

TACIR Panel

January 27, 2017

Good morning. My name is Levoy Knowles and I am the Executive Director of the Tennessee Telecommunications Association (TTA). Our membership is made up of 21 of the small rural telephone companies and cooperatives scattered throughout Tennessee. Our members serve approximately 250,000 customers and pass over 352,000 homes and businesses.

I will only be addressing the research questions that pertain to our members. They include #'s 5-9.

5. Whether a flat rate communications service surcharge is the best manner in which to fund 911 system costs or whether such costs should be funded by a percentage surcharge or a different source, such as water service, electric service or state general funds or local taxes.

First of all, TTA members would encourage TACIR and the State of Tennessee to seek out other means of collection or funding to take place for the 911 service. The telephone bill has been used as a collecting source since the late 1980's. As everyone knows, telecom bills are already complicated, with the various taxes, FCC charges, and federal universal services charges. Each of these charges is difficult to explain to the consumer. The 911 charge is just one more charge that must be explained. The TTA would encourage at least researching the possibility of using water or electric bills as the collecting point.

If TACIR and the legislature decide to continue to collect the charge from local telecom bills, then we feel the flat rate collection process is by far the best method. This way, all providers collect and remit the same amount and there is no confusion as to different rates being collected in different jurisdictions or from different types of service such as cell phones vs landline. We have just moved from a variable rate approach where the local communication boards had some influence on the rate charged vs the current flat rate. The flat rate is

much easier to administer, collect and explain. If you keep the same collection structure, then the TTA highly encourages using the flat rate approach. Also, by charging all users the same flat rate amount, there is no discrimination between types of telecom providers such as cell companies, landline providers and so forth.

6. Whether the board membership of the state emergency communications board should be amended to include other stakeholders such as telecommunications providers, emergency communications districts that dispatch and other interested parties.

The TTA feels that all stakeholders should have a place on the state board and be represented. If you are expecting stakeholders to participate in the implementation, delivery of service and collection of fees process, then they should also be a part of the policymaking process. In addition, each of the stakeholders brings a different prospective to the table and their inclusion will help the board to make better informed decisions. Many of the local communications boards do include telecom representatives and it is a great method of keeping the communications between agency and provider at the highest level. The same is true for state board representation. There needs to be representation from each segment of the stakeholders.

7. Whether there is a need or benefit for the board to have the ability to raise the 911 surcharge rate should there be a financial reason to do so.

The TTA feels that providing 911 services is a local and/or state government responsibility. In providing this service, only the state legislature should be able to raise rates. Under the old process, local 911 communications boards had the authority to raise rates up to a maximum amount. Most of the boards that I am familiar with very quickly raised rates to this maximum level allowed. I feel if only the legislature is responsible for rate setting, this will provide much more oversight and accountability in reviewing expenses that are being incurred.

8. Whether there is a need or benefit for the providers of communications services to register with the board prior to providing service.

All of the TTA members have been collecting the 911 surcharge for many years and I see no need for them to register. But in the case of new providers, it would be reasonable to require them to register with the state board prior to providing service. Many new telecom companies are being formed such as IP-hosted providers and it is difficult to determine if they are collecting the correct amount or providing the appropriate service. In addition, they need to do proper testing with the local communications district to ensure 911 calls are being routed properly and to the correct PSAP. The district also needs to ensure that the correct 911 circuits are in place and working properly. There is normally a testing phase between the provider and the communications district to make sure everything is correctly working before turning up live circuits. Unless companies are required to register with the communications board, then this testing phase may not occur. The TTA encourages the registration of any new 911 providers.

9. Whether there is a need or benefit for providers of communications services to notify the board when there is a known service interruption.

All regulated telecom companies are already under an FCC required reporting requirement for outages. Once a telecom provider has an outage that hits a specified number of minutes such as 100,000 minutes, then regularly reporting is required to the FCC. Also, most of the small companies that make up the TTA are local and have very good working relationship with local 911 systems and already notify them of outages as they occur, although it may be more informally. Setting up a reporting process would seem appropriate and would require all providers to play by the same rules. The local district and possibly the state board should know when extended outages are occurring. If multiple or extended outages occur from a single provider, then it could indicate problems exist either with their technology or the viability of their network. TTA members would be willing to assist in setting up rules for reporting outages.

The only other comment that I would like to add is that the TTA feels that any additional costs needed to provide Next Generation 911 service should be borne

by the communications district. Sometimes, additional circuits need to be added and any costs necessary to perform this function should be reimbursed by the communication district.

This concludes my comments and I would like to thank the TACIR committee for allowing me to address the committee today. Thank you very much.

Levoy Knowles