

**HOUSE CONSUMER AFFAIRS COMMITTEE**

**PUBLIC HEARING ON HOUSE BILL 539**

**NOVEMBER 1, 2007**

**TESTIMONY OF**

**STEVEN J. SAMARA**

**VICE PRESIDENT**

**PENNSYLVANIA TELEPHONE ASSOCIATION**

**Good morning Chairman Preston, Chairman Godshall, and members of the House Consumer Affairs Committee.**

**Thank you for this opportunity to address House Bill 539, which establishes a 211 abbreviated dialing network in Pennsylvania.**

**The legislation outlines several instances nationwide in which 211 was of significant benefit to individuals faced with natural or man-made disasters. The number is also beneficial to those who may not be in an emergency situation but simply need help accessing both public and private social service agencies.**

**When the Federal Communications Commission (FCC) assigned the 211 dialing code in July 2000, it said: “The easy to remember 211 dialing code will provide direct access to organizations providing community information and referral services, such as child care solutions, housing assistance, counseling and hospice services, that are not currently available through the 911 emergency code or the 311 police non-emergency code.”**

**The Pennsylvania Telephone Association (PTA) and some of its larger member companies have been engaged in discussions with the United Way since the FCC directive and have indicated our conceptual support for implementing 211 here in Pennsylvania We have subsequently engaged in discussions regarding what a 211 call network would look like.**

**Our initial reaction to the 211 proposal was cautiously optimistic; we knew the concept had promise, but wondered exactly how it would work from a network perspective. In early meetings with the United Way, we expressed concern regarding funding, leery that, in a competitive marketplace an additional 211 surcharge on customer bills would put my member companies at a disadvantage.**

**This sensitivity is based upon several factors. First, studies have shown that a vast majority of customers believe that the revenues generated by fees, taxes, and surcharges on telephone company bills are kept by the company when, in fact, we are merely serving as the “tax collector” and remitting these proceeds to the appropriate recipient. Second, surcharges, fees and other revenues not used in the “transmission of a telecommunications message” are, from time to time, targeted as taxable by state government, and we are in no way interested in increasing an already significant tax liability.**

**We’ve come a long way since those early meetings, and I applaud the folks at the United Way, Pennsylvania Association for Information and Referral and their partners for their persistence in working to make 211 a success story in Pennsylvania.**

**One development which I am particularly encouraged to see is that HB539 includes a General Fund appropriation of \$10 million for the Department of Health to administer the 211 program. This is certainly a step in the right direction.**

**As a matter of fact, there is very little within the legislation that we can find fault with. The questions begin surfacing “where the rubber meets the road”, and we start configuring exactly what the 211 network will look like and how it will operate.**

**From the simplest technical standpoint, all that my member companies need to ensure that 211 calls are completed is an 800 number to translate to. The switch translation in our central offices would impose a small cost and we would expect to be reimbursed for that work.**

**The larger question, and one that the United Way and the industry have been discussing for quite some time is how is that call going to be handled in a manner that guarantees that the consumer gets the help they need. Ultimately, the composition of the network will determine how successful it will be and whether \$10 million is sufficient to fund the program.**

**On behalf of PTA, I can pledge our continued cooperation in working towards the successful implementation of 211 here in Pennsylvania.**

**Thank you for your attention and I am happy to answer any questions that you may have.**