



NARUC
National Association of Regulatory
Utility Commissioners

For Immediate Release

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NARUC Addresses FCC Commissioner O’Rielly’s Comments on State Oversight of ETCs in Letter to Congress

WASHINGTON (June 30, 2020) — The National Association of Regulatory Utility Commissioners today sent a letter to members of Congress urging continued state oversight of eligible telecommunications carriers and participation in the long-established state-federal universal service partnership. The letter is intended as a supplement to the record of the June 24, 2020, Hearing on Oversight of the Federal Communications Commission, which included comments from FCC Commissioner Micheal O’Rielly that minimized and disparaged the role of state commissions.

Under current law, only carriers with an ETC designation can receive subsidies from the FCC’s Universal Service Fund to provide service and/or deploy broadband access network facilities and service. As detailed in the letter to Senator Roger Wicker (MS) and Senator Maria Cantwell (WA), chairman and ranking member, respectively, of the Senate Committee on Commerce, Science, and Transportation, states have a history of ferreting out waste, fraud and abuse.

Moreover, if subsidized carriers in the upcoming FCC Rural Digital Opportunity Fund auction are designated as ETCs, they will also be obligated to provide Lifeline service and thus fall under the scrutiny of state regulators, which will ensure proper use of taxpayer- and ratepayer-funded subsidies. For other ETC-designated providers, such as Voice-over-Internet-Protocol telephone service (and often broadband), states will, likewise, oversee those carriers’ expenditures to ensure that they actually meet RDOF broadband deployment commitments.

NARUC’s letter cites comments from then-FCC Commissioner (now Chairman) Ajit Pai on the need for state regulation and oversight, as he credited state commissioners on the Federal-State Joint Board for identifying instances of waste, fraud and abuse in the Lifeline program in 2010.

Another benefit in maintaining state watchdogs is that responses to consumer complaints and performing audits are better managed at the state level.

“If we are really serious about these programs and eliminating waste, fraud and abuse, then you must preserve state oversight of ETCs,” said NARUC President and Mississippi Commissioner Brandon Presley. “States are closer to the people and are, naturally, more responsive to complaints from their communities. It does not make sense to remove a trusted, responsible ally in serving the public interest.”

NARUC’s letter is available online at bit.ly/NARUC2020ETC.

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About NARUC

NARUC is a non-profit organization founded in 1889 whose members include the governmental agencies that are engaged in the regulation of utilities and carriers in the fifty states, the District of Columbia, Puerto Rico and the Virgin Islands. NARUC’s member agencies regulate

telecommunications, energy, and water utilities. NARUC represents the interests of state public utility commissions before the three branches of the federal government.