Mr. Speaker, I rise today to introduce the "Rural Exemption Enhancement Act of 2001" (REEA). This modest proposal would ensure greater regulatory certainty for many of our nation's rural telephone companies as they continue their efforts to bring quality and affordable advanced telecommunications services to our communities. I am pleased that this legislation has been endorsed by the Organization for the Promotion and Advancement of Small Telecommunications Companies as well as Sierra Telephone Company in my home district.

More than five years ago, Congress passed comprehensive legislation to reform our nation's telecommunications laws - the Telecommunications Act of 1996. In crafting this legislation, Congress wisely included provisions which exempt rural telephone companies from the collocation, unbundling and resale obligations imposed upon incumbent local exchange carriers. Congress understood that these obligations would not serve the best interests of rural consumers and would deter investment in high-cost areas that are already challenging to serve due to a lack of economies of scale.

Mr. Speaker, it is important to note that the rural exemption accorded to rural telephone companies is not permanent and can be lifted by a State commission. Under section 251(f) of the Telecommunications Act, a new entrant may make a bona fide request to a State commission to lift a rural ILEC's exemption. Following a 120 day evaluation of the request, a State commission may lift the exemption if the request from the competing carrier is not found to be unduly economically burdensome, is technically feasible, and is consistent with the universal service provisions of the Act.

I am very concerned, however, that the lifting of a rural telephone company exemption by a State commission currently applies to both voice grade and advanced services. The current process for evaluating a petition to lift a rural exemption provides disincentive for small, rural carriers to make costly investment in advanced telecommunications service infrastructure. For these reasons, I am introducing the "Rural Exemption Enhancement Act."

My legislation should not in any way be interpreted to be a competing proposal to H.R. 1542, the "Internet Freedom and Broadband Deployment Act of 2001" passed by the House Energy and Commerce Committee. I am proud to be a cosponsor and active supporter of that proposal. The bill that I am introducing today would simply make it clear that a request to lift the voice grade exemption should be made and evaluated separately from the advanced services exemption.
Mr. Speaker, this Congress and the President will spend the remainder of this session developing legislation that is vital to our nation's economy and national security. I look forward to working with my colleagues to move this legislation forward next year before the 107th Congress adjourns sine die.

I ask that the full text of the legislation be printed in the Record at this time.