

## **Rural Phone Service Protected Under Provision in VoIP Legislation**

A three-page telecommunications bill recently signed by Governor Rendell could end up being a savior for affordable rural local phone service. It did not start out that way. The legislation, SB 1000, keeps government regulators away from a growing Internet phone service, VoIP. But it also statutorily requires payments to local phone carriers that provide wireline service to thousands of rural Pennsylvanians. As originally written, SB 1000 contained no such guarantee.

Vice President of the Pennsylvania Telephone Association, Steve Samara, said the original version of SB 1000 would have allowed VoIP providers, using the networks of local telephone carriers to complete calls, to refuse to pay fees, or access charges, to those rural companies.

“The new law essentially blocks government agencies from interfering with VoIP services,” Samara said. “We have no problem with that. The trouble for our members is that the language calling for freedom from regulation could be construed to override existing law requiring the payment of access charges.”

The existing law is Act 183 of 2004, a comprehensive telecommunications law that, among other things, requires the deployment of broadband statewide. The law also states that companies using the local networks of other carriers must pay for the use of the networks.

Samara said that if the access charge provision were not in SB 1000 companies could refuse to pay, and yet the local carriers would still be required to complete the calls.

“It’s well-documented state and federal regulation policy,” Samara said. “We can’t refuse to connect calls. And it’s good law especially for those in hard to reach areas. But without that access charge provision, our members would carry the costs with no reimbursement.”

The law covers fixed VoIP, calls that originate from a computer through the Internet services of a cable company or larger telephone company and use a local network to finish a call to a wireline phone.

The rural phone companies already compete at a disadvantage. Unlike many of their competitors, local carriers fall under state and federal regulations. Without the ability to collect access charges, the companies would struggle to survive.