing long-distance calls. Many carriers utilize third-party “least-cost routers,” which attempt to connect calls at the lowest possible cost.

“The use of call routers has long been a part of the telecommunications industry,” Landis stated, “the problems arise when cost savings is prioritized over service.” Adding, “It is unfortunate companies must be reminded to put customers first.”

In addition to the \$975,000 payment that Level 3 will make, the company agreed to complete long-distance calls to local phone companies in rural areas at a 5% benchmark rate between rural and non-rural, report to the FCC beginning in January 2014 its compliance with the 5% benchmark every quarter, and pay an additional \$1 million to the government if the company misses the 5% benchmark in any quarter.

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