



**Testimony of
Benjamin Aron
CTIA
Opposition to Vermont Senate Bill 193
Before the Senate Committee on Finance**

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Chair Cummings, Vice Chair MacDonald and members of the Committee, on behalf of CTIA, the trade association for the wireless communications industry, thank you for the opportunity to provide this testimony in opposition to SB 193, which imposes an administrative penalty of \$25,000.00 per day on telecommunications providers who violate outage reporting rules to be adopted by the Enhanced 911 Board (the "Board").

CTIA and its members recognize the importance wireless consumers place on their devices and networks in emergency situations, including their reliance on wireless devices to reach emergency services. This is a key reason why the wireless industry is strongly committed to minimizing network downtime and focuses on restoring service quickly when outages do occur. CTIA, however, opposes SB 193 as it would impose onerous, punitive, and premature penalties for noncompliance with rules yet to be adopted, and which will go into effect within six months, possibly before providers can adjust their systems to meet the new standards.

As you are aware, last year the Legislature passed Act 79, which requires the Board to enact rules that ensure it can "obtain or be apprised of, in a timely manner, system outages applicable to wireless service providers ... for the purpose of enabling the Board to assess 911 service availability during such outages."

Over the past six months, CTIA has engaged collaboratively with the Board on its draft outage reporting rules. While CTIA and the Board have made constructive progress on the rules during that time, CTIA is concerned the Board's currently proposed rules create a number of issues that could complicate timely implementation in addition to having a significant economic impact on Vermont's wireless providers.



CTIA has encouraged the Board to adopt rules requiring carriers to provide the Board with confidential copies of their reports filed under the Federal Communications Commission's ("FCC's") Network Outage Reporting System ("NORS"). The FCC already imposes a robust outage reporting regime on wireless providers nationwide. Outages of wireless network switching centers lasting more than 30 minutes are reportable to the FCC within two hours of discovery, regardless of the customer impact. In the case of cell sites, outages lasting more than 30 minutes are subject to the same two-hour reporting period once they affect "900,000 user minutes" – *i.e.*, the number of potentially affected users multiplied by the duration of the outage.

The Board's proposed rules would require carriers to report *any* outage on their network that exceeds thirty minutes, which may be a standard that is difficult to meet due to the associated technical challenges with identifying very limited outages. At a minimum, to comply with the proposed rules, service providers would have to undertake substantial network and information technology changes, within six months, in order to render unique outage reports customized to the standards of a single state out of their national service territory. This would impose unnecessary economic burdens on providers, with limited actual benefit to customers or to the Board's data-gathering efforts.

The Board's proposed rules would divert wireless providers' time and personnel resources away from service restoration efforts, not only in Vermont but in other states, given that national providers uniformly coordinate their network monitoring and recovery efforts at a national or wide multi-state level. Further, unique reporting obligations in Vermont could discourage investment that could otherwise be used to provide greater and more robust wireless coverage throughout the state.



The FCC's reporting regime has proven effective both in Vermont as well as nationwide. Because it averages potentially impacted users across a carrier's network, it ensures that rural areas are appropriately accounted for, treating them as if they had the same amount of wireless traffic as sites in congested urban areas. Because carriers already comply with this federal reporting regime, they could provide useful outage information to the Board immediately, as opposed to the months it may take to bring their systems into compliance with the Board's proposed rules.

Additionally, adoption of the FCC's regime would limit the risk of creating a "patchwork quilt" of state-by-state reporting obligations on top of the comprehensive federal reporting obligations already imposed by the FCC, which could significantly complicate outage reporting efforts, potentially increasing consumer costs and discouraging investment. Mirroring the NORS regime would meet the Board's obligations under Act 79.

SB 193 would impose onerous, punitive, and premature penalties for noncompliance with rules that may go into effect before providers can adjust their systems to meet the new standards. Further, the Board's proposed rules would require reporting of outages even where consumers can still reach 911 – because under FCC rules, when one carrier's network is out, other carriers with service in that area are required to, and do, carry calls made to 911. Subjecting service providers to massive, statutory fines for failing to timely report an outage that does not, in fact, prevent anyone from reaching 911 would serve no public purpose. A better path would be to direct the Board to adopt a more reasonable reporting rule consistent with federal practice, and then impose a standard for penalties only if experience under the new rules proves them to be necessary.

Accordingly, CTIA respectfully asks that you not move this legislation. Instead, CTIA suggests the Committee recommend that the Board adopt outage reporting standards in Vermont based on the FCC's NORS reporting system, which has proven effective nationwide in ensuring timely and accurate information on network outages that could impact consumers' ability to access the 911 system.