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Obligations to Offer Backup Power Options and Provide Disclosure Information Regarding Backup Power Use During Power Outages

As a reminder, the FCC's Battery Backup Rules take effect on **August 11, 2016**, for small providers with 100,000 or fewer customer lines. The new rules focus narrowly on providers of any facilities-based, fixed voice service that is intended as a residential service and is not line-powered ("Covered Providers").

Obligations to Offer Backup Power Options

As of August 11, 2016, Covered Providers are required to disclose the following information to all new customers at the point of sale as well as annually thereafter until September 1, 2025, informing them about service limitations during electric outages and what customers can do to minimize the risks:

1. Availability of backup power sources
2. Service limitations with and without backup power during a power outage
3. Purchase and replacement options
4. Expected backup power duration
5. Proper usage and storage conditions for the backup power source
6. Subscriber backup power self-testing and monitoring instructions
7. Backup power warranty details (if any)

For the Availability of backup power sources - at the time of sale and on a going-forward basis, providers are required to offer customers the option to purchase a battery backup or an alternative technical solution that allows for 8 hours of standby backup power. By February 2019, providers will be required to offer an option for 24 hours of standby backup power (which can be accomplished via three 8-hour battery backup pieces of equipment).

Providers should note that the purchase decision is ultimately up to the customer as providers cannot force customers to pay for equipment they do not want. In addition, providers should disclose to consumers that they have an option to self-install commercially available backup power. So providers should communicate to subscribers the following information to allow them to decide whether to self-purchase the backup power source: 1) where it can be purchased; 2) approximate cost; and 3) the voltage and type of battery that is compatible with the service.

Specifically, the Covered Provider should offer an option of either 1) a complete solution including battery or other alternative power source, or 2) installation by the provider of a component that accepts the use of a battery that the customers can obtain separately. If the provider does not offer a complete solution, the provider shall install a compatible battery or power source, if the customer makes his or her self-installed commercially available power source at the time of installation and so requests. After service has been initiated, provider may, but is not required, to offer to sell any such options directly to customers.

Obligations to Disclose Information to Subscribers

As previously noted, Covered Providers are required to disclose the above information to all new subscribers at the point of sale as well as annually thereafter until September 1, 2025. According to the

FCC, for small providers the disclosure obligations become effective February 1, 2017. For point of sale notice and disclosure, GVNW recommends that information be placed on the subscriber application or a handout to be given out along with the application. Further, the FCC expects that installers should be able to answer questions about backup power. However, GVNW believes that the February 1st date more practically refers to the annual notice requirement and recommends that providers should start the notice process with a bill insert to affected subscribers beginning with the September 1, 2016 billing.

Other Methods of Disclosure

A Covered Provider must make the disclosures using a method reasonably calculated to reach individual subscribers, with due consideration of subscriber preferences. A bill insert is the preferred method for physical notice. However, a Covered Provider may post the information on a website as long as the physical method is also used. Also, a combination of disclosures via email, online billing statement, or other electronic means for those that communicate that way.

Below is FCC approved template language that can be tailored as needed to comply with the notification requirements of the new rules. Please read the Template carefully and make edits where applicable. For example, the Template assumes that you have multiple locations in the "If the company provides the backup batteries" section.

FCC TEMPLATE FOR BACKUP POWER CUSTOMER NOTICE

Backup Power for Home Phone Services during Power Outages: For many years, your home phone would allow you to stay connected to emergency voice services during a power outage. However, many of today's advanced home phone services require backup battery power to continue functioning during an outage. To avoid a disruption of home voice service during an outage - and to maintain the ability to connect to 911 emergency services - we at [KTTel] offer you the option of purchasing backup power for your home phones.

What Your Battery Can - and Can't - Do for You: [KTTel's] backup batteries for telephone modems allow you to continue to use your home voice services during a power outage. Without a backup battery or alternate backup source such as a generator, customers will not be able to make any calls, including emergency calls to 911. The only way to maintain the ability to use your phone is by using some form of backup power.

Our backup battery does not provide power to any services other than voice. Home security systems, medical monitoring devices and other equipment will not run on a home phone backup battery.

Purchase and Replacement Options: If you are concerned about being able to contact 911 emergency services during a power outage, a backup battery may be a good option for you. The battery offered by [KTTel] is approximately [one pound] and is roughly the size of [a juice box].

- If the company provides the backup batteries - You can purchase a backup battery directly through [KTTel]. If you have any questions or simply want to purchase a backup battery through us, please call [1-800-123-4567], visit our website at [<http://www.kttel.com/backupbattery>], or go to your local retail store. Our 8 hour backup batteries cost approximately [\$35] and can be shipped directly to your house, or can be picked up in one of our many retail locations. If you do not feel comfortable installing your own battery, please call us to make an appointment, and we would be happy to assist you. However, please note that there may be a charge for this service.
- If a third party provides the backup batteries - You can also purchase a backup battery through many of your local retailers or on-line, including from the vendor identified below. Be sure to purchase the battery model that matches the type of modem that you have. The type of modem that you have is a [KTTel Modem Style TM502G]. The type of battery that you need is a [Citren 8 Hour Backup Battery for TM5/6/7 Modems - 8.4 Volts].

[AC's Excellent Batteries]
KTTel Modem Style TM502G
Citren 8 Hour Backup Battery for TM5/6/7 Modems - 8.4 Volts

Approximate cost - \$45

<http://www.baumbatteries.com/backupbatteries/Citren8>

Expected Backup Power Duration: Backup batteries are expected to last at least 8 hours on standby power. The backup battery should give you [6 hours] of talk time. If you feel that is not enough time, you may extend your standby power by purchasing a 24-hour battery or additional 8 hour batteries.

Instructions for Proper Care and Use of Your Battery: Please follow the more detailed instructions included with your battery for proper use, storage and care of your battery to ensure that it will function as needed during a power outage. If you do not store your battery correctly, it may shorten its useful life. Environmental factors such as temperature can shorten your battery's useful life. We recommend that you store your battery above [41°F and below 104°F]. These batteries are [not] rechargeable. They will not last forever and should be replaced every [1 to 2 years], when an indicator light changes color, or possibly when your device starts to make a loud beeping sound. That sound means that the battery is depleted, and must be replaced. See the instructions above for purchase and replacement options. You should also periodically, as described in the instructions included with your battery, remove and test your battery to verify both the operation of the backup battery and its condition.

The above is meant only as a highlight that summarizes the Backup Power Rule changes that will impact wireline providers. Please contact your GVNW Consultant or Steve Gatto (830) 895-7226, sgatto@gvnw.com or Courtney Spears (830.895.7221, cspears@gvnw.com) with any additional questions you may have about the new rules for Backup Power.