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For Immediate Release

FCC Eliminates Dated Phone Industry Rules

WASHINGTON, December 17, 2015 – Moving to eliminate regulatory burdens that can stifle investment, while maintaining core protections for consumers and competition, the Federal Communications Commission today voted to no longer enforce multiple dated rules governing legacy local phone companies, known as incumbent local exchange carriers, or ILECs.

The FCC granted full or partial forbearance from most of the categories of rules covered by a petition for forbearance filed by U.S. Telecom, an industry trade association. A number of these rules were pre-conditions to the ability of the former “Baby Bell” telephone companies to offer long distance telephone service, a process that was completed over a decade ago. With the long distance service market very different today than it was then, these rules generally no longer are necessary to protect consumers or competition.

However, the FCC maintained rules still needed to ensure that consumers in rural areas and low-income consumers have access to affordable phone service. And it preserved rules that continue to protect competition in the market for telecommunications services to businesses and other enterprises.

The Order eliminates (grants forbearance from):

- 1990s-era rules that governed the entry of the Baby Bell local phone companies into the long-distance marketplace – rules that largely are irrelevant and duplicative in today’s changed marketplace
- 1980s “equal access” rules protecting stand-alone residential long-distance, a product that is disappearing
 - *Equal access “grandfathered” for remaining subscribers to stand-alone long-distance, although ILECs may seek permission to eliminate equal access for these customers if they can demonstrate how the consumers will be protected*
- Outmoded requirements from the 1980s and 1990s that required ILECs to provide access to their networks for competitive providers of “enhanced services” such as voice mail and fax – subject to a discontinuance process to ensure a smooth transition.
- Costly, rarely used rule requiring ILECs to provide a voice-grade channel (64 Kbps) on fiber networks for use by other providers

The Order does not eliminate (denies forbearance from):

- Obligation to provide voice service to consumers living in rural areas at affordable rates

- Prohibition of using “contract tariffs” for business data services in areas not previously deemed to be competitive
 - *FCC is engaged in business data services reform, which could result in lower prices and more competition*
- Safeguards for enterprise stand-alone long-distance, protecting competition in this market, which has different characteristics than the consumer market
- **The Order partially eliminates: (grants partial forbearance from):**
 - Required sharing of newly-deployed ILEC entrance conduits
 - No sharing required for new entrance conduits in new developments (greenfields), where competitors have equal opportunity to build
 - Sharing of newly deployed entrance conduit in existing developments (brownfields) still required, given the advantages the incumbent LECs enjoy in these situations.

For more information about forbearance petitions, visit <https://www.fcc.gov/wireline-competition/competition-policy-division/forbearance/general/forbearance>

Action by the Commission, December 17, 2015, by Memorandum Opinion and Order and Report and Order (FCC 15-166). Chairman Wheeler and Commissioner Rosenworcel approving, with Commissioners Clyburn, Pai, and O’Rielly approving in part and dissenting in part. Chairman Wheeler, Commissioners Clyburn, Rosenworcel, Pai, and O’Rielly issuing statements.

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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. Cir. 1974).