



## Local Service Rate Floor Frozen

In today's May 18, 2017 Open Meeting, the FCC voted to freeze the current rate floor at \$18 and potentially later this year eliminate the local service rate floor rule and accompanying reporting obligations.

Since 2012, the FCC began the phase in of a national rate floor for carriers receiving high cost support. RLECs were forced to increase their local service rates to avoid facing a reduction of HCLS on a dollar-for-dollar basis to the extent that their local rates plus state fees were below the current rate floor. Recently, many of you made another increase to the \$20 per month per line rate as of June 1, 2017 from the previous \$18 per month per line rate as of June 1, 2016.

The Commission has recently recognized that this rate floor rule imposes high costs on your rural consumers without any corresponding federal benefit. This freeze will stay in effect until the FCC reviews its rate floor policy, or no more than two years.

### **Vantage Point can help.**

If you have questions regarding the rate floor elimination and current freeze or if you would like Vantage Point's assistance, please contact:

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