



STATEMENT OF AT&T CONNECTICUT
John Emra, Regional Vice President

Regarding Raised House Bill No. 5544
AN ACT CONCERNING STORM PREPARATION AND EMERGENCY RESPONSE
Before the Committee on Energy and Technology
March 20, 2012

Proposal:

The legislation would make a wide array of changes and imposes a significant level of new burdens, costs, and regulations on various entities.

Comments:

AT&T strongly opposes Sections One, Two, and Four of the Raised Bill. These sections are unnecessary; duplicate on-going proceedings and efforts throughout state government as well as existing regulation; are inappropriate in their application to the communications industry; are asymmetrical in their application to only two communications providers and therefore unfair; and in the case of the requirement in Section Four are impractical, unnecessary and in violation of federal law.

These requirements are unnecessary: AT&T performed well before, during and after both storms.

AT&T had a peak number of outages after Hurricane Irene of some 14,000 customers and 13,400 after the October storm. This represents less than two percent of AT&T's total Connecticut access lines. CL&P, by way of comparison, had in excess of 850,000 customers out of service after the October snowstorm.

AT&T undertook a massive effort before and after each storm to repair our networks and restore service to our customers. We activated our Northeast Emergency Operations Center in New Jersey and our Connecticut-based Local Response Center. These actions helped to bring-to-bear AT&T's considerable talent and resources to address the needs of our customers; among others things, this action conveys extraordinary authority to incident managers to assure their efforts and success. After both storms, AT&T instituted a "state of emergency" which triggered requirements in contracts with our bargained-for employees that requires mandatory overtime and up to twelve-hour shifts and six-day work weeks, among other requirements. Applicable management personnel were likewise reassigned. AT&T staffed the state's Emergency Operations Center on a 24-hour basis throughout the duration of both events; the only communications carrier which dedicated resources at such a level to that facility. We used batteries as well as fixed and portable generation capacity to supplement the loss of commercial power necessary to run communications networks. We prepositioned supplies and equipment and deployed them throughout the state to aid in our efforts. We utilized AT&T employees from outside of Connecticut to supplement our

Connecticut workforce as needed and relied on the managerial talents and disaster experience of AT&T staff throughout the country.

AT&T's Network Disaster Recovery (NDR) organization is unmatched in world-wide scope and global capability. Critical to maximizing network reliability is our ability to swiftly respond when disaster strikes and the key to effective response *after* the event strikes is robust and expert preparation *before* the event. Our capability in this regard is second to none, and we have vast experience in responding to network disasters of every kind around the globe. Through AT&T's NDR organization, we bring unmatched resources to help ensure the flow of both wireless and wired communications during times of need, all backed by centralized incident command and control robustly designed to ensure maximum effectiveness and efficiency. We have invested more than \$600 million in our NDR program which includes a fleet of more than 320 technology and support trailers and specialized equipment including air cargo containers that can be quickly deployed anywhere in the world in response to natural or man-made disasters. We monitor and maintain our networks 24/7 and have conducted quarterly readiness drills throughout the year to ensure that our networks and personnel are prepared to respond in a moment's notice. We have conducted full-scale quarterly preparedness drills, across the country and around the world, since 1992.

Just last week AT&T was certified by the U.S. Department of Homeland Security (DHS) as the first company qualifying under DHS' Voluntary Private Sector Preparedness Program. PS-Prep™ is a partnership between DHS and the private sector – recognizing qualifying private entities certified in emergency preparedness after an audit and ANSI-ASQ National Accreditation Board (ANAB) accreditation.

AT&T deployed self-contained C.O.L.T. (cell on light truck) satellite vehicles to the state and, at the direction of state and federal officials, deployed them to the areas where they determined they were needed.

These proposed requirements are unnecessary because they duplicate on-going efforts throughout state government.

As the Committee is likely aware, since both storms there has been considerable activity throughout state government, activity which is already addressing the areas covered by the legislation.

PURA has launched a wide-ranging and comprehensive investigation of the operations of all providers to determine the facts and assess restoration activity of providers. Those proceedings are on-going and include the active participation of not only PURA staff but also the Office of Consumer Counsel, Attorney General and other parties. To date, PURA has

scheduled some 24 days of hearings in that proceeding. AT&T alone has already responded to approximately 200 interrogatories in that proceeding.

PURA's activities are not confined merely to examining storm preparation and response –they have also initiated a docket specifically to examine tree trimming – arguably the single most important activity that could be undertaken to harden the state's electric system. The Authority is also examining the issue of utility pole administration in a separate proceeding.

Other state government entities are taking steps as well. The Department of Emergency Management and Homeland Security (DEMHS) has undertaken a comprehensive effort to improve training, coordination, and communication of providers, state and local officials, emergency personnel, and others. The state's first live "exercise" is planned for this summer. AT&T is an active participant in these activities as are other providers.

Finally, AT&T is already subject to some of the most stringent and far reaching service quality regulations in place in any state in the country. These standards mandate time for repair, among others. The PURA actively enforces compliance with these regulations.

This proposal is inappropriate in its application to the communications industry.

All communications networks from all providers depend on reliable commercial power to operate. If the state wants to ensure greater reliability of communications, it should first start with improving the reliability of our commercial power grid. While Connecticut's electric grid is generally reliable in nature, both storms provided ample evidence that it needs to be improved. Since our electric grid is generally above-ground, it is susceptible to weather and more specifically to damage from trees. Improving the grid's reliability in future storms will require greater tree trimming and, as noted above, the PURA is already working to address this issue as has the state and the electric distribution companies (EDCs) who are already embarking on greater efforts.

Power failures will occur even with greater hardening. Ensuring that outages are shorter in duration will improve the reliability of communications networks. Clearly the state's EDCs recognize that they have to improve their performance and have proposed plans to do just that. The on-going proceedings at PURA as well as steps being undertaken by DEMHS will no doubt lead to additional remedial steps that can be taken.

While AT&T works to build its networks to withstand damage and mobilizes to restore service when outages occur, our restoration efforts – for safety and other reasons – can only follow those of the EDCs. Our network staff is not permitted to work in areas until they are cleared and then made safe, as determined by the EDCs. We work cooperatively with the EDCs on storm restoration by doing things like embedding our staff in their network operations centers, identifying priority areas and assets for restoration, and making use of our

staff to aid their efforts when we can; for example, we helped to replace EDC utility poles during the storms when we had extra capacity to do so.

Subjecting AT&T to penalties of up to \$20 million when its service is impacted as a result of the loss of commercial power and the inability of a third party to restore its service in a timely manner is akin to arresting a mugging victim for being on the street. AT&T did not cause these outages; AT&T has no control over when power is restored; and AT&T can not work to restore service to its customers until the EDCs perform their own jobs; how can the legislature then fairly propose to fine AT&T for the actions of others and conditions beyond its control?

This proposal is asymmetrical in its application to only two providers and therefore is unfair.

Connecticut's communications market is highly competitive with numerous providers offering service in the state. Consider that in 1994 AT&T had 100 percent of the local phone market in nearly all the state while today it provides primary access lines to only 36 percent of the state's homes. Yet despite this strongly competitive marketplace, the proposed legislation before you would apply only to two providers: AT&T and Verizon (in one half of Greenwich). Such unequal regulation is patently unfair on its face and provides a disincentive for AT&T and Verizon to invest in this state.

The state's ability to regulate most communications services, including VoIP and wireless technology, is limited by virtue of federal preemption; however, the legislature should not simply choose to regulate the only entities it can reach. Instead, it should take the approach that many other states have taken and that is to apply equal regulation to all providers.

EDCs and telephone companies operate in very different markets. EDCs are by their very nature monopoly providers of service. EDCs operate largely in a cost-plus, guaranteed rate-of-return environment. Telephone companies on the other hand operate in highly competitive and dynamic markets. Regulation of monopoly providers was instituted as a surrogate for competition; where competition exists, as it does in the communications space, regulation is neither necessary nor appropriate.

The proposed generator mandate in Section Four of the Raised Bill is unnecessary, impractical, and a violation of federal law.

The generator mandate is not necessary:

- Wireless networks by their very nature are built to be overlapping and redundant in nature. The loss of one or more sites in an area does not mean that service is unavailable; sites provide coverage to neighboring sites.

- Every AT&T site has battery back-up of up to eight hours. Last year power outages to AT&T sites averaged in general 40 minutes in length – a fraction of the time that battery back-up is designed to ensure coverage.
- Wireless providers use portable generators to supplement battery-back-up. AT&T has a fleet of more than 1,000 portable generators that it can deploy when power loss occurs over a sustained period of time. After both storms, we deployed large numbers of these generators in Connecticut.
- AT&T continues to take steps to enhance the resiliency of its wireless network. Over the next several years, AT&T plans to:
 - Add back-up power generators at critical cell sites, including those covering major military and government operations, power plants, local and police and fire services, evacuation routes, facility hubs, and high and medium population density and usage sites.
 - Enhance battery performance, so they provide power for longer periods of time when commercial power is unavailable.
 - Deploying self-optimizing technology to allow sites to do an even better job providing coverage when adjacent sites go down.
 - Making it easier for our technicians to deploy portable generators when that is necessary.

The generator mandate is impractical on its face for a number of reasons, including but not limited to:

- Nearly every wireless site is located on leased land. Providers can not simply place a large generator where their sites are located without the permission and agreement of their landlord and typically only after modifying their existing lease terms and conditions to pay for the right to locate a generator. Not all landlords can accommodate or want a generator on their property. Will the legislature condemn the private property of landlords? Will they require a landlord to lease land at a fair rate?
- Generators are prohibited by fire code and EPA regulations at many locations. For example, generators are typically prohibited from being placed on rooftops and can't be used when sites are indoors – like church steeples.
- Not all sites are created equal, yet this requirement would apply to all sites regardless of their importance. For example, under the bill AT&T would have to place a permanent generator for its distributed antenna systems (DAS) at Rentschler Field. A

system that was built for football fans for approximately eight games a year. Does that make sense?

- Placing a generator typically requires local planning and zoning approval. How would such a mandate usurp local authority?

Further, the generator mandate conflicts with the authority of the FCC to regulate wireless service under federal law. PURA itself has long acknowledged that its authority under federal law over the wireless industry is limited.

We share the desire of the Committee to improve the resiliency of wireless networks. This is an issue not just during and immediately after historic storms but at all times. In a competitive market, all providers must take steps to ensure that their customers have reliable service, because a dissatisfied customer can simply take his or her business elsewhere. The reality is that there are too many areas with unreliable wireless service today because the industry has been repeatedly blocked in its attempts to build new sites and improve service. The best way to improve service and make wireless networks more resilient is to add more sites; we would urge the Committee to take steps to focus on that issue.

Conclusion:

AT&T strongly opposes Sections One, Two and Four of the Raised House Bill and urges their rejection by the Committee.