



Fast Facts on Telecommunications In Tennessee



- ◇ The Tennessee Regulatory Authority (TRA) regulates the rates and service quality of investor owned utilities in Tennessee including telecommunications providers, energy providers and water and sewer utilities. (**Not** municipalities, cable, internet or wireless providers)
- ◇ In 2002, total telecommunications revenue in Tennessee was **\$5.4 billion**, a 57% increase over 1995 telecommunications revenues.
- ◇ At December 31, 2002, **96.3%** of Tennessee households had telephone service, (national average: **96.6%**).
- ◇ It is estimated that **60%** of Tennessee households now have Internet access (national average: **65%**).
- ◇ At June 30, 2003, **14.5%** of Tennessee households had high-speed (broadband) Internet access (national average: **16.2%**).
- ◇ As of June 30, 2003, **48%** of Tennesseans had wireless/mobile phones (national average: **51%**).
- ◇ At December 31, 2003, Tennessee had **96** companies providing local telecommunications services in Tennessee including **20** incumbent providers (**10** investor owned and **10** telephone co-operatives), **42** competitive local exchange carriers (“CLECs”) and **34** resellers of local telephone services. Note: Incumbent providers are those companies (Bell companies) providing local telecommunications services prior to passage of the Telecommunications Act of 1996 on February 8, 1996 while CLECs are those companies who began offering facilities-based local telecommunications subsequent to February 8, 1996.
- ◇ As of June 30, 2003, **3.4 million** *wired* telephone lines were in service in Tennessee with **346,060** or **10%** of those lines being provided by CLECs (national average is 15%).
- ◇ BellSouth and Sprint/United Telephone are the two largest incumbent providers in Tennessee. New South and MCI are the CLECs with the most lines in Tennessee (as of December, 2003).
- ◇ At December, 2003, CLECs were providing service in **88** of Tennessee’s 95 counties but **70%** of the CLEC lines are in the state’s four largest metropolitan areas.
- ◇ **82%** of the lines provided by CLECs in Tennessee are business lines while **18%** are residential lines (as of December, 2003).



Fast Facts on Telecommunications In Tennessee *(continued)*

- ◇ The majority of CLECs in the state provide service by purchasing unbundled network elements on a wholesale basis from the incumbent carrier.
- ◇ Since 1996, CLECs report they have invested **\$655 million** in facilities in Tennessee.
- ◇ Three municipal electric utilities are providing telecommunications in Tennessee: Chattanooga Electric Power Board, Memphis Light, Gas and Water (through Memphis Network) and Jackson Energy Authority.
- ◇ In August 2002, The TRA recommended to the FCC that BellSouth's 271 application to provide **long distance service** be approved. The FCC approved BellSouth's application in December 2002.
- ◇ Also in August 2002, the TRA adopted a comprehensive set of performance mechanisms to monitor BellSouth's wholesale operations to determine if BellSouth is providing service to competitors comparable to what it provides to itself. Included in these mechanisms are penalties for non-compliance with agreed to standards and benchmarks.
- ◇ The Tennessee Relay Center, operated by MCI/WorldCom, assists the state's hearing impaired citizens in communicating over the telephone. Tennessee was one of the first states to operate such a center.
- ◇ In 2003, the TRA distributed **1,445** telecommunications devices to the deaf and hearing impaired. A total of **5,279** devices have been distributed since the Tennessee General Assembly passed the "Telecommunications Device Assistance Program" bill in 1999.
- ◇ As of May 13, 2004, **1,490,722** Tennesseans were subscribed to the state's "Do Not Call" program **administered** by the TRA. In 2003, the TRA mediated **518** "Do Not Call" complaints and assessed **\$161,650** in fines for "Do Not Call" rules violations.
- ◇ In 2003 the Tennessee General Assembly passed the "Do Not Fax" bill. In 2003 the TRA received **457** fax complaints and **467** fax complaints to date in 2004.
- ◇ The TRA is working with the Federal Communications Commission (FCC) and the Federal Trade Commission (FTC) to ensure that creation of a national "Do Not Call" program does not impair the effectiveness of Tennessee's existing program. It is the TRA's position that a national "Do Not Call" program should not preempt the programs operating in individual states.

- ◇ To conserve telephone numbers and reduce the need to add area codes, Tennessee has ordered that telephone numbers be assigned to carriers in 1,000 number blocks instead of the 10,000 number blocks previously permitted by the FCC. Tennessee presently has 6 area codes and has not needed to add an area code since September 2001.
- ◇ By state law, all telephone calls originating and terminating within the same county are required to be completed without long distance charges (Tenn. Code Ann. § 65-21-114)