



**Pennsylvania Senate Veterans Affairs and Emergency Preparedness Committee
Public Hearing on E-911
Wednesday May 13, 2015**

**Statement of:
David Kerr
Regional Vice President, External Affairs, AT&T**

Chairman Vulakovich, Chairman Costa and members of the committee:

Thank you for the opportunity to address 911 issues being considered by your committee. My name is David Kerr, and I am Regional Vice President for External Affairs for AT&T here in Pennsylvania. AT&T has a proud heritage in Pennsylvania dating back more than 130 years to Alexander Graham Bell's invention of the telephone and the founding of the company that became AT&T. Each year we make significant investments in our communications networks to deliver the newest technology to meet the evolving needs of consumers and businesses. This includes enhancements to our network to support the 911 capabilities of our customers. We have been a partner with public safety officials in the implementation of 911 for decades, and we understand changes in technology continue to impact their operations.

As a leading wireless provider and wireline competitive local exchange carrier (CLEC) in Pennsylvania, we work in tandem with public safety professionals throughout the Commonwealth on a daily basis. We have been a stakeholder participant in the discussion around the future of this 911 rewrite for over two years. Early in the process, we outlined the principles we wanted to see in any legislation:

- 911 fees and surcharges paid by our customers should go to advancing 911 exclusively, i.e. not used for any other purpose or budget category;
- 911 fees should be reasonable and imposed on the end user;

- There must be accountability, along with appropriate audit functions and liability protections for providers
- Collection of fees should be at the state level not locality-by-locality.

HB 911 is the product of these discussions and generally meets the principles we have outlined.

We acknowledge there are increased costs for counties and public safety professionals to adapt to new technology and demands of consumers and a reasonable increase in the 911 fee imposed on our customers is expected. However, we must point out that, contrary to the perception of some, there has been a substantial increase in the number of lines remitting 911 fees. This is true even with a dramatic decrease in the number of landlines. The chart below from the 2012 FCC Local Competition report shows the number of lines paying the 911 fee has increased over 43 percent in the last twelve reportable years.

<u>Year</u>	<u>PA All</u>		
	<u>PA Wireline Subscribers</u>	<u>PA Wireless</u>	<u>PA TOTALS</u>
2000	8,882,733	4,129,186	13,011,919
2001	8,710,969	4,894,085	13,605,054
2002	8,800,335	5,258,844	14,059,179
2003	8,507,929	6,073,573	14,581,502
2004	8,326,860	7,037,296	15,364,156
2005	8,191,376	7,942,000	16,133,376
2006	7,612,044	8,831,000	16,443,044
2007	7,182,298	9,615,000	16,797,298
2008	7,430,000	10,214,000	17,644,000
2009	7,005,000	10,867,000	17,872,000
2010	6,859,000	11,424,000	18,283,000
2011	6,841,000	11,576,000	18,417,000
2012	6,671,000	11,956,000	18,627,000

Based on the FCC report, the Commonwealth collected almost \$193 million in 911 fees in 2013, which was more than states with much higher populations, such as California, Florida, and Illinois. This report shows that Pennsylvania's 911 fee totals were the second highest in the country, behind only Texas (\$213 million) which has twice the population of Pennsylvania.

During the debate of HB 911 in the House, a few proposed changes were raised that were contrary to the principles outlined above. We opposed those changes at the time and will oppose them if they reappear here in the Senate. One proposed amendment that was defeated in the House was especially troubling. This amendment would have established an additional county 911 charge for any county with a public safety answering point (PSAP) that had an operational deficit the previous fiscal year. This additional charge would have required providers to collect the fee and remit it directly to the county. This could have led to AT&T being required to remit 69 different fees to 69 different PSAPS in Pennsylvania and would have been substantially and unreasonably burdensome to us.

While a great deal of deliberation went into the current HB 911, we are aware that some new approaches are under discussion in the Senate, including a local option giving counties the ability to impose a separate 911 user fee on residents and business employees in the county in some uniform way. We have stated all along that AT&T is open to discussing other approaches to renew and refine the 911 surcharge. We agree that technology is moving faster than most policymaking entities can adapt, and any approach that imposes the fee fairly and more uniformly on 911 end users should be considered.

We look forward to continuing the discussions here in the Senate and with your committee. I am happy to answer any questions you might have.