



September 10, 2009

Ms. Lynn Questell
Executive Director
Tennessee Emergency Communications Board
Department of Commerce and Insurance
500 James Robertson Parkway
Nashville, TN 37243

Dear Ms. Questell,

ClearTalk Wireless and I want to thank you and the Tennessee Emergency Communications Board again for allowing us to present our concerns regarding the possible elimination of cost recovery for 9-1-1.

We would like to submit the following points of information for consideration by the Board prior to its meeting on September 24, 2009:

Not all Tennessee wireless carriers are the same. ClearTalk Wireless is a small local business serving rural subscribers with a low, flat rate. We offer our mostly rural subscribers unlimited Area Wide service with no credit check, no contract and pre-paid convenience. We have a few thousand subscribers, not millions.

9-1-1 Phase I & II was begun as a requirement of our Federal Government and represents a partnership begun in good faith between for-profit businesses like ours and governments to design, create and provide emergency 9-1-1 services, as well as expand and maintain these systems. We were happy to participate and are proud of the system we've helped build for our home communities here in Tennessee.

The expectation that these services would forever be available via wireless telephone handsets was instigated by government fiat and not by ClearTalk Wireless or any other telecommunication company. Full cost recovery has always been implied throughout Phase I & II explicitly and implicitly. However, we are now likely being required to provide these services without regard to potential impacts upon our business. While we were certainly willing partners in this good faith consumer welfare benefit to our community, we are now suddenly being asked to bear the full expense of third-party PSAP expenses, technical costs and other expenses such as labor administrating these requirements. Logistically, almost no time has been given us to prepare for possible billing changes or even to determine if our business *can* absorb these costs in a mix of profit losses and customer fees. Our business has already cut back everywhere it can. This is a very serious matter for us.

The Fund's purpose has always been and is still equally as much for wireless providers as it is for dispatcher training or any other cost of providing 9-1-1 services, whether it's Federally funded or not. The idea that tapping carrier profits made from emergency services is entirely proper and fair is skewed on two levels; we don't make profits from these costs, so it's not a subsidy as was often described in the minutes of previous meetings on this subject. Any profits we do make elsewhere are justly earned and unrelated. Is the same intensity being brought toward the other partners in this effort to identify cost savings such as consolidating replication of services, cutting counties' allowable expenses under cost recovery such as unnecessary training expenses or the like? Because a few Tennessee Counties are "in the red" we are being asked to take on 100% of our costs for a partnership that now appears one-sided. As partners in good faith, we are willing to share meaningful sacrifice as best we are able, but we are opposed to being singled out simply because profit taking from corporations is in vogue. We are opposed to unilateral sacrifice when the Fund's purpose is as much for us as anyone else, governmental budget deficits notwithstanding.

The proposed reason these deficits exist is said to be the reduction in land line usage as a result of increased wireless uptake. Since use is disproportionate, it is suggested wireless companies should now bear more of the burden. However, no consideration is given to smaller carriers who cannot diffuse these huge expenses across millions of subscribers or cut a few network TV ads to make up the difference. The burden elimination of cost recovery will cause as a percentage increase to our business expenses is perhaps the single largest, most critical challenge our tiny carrier has ever faced. The impact to our subscribers would probably be an increase of at least 20% in their rates. As ClearTalk Wireless has had increased business expenses through the years we never raised our rates, but made cuts in salaries, wages and benefits. With no more left to cut, we will take on a disproportionate competitive disadvantage and be forced to pass on an unfair burden to our State's poorest and most rural citizens... the ones for whom this partnership was supposedly initiated.

This disproportionate burden upon smaller carriers could turn into a boon for our larger competitors, reducing consumer access, limiting choice and even costing Tennesseans jobs.

Your decision's unintended consequences to consumer welfare and Tennessee businesses should be carefully considered and then reconsidered again. Please also reconsider the fairness of suddenly passing on disproportionate expenses to only one of many partners who rightly access the 911 Emergency Communications Fund as part of cost recovery.

Respectfully,

A handwritten signature in black ink, appearing to read "Andrew McLemore". The signature is written in a cursive, flowing style.

Andrew McLemore
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