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SPECIAL BULLETIN

Federal Local Rate Floor *Changes May Be Made*

In the materials accompanying the FCC’s announcement of its tentative agenda for its May 18, 2017 Open Meeting was an item related to the current local rate floor adopted in 2011 and later revised. The current phase-in local rate floor (effective 7/1/17, for rates in effect at 6/1/17) is \$20, an increase of \$2 over last year’s phased-in rate floor. The FCC is apparently considering an Order and Notice of Proposed Rulemaking that, if passed, could affect many companies that have increased or are considering to increase residential local rates to \$20 effective 6/1/17.

Following is the statement from the [Open Meeting Agenda Notice](#):

The Commission will consider a Notice of Proposed Rulemaking that proposes to eliminate a rule requiring rural telecommunications service providers receiving USF support to impose higher minimum monthly rates on their customers than the rates paid by some of their urban counterparts, or otherwise lose some USF support. The Commission will also consider a related Order that would freeze the current rate. (WC Docket No. 10-90)

The FCC has also released a [public draft](#) of the Order and NPRM that includes a one-page fact sheet.

While clearly good news for most companies, the timing could cause some problems, especially for those who have already implemented the rate increase or are taking steps to do so. While we assume the FCC will pass this item, it won’t be official until May 18, which may cause timing issues for some companies who may want to reverse the increase to \$20 or roll back steps already taken to implement the increase.

Please let us know if you have any questions.



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Questions? Comments?

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