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ALTS HAILS CLEC VICTORY IN GAINING NONDISCRIMINATORY ACCESS TO UNIVERSAL SERVICE FUNDING

WASHINGTON, D.C. AUGUST 11, 2000 – The Association for Local Telecommunications Services (ALTS), the leading national organization representing facilities-based competitive local exchange carriers (CLECs), today celebrated an FCC ruling that helps CLECs gain eligible telecommunications carrier (ETC) status to receive universal service funding.

In a Declaratory Ruling released yesterday, the FCC determined that states cannot require carriers to provide service throughout the entire service area before getting ETC status for receipt of Federal universal service funding. Under such rules, incumbent local exchange carriers (ILECs) would be the only carriers eligible for ETC status and receipt of universal service support. Such a requirement would have the effect of prohibiting prospective entrants from providing telecommunications service in high-cost areas and deprive consumers of the benefits of competition, said the FCC.

“The FCC today affirmed Congressional intent to promote access to telecommunications services in rural and high-cost areas of the nation,” said John D. Windhausen, Jr., President of ALTS. “No competitor could reasonably enter a high-cost market and provide a service that the incumbent carrier already provides at a substantially supported price. Equal access to universal service funding ensures that the benefits of competition extend to consumers in high-cost areas.”

The FCC Ruling stressed that the requirements imposed by state public utility commissions (PUCs) must be competitively neutral to be consistent with the 1996 Telecommunications Act. Universal service support mechanisms and rules must not unfairly advantage or disadvantage one provider over another.

“The Commission correctly reasoned that requiring a competitive carrier to provision service throughout the entire service area prior to ETC designation violates the principle of competitive neutrality and effectively precludes competitive carriers from providing telecommunications services to high-cost areas,” said Jonathan Askin, ALTS’ General Counsel. “Preempting such discriminatory rules is necessary to ensure that rural America obtains the benefits of a competitive telecommunications market.”

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ALTS is the leading national industry association whose mission is to promote facilities-based local telecommunications competition. Created in 1987, ALTS has offices in Washington, D.C. and Irvine, California and now represents more than 200 companies that build, own, and operate competitive local networks. For more information on ALTS, contact Crawford Public Relations at 703-318-5460 or visit www.alts.org.

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