

WASHINGTON -- The Federal Communications Commission is considering rule changes that could hurt rural phone carriers, Midlands lawmakers say.

The commission has scheduled a meeting for Tuesday, the same day that millions of Americans will go to the polls to elect the next president.

On the agenda is a proposal to standardize and reduce the fees phone carriers charge one another for using their networks.

FCC Chairman Kevin Martin has suggested that such fees should be uniform across the country and suggested a rate that works out to 70 cents per thousand minutes.

The problem is that small local carriers serving rural areas tend to charge fees several times more than that because it costs more per customer to provide phone service to rural areas, said Gene Hand, director of the Nebraska Public Service Commission's telecommunications department.

"We have distance and density factors that drive costs that are way different from more urban locations in the country," Hand said.

Rural carriers, along with Nebraska and Iowa lawmakers, have asked the FCC to slow down and take more time in considering the change. Sen. Ben Nelson, D-Neb., along with Sens. Chuck Grassley, R-Iowa, and Tom Harkin, D-Iowa, sent a letter to Martin in which they argued that the proposal would have negative consequences, including hindering the spread of rural broadband. "While our home states and other states with large rural areas continue to make strides in expanding their wireless and broadband capabilities, there are still areas having no service or unreliable service," they wrote. "Agreeing to this intercarrier rate proposal at this time could curtail rural America's ability to continue to make those strides."

They said the commission is rushing forward and complained about the lack of public comment.

Nelson said Nebraska companies losing revenue could lead to layoffs, deterioration of service or higher fees. He said 375,000 Nebraska customers could be affected.

□ **Rep. Lee Terry, R-Neb., and other House members sent their own letter earlier in the week, stressing the need for more time to let the public weigh in.**

□ **"It is essential that you place the proposal before the public for review and comment before acting," they wrote.**

FCC spokesman Robert Kenny defended the proposal, saying it will improve outdated programs by requiring uniformity and accountability throughout the industry.

Kenny said that contrary to what some are saying, the exact level of rates that carriers can charge would be left up to the states, although they would be capped at a level far below what many are charging now.

As for criticism about opportunities for public comment, Kenny said the proposal on the table results from longstanding discussions that have included public comment.

"Certainly, this is an issue that has been debated within Washington in recent years," he said.

Hand said the commission could still put off the matter or make changes to the proposal that

would help protect carriers.

"We're all working off of rumors . . . there's been no real public vetting of what's in this," Hand said.

