

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 dedicated trunks used in the provision of 9-1-1 service to end users by certificated telecommunications utilities (CTUs).
- (b) **Application.** This section applies to all CTUs providing local exchange service.
- (c) **Definitions.** The following words and terms when used in this section shall have the following meaning unless the context indicates otherwise:
 - (1) **9-1-1 entity** — A regional planning commission as defined in Texas Health & Safety Code Annotated §771.001(10) and an emergency communication district as defined in the Texas Health & Safety Code Annotated §771.001(3).
 - (2) **9-1-1 Service Agreement** — The contract addressing the 9-1-1 service arrangement(s) for the relevant local area that the 9-1-1 entity and the CTU shall negotiate and execute.
 - (3) **Dedicated trunk** — A 9-1-1 trunk that originates at a CTU switching office or point of presence to a port of termination at a 9-1-1 selective router or tandem, as described to the CTU by the applicable 9-1-1 entity in its service arrangement requirements for each applicable rate center. The dedicated trunk includes transport, port usage, and termination. Each CTU shall be responsible for providing such dedicated trunks from the CTU switching office or point of presence to the 9-1-1 selective router.
 - (4) **Service arrangement** — Each particular arrangement for 9-1-1 emergency service specified by the 9-1-1 entity for the relevant rate center(s) within its jurisdictional area.
- (d) **Reimbursable costs.**
 - (1) **9-1-1/CTU Reimbursement.** Subject to the applicable law regarding payments by the 9-1-1 entity, the 9-1-1 entity shall reimburse a CTU a maximum non-recurring rate of \$165 and recurring rate of \$39 per month as the total compensation for each dedicated trunk unless:
 - (A) the CTU files a petition with the commission and notice of such filing with the affected 9-1-1 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 affected 9-1-1 entity or entities, the commission approves such rate as requested by the CTU.
 - (2) Any commission approved change in rate for compensation for the dedicated 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 paragraphs (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 9-1-1 selective router or tandem. 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 or reimbursable costs, unless the CTUs mutually agree to different points of interconnection.
 - (B) To the extent a CTU provisions its own dedicated trunk(s) from its end office or POP directly to the 9-1-1 selective router or tandem of another 9-1-1 network services provider, the CTU is required to compensate such provider for port usage and termination

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- 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 dedicated trunk(s) from a 9-1-1 network services provider to the 9-1-1 selective router or tandem from its end office or POP, 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.
 - (D) To the extent a CTU leases dedicated trunk from a 9-1-1 network services provider extending from its 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 CLEC may lease or provision dedicated trunks to the point of interconnection or directly to the 9-1-1 network services provider's 9-1-1 selective router or tandem.
- (4) The number of dedicated 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, but the minimum number of dedicated trunks to each 9-1-1 selective router per service arrangement shall not be less than two.
 - (5) As a prerequisite to receiving compensation for more than the minimum number of dedicated trunks required to meet the P.01 grade of service, the CTU must provide to the 9-1-1 entity, 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 dedicated 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 entity at no cost. Any other traffic studies to evaluate current network performance will be provided to the 9-1-1 entity upon request, and the CTU shall be compensated by the 9-1-1 entity 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 the dedicated trunk from the switching office or point of presence to the 9-1-1 selective router can submit charges to the 9-1-1 entity for the maximum reimbursement required in paragraph (1) of this subsection.
 - (8) Where the same dedicated trunks are permitted by the relevant service arrangements to serve areas administered by multiple 9-1-1 entities, a CTU shall contact the 9-1-1 entity serving the largest number of access lines for the area served by the CTU with those dedicated trunks and there shall be a rebuttable presumption that the 9-1-1 entity serving the largest number of access lines is the appropriate 9-1-1 entity to receive the billings for these dedicated trunks. The 9-1-1 entity that is responsible for receiving the billings for dedicated trunks pursuant to this subsection, may seek reimbursement of such expense from other 9-1-1 entities within the affected rate center.
 - (9) The 9-1-1 network services provider as defined in §26.433(b) of this title (relating to Roles and Responsibilities of 9-1-1 Service Providers) shall bill the 9-1-1 entity and shall not bill a CTU for Automatic Local Identification (ALI) and/or selective routing services.
- (e) **Reimbursement prerequisites.** A CTU must comply with each of the following prerequisites before the CTU can obtain reimbursement from the 9-1-1 entity for dedicated trunks:
- (1) Before the CTU initiates the provision of local exchange service in those areas in which the 9-1-1 entity provides 9-1-1 service, the CTU shall execute the 9-1-1 Service Agreement.
 - (2) The CTU shall provide verification to the applicable 9-1-1 entity that it is complying with all requirements of §26.433 of this title, 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 applicable" 9-1-1 entity.

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- (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 9-1-1 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 9-1-1 entity, it will release reselling CTUs wholesale billing records to 9-1-1 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.
- (4) A CTU that provides resold local exchange service to end users must execute a separate service agreement with each 9-1-1 entity and remit the required 9-1-1 emergency service fee to the 9-1-1 entity pursuant to such service agreement.