



NEWS

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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 MAINTAINS LOWER ACCESS RATES CHARGED BY COMPETITIVE CARRIERS

Competitively-Priced Long Distance Services Preserved

Washington, DC – The Federal Communications Commission (FCC) today clarified rules governing interstate access services provided by competitive local exchange carriers (LECs) to interexchange carriers (IXCs). These clarifications should ensure that access rates paid to competitive LECs by long distance carriers remain reasonable, which will help keep long distance services competitively priced.

Today's action generally maintains the rules adopted by the FCC in April 2001, which limited competitive LECs' access charges to benchmark rates no higher than the rates charged by incumbent LECs, with some exceptions. The FCC adopted these rules in response to access rates which had been set by some competitive LECs at excessive levels, leading to numerous disputes with IXCs and possible rate increases for IXC customers. Competitive LEC access rates are considerably lower and generally disputes are less frequent since the FCC rules first were adopted three years ago.

The Order adopted today reaffirms the benchmark regime adopted in 2001, denies a number of petitions for reconsideration that would result in increased access rates, and clarifies several issues to provide greater regulatory certainty to competitive LECs and IXCs, including:

- A competitive LEC is entitled to charge the full benchmark rate if it provides an IXC with access to the competitive LEC's own end-users.
- The access rate a competitive LEC charges for access components when it is not serving the end-user should be no higher than the rate charged by the competing incumbent LEC for the same functions.
- The "competing ILEC rate" for a competitive LEC switch is the end office switching rate when a competitive LEC originates or terminates calls to its end-users and the tandem switching rate when a competitive LEC passes traffic from one carrier to another.

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- A pre-subscribed interexchange carrier charge (PICC) may be imposed by a competitive LEC qualifying for the rural exemption in addition to the rural benchmark rate if, and only to the extent that, the competing incumbent LEC charges a PICC.

For most competitive LECs, the current benchmark rate is set at \$0.012 per minute until June 21, 2004. After that date, competitive LECs generally will not be permitted to charge rates higher than the competing incumbent LEC's rates. Rural competitive LECs that compete with non-rural incumbent LECs may charge a rate based on NECA tariffed access rates.

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Docket No.: 96-262

Action by the Commission May 13, 2004, by Eighth Report and Order and Fifth Order on Reconsideration (FCC 04-110). Chairman Powell, Commissioners' Abernathy, Copps, Martin, and Adelstein; with Chairman Powell issuing a statement.

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