

Congress Investigates Rural LEC "Traffic Pumping"

February 19, 2010

The House Committee on Energy and Commerce has sent a February 16, 2010 letter to 24 rural local exchange carriers seeking information about their access charge services. The 24 carriers receiving the letters were chosen on the basis of responses to earlier letters sent to long distance carriers who complained of "traffic pumping" by some rural LECs. The Congressional letter expresses concern that "excessive rates for terminating access" will harm rural consumers because interexchange carriers will refuse to send traffic to those locations. It requests written responses to twelve questions by March 8, including information about the sharing of access revenues with other entities. In such cases, the letter seeks the identity of each such sharing party, the total percentage of revenues shared and a sample contract for sharing revenue. The letter also inquires about the amount of universal service support which the rural LECs receive. The LECs are asked to inform Congressional staff by March 1 if they intend to refuse to provide the information voluntarily, presumably so that it can be subpeonaed. The letter is signed by Committee Chairman Henry Waxman (D. CA) and subcommittee chairs Rick Boucher (D. VA) (Communications, Technology and the Internet) and Bart Stupak (D. Mich) (Oversight and Investigations).