

## CHAPTER 26. SUBSTANTIVE RULES APPLICABLE TO TELECOMMUNICATIONS PROVIDERS.

### Subchapter Q. 9-1-1 ISSUES.

#### §26.435. Cost Recovery Methods for 9-1-1 Dedicated Transport.

- (a) **Purpose.** The purpose of this section is to establish uniform cost recovery methods for direct dedicated 9-1-1 trunks approved by the appropriate 9-1-1 administrative entity or entities and used in the provision of 9-1-1 service to end users by certificated telecommunications utilities (CTUs). The maximum nonrecurring and monthly recurring reimbursable charges in subsection (c)(1) of this section apply only when the points of interconnection are not a material change to the current provisioning of 9-1-1 services or the points of interconnection are within the current local access and transport areas LATAs. In the event that a CTU considers a request by a 9-1-1 administrative entity or entities to be a material change, the CTU within sixty days of receipt of the request may file an application with the commission requesting a revised reimbursement rate. The CTU is not required to begin provisioning until the commission issues its final order on the application, unless the 9-1-1 administrative entity or entities agree to pay the CTU's proposed revised reimbursement rate, subject to true-up once the commission approves a reimbursement rate for the provisioning.
- (b) **Application.** This section applies to all CTUs that are facilities based and providing local exchange service.
- (c) **Reimbursable costs.**
- (1) **9-1-1/CTU Reimbursement.** Subject to the applicable law regarding payments by a 9-1-1 administrative entity, the appropriate 9-1-1 administrative entity or entities shall reimburse a CTU a maximum non-recurring rate of \$165 and recurring rate of \$39 per month as the total compensation for each direct dedicated 9-1-1 trunk unless:
- (A) the CTU files a petition with the commission and notice of such filing with the appropriate 9-1-1 administrative entity or entities for the imposition of a different rate no later than June 1 of the calendar year; and
- (B) the CTU provides evidence to the commission that, based upon certain technology deployment, a different rate should apply; and
- (C) after appropriate review, including comment from the appropriate 9-1-1 administrative entity or entities, the commission approves such rate as requested by the CTU.
- (2) Any commission approved change in rate for compensation for direct dedicated 9-1-1 trunk(s) shall become effective no earlier than October 1 of the same calendar year.
- (3) **Inter-CTU Allocation methodology.** Each CTU that originates a 9-1-1 call shall receive a pro rata share of the commission approved recurring rate(s) under paragraph (1) or (2) of this subsection for 9-1-1 dedicated transport of the call, based upon the transport mileage between the CTU's end office or point of presence (POP) to the point of interconnection and the 9-1-1 network service provider's transport mileage from the point of interconnection to the E9-1-1 selective router, 9-1-1 tandem, IP-based 9-1-1 system, or NG9-1-1 system. The transport mileage used to calculate the pro rata share shall not exceed 14 miles from the originating CTU end office or POP to the point of interconnection.
- (A) The points of interconnection for local traffic in existing interconnection agreements are acceptable for the purposes of calculating the pro rata share of reimbursable costs, unless the CTUs mutually agree to different points of interconnection.
- (B) To the extent a CTU provisions its own direct dedicated 9-1-1 trunk(s), the CTU is required to compensate such provider for port usage and termination charges. The 9-1-1 network services provider shall assess such charges on a Total Element Long Run Incremental Cost (TELRIC) basis.
- (C) To the extent a CTU leases direct dedicated 9-1-1 trunk(s) from a 9-1-1 network services provider, the CTU is required to compensate such provider for transport, port usage, and termination charges. The 9-1-1 network services provider shall assess such charges on a TELRIC basis.

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- (D) To the extent a CTU leases from a 9-1-1 network services provider direct dedicated 9-1-1 trunk extending from the CTU's end office or POP to the point of interconnection, the 9-1-1 network services provider shall assess such charges on a TELRIC basis.
  - (E) A competitive local exchange carrier (CLEC) may lease or provision its own direct dedicated 9-1-1 trunks to the point of interconnection or directly to the 9-1-1 network services provider's E9-1-1 selective router, 9-1-1 tandem, IP-9-1-1 based system, or NG9-1-1 system.
  - (F) Nothing in this section is intended to preclude the commission from exercising authority for situations involving CTUs.
- (4) The number of direct dedicated 9-1-1 trunks needed for 9-1-1 purposes shall be determined by the CTU following industry standards to provide a grade of service of P.01 or greater, or its IP or NG9-1-1 equivalent, but the minimum number of direct dedicated 9-1-1 trunks to each E9-1-1 selective router, 9-1-1 tandem, IP-based 9-1-1 system, or NG9-1-1 system per service arrangement shall not be less than two.
  - (5) As a prerequisite to receiving compensation for more than the minimum number of direct dedicated 9-1-1 trunks required to meet the P.01 grade of service, the CTU must provide to the 9-1-1 administrative entity or entities, at least 30 days prior to seeking additional compensation, copies of traffic studies, performed using measured call volumes on the individual trunk group, establishing that more than the minimum number of direct dedicated 9-1-1 trunks required to meet the P.01 grade of service are necessary.
  - (6) The traffic study or summary provided in response to paragraph (5) of this subsection shall be provided to the 9-1-1 administrative entity or entities at no cost. Any other traffic studies to evaluate current network performance will be provided to the 9-1-1 administrative entity or entities upon request, and the CTU shall be compensated by the 9-1-1 administrative entity or entities on a time and materials basis at rates that do not exceed the tariff rates approved as reasonable by the commission for the dominant CTU in the rate center.
  - (7) Only the CTU originating a direct dedicated 9-1-1 trunk can submit charges to the appropriate 9-1-1 administrative entity or entities for the maximum reimbursement required in paragraph (1) of this subsection. A dedicated 9-1-1 trunk must be approved by the appropriate 9-1-1 administrative entity or entities as necessary prior to connecting to an E9-1-1 selective router, 9-1-1 tandem, IP-based 9-1-1 system, or NG9-1-1 system. The appropriate 9-1-1 administrative entity or entities may approve dedicated 9-1-1 trunking arrangements that aggregate the 9-1-1 service of multiple CTUs.
  - (8) Where the same direct dedicated 9-1-1 trunks are permitted by the relevant service arrangements to serve areas administered by multiple 9-1-1 administrative entities, a CTU shall contact the 9-1-1 administrative entity serving the largest number of access lines for the area served by the CTU with those direct dedicated 9-1-1 trunks and there shall be a rebuttable presumption that the 9-1-1 administrative entity serving the largest number of access lines is the appropriate 9-1-1 administrative entity to receive the billings for these direct dedicated 9-1-1 trunks. The 9-1-1 administrative entity that is responsible for receiving the billings for direct dedicated 9-1-1 trunks pursuant to this subsection, may seek reimbursement of such expense from other 9-1-1 administrative entities within the affected rate center.
  - (9) The 9-1-1 network services provider shall bill the appropriate 9-1-1 administrative entity and shall not bill a CTU for ANI, ALI, and/or selective routing services. Billing for additional or other 9-1-1 related services specifically required by a CTU is permitted.

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- (d) **Reimbursement prerequisites.** A CTU must comply with each of the following prerequisites before the CTU can obtain reimbursement from the appropriate 9-1-1 administrative entity for direct dedicated 9-1-1 trunks:
- (1) Before the CTU initiates the provision of local exchange service in those areas in which a 9-1-1 administrative entity provides 9-1-1 service, the CTU shall execute a 9-1-1 service agreement with the 9-1-1 administrative entity.
  - (2) The CTU shall provide verification to each appropriate 9-1-1 administrative entity that it is complying with all requirements of §26.433 of this title (relating to Roles and Responsibilities of 9-1-1 Service Providers) including, but not limited to, §26.433(e)(2) of this title, requiring “a designated contact person to be available at all times to work with the appropriate” 9-1-1 administrative entity.”
  - (3) A CTU that resells its local exchange service to any CTU that, in turn, provides the resold local exchange service to end users, shall demonstrate to the appropriate 9-1-1 administrative entity that the CTU has provided initial notice to its reselling CTUs:
    - (A) that it does not remit the required 9-1-1 emergency service fees on behalf of reselling CTUs; and
    - (B) that, subject to a confidentiality agreement with the appropriate 9-1-1 administrative entity, it will release reselling CTUs wholesale billing records to 9-1-1 administrative entities for quality measurement purposes, including, but not limited to, auditing a reselling CTU’s collection and remittance of 9-1-1 emergency service fees in accordance with applicable law.