



**Pennsylvania House Veterans Affairs and Emergency Preparedness Committee
Wednesday January 8, 2013**

**Statement of:
David Kerr
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Chairman Barrar, Chairman Sainato and members of the committee:

Thank you for the opportunity to appear before you today on this panel. My name is David Kerr, and I am Regional Vice President for External Affairs for AT&T here in Pennsylvania. AT&T appreciates the opportunity to appear before your committee once again after I visited with you twice last year at other locations in the Commonwealth. As we have discussed, AT&T has a proud history of serving our customers, employees, shareholders and overall communities in Pennsylvania and we take pride in our ongoing cooperation with public safety officials and the counties in the delivery of 911 services.

In preparing brief remarks for today's hearing, I reviewed my schedule to find summaries of the multitude of meetings, conference calls and emails among the stakeholders involved in these negotiations. They are many and, frankly, I stopped counting. Together we have discussed specific language that will govern the future of 9-1-1 and we are here now to present our work to all of you.

Throughout the process the industry has tried to remain open-minded while adhering to the following core principles we outlined last Summer:

- 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 and an appropriate audit functions; and
- Collection should be at the state level not locality-by-locality.

While not every word or issue has been resolved and agreed to by all parties, we have reached agreement on a vast majority of the issues and are pleased that the overall direction of the draft bill meshes with the principles outlined above. That said, a few big issues remain. For example: what is the appropriate level of a uniform 9-1-1 fee? How should it be distributed? And, where will the technology be in the future and how should we further address it in the legislation at this time, if at all?

AT&T does not have all of the specific answers to these questions but we can make a few observations:

First, the leading technology companies, application developers, software providers and numerous others are gathering this week in Las Vegas for the annual Consumer Electronic Show. This is one of the premier technology events in the world. In conjunction with the event, our company is hosting an application developer summit and making a number of announcements including a new one with General Motors focused on the concept of “connected cars”. The point is our industry is connecting more and more devices with the wireless network to keep up with consumer demand and the industry is moving at a breakneck pace. Crafting public policy must be done carefully in order to encourage growth and development this dynamic environment.

Also, our panel has attached to our respective testimonies, slides, that detail the growth of subscriber lines in Pennsylvania. Those slides show that, although landlines have certainly declined at a steady pace, the total number of subscribers across all technologies has increased every year from about 13 million in 2000 to over 18 million in 2012. This reflects a growth in Voice over Internet Protocol (VoIP) and prepaid and post-paid wireless subscribers. If you think about your own household for a moment, this statistic makes sense. For me personally, twelve years ago my wife and I had one landline and two wireless devices paying \$3 worth of 911 fees monthly, \$3.50 if we lived in a very rural county. Now two of our children have wireless devices and we are fortunate enough to have two tablets. While we have cut the landline cord, we maintain a VoIP connection and number. We now pay \$7 a month in 911 fees plus \$1 whenever we purchase or recharge a prepaid device.

AT&T supports a uniform 911 fee across all technologies as long as it is set at a reasonable level and in a manner consistent with the core principles discussed earlier in my testimony. The slides also include a list of 911 fees in other states as comparative information for the committee.

The last subject I would like to address is Next Generation 9-1-1. NG 911 will be an essential part of the country's communication infrastructure moving forward. This is part of the ongoing "IP Transition" that we have talked about now for many months. AT&T has been involved with work groups at the FCC and with numerous other regulatory bodies. We think we have found a good balance on NG 911 in the language we have been negotiating. It is important to note that not all the costs have been identified to date and more work will undoubtedly need to be done.

Once again AT&T appreciates the opportunity to address this committee and we are happy to answer any questions you may have.