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**House of Representatives
State of Tennessee**

NASHVILLE

MEMBER OF COMMITTEES:

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SARA KYLE, COMMISSIONER
TN REGULATORY AUTHORITY

November 30, 2009

Honorable Sara Kyle, Chairman
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243

RE: Study of the Merits of Rural Affordability Fund ("TRAF");
Docket No. 09-00096

Dear Chairman Kyle:

It is our understanding the Tennessee Regulatory Authority ("TRAF") is conducting an analysis of specific issues of critical relevance to the General Assembly's consideration of SB2147/HB2217, which will ultimately be memorialized in writing and delivered to the appropriate committees as the Agency's report. We would respectfully request your report include information and consideration of certain issues of serious concern as follows:

1. What jurisdictional authority, if any, has already been delegated to the TRA to address the issues raised by the proposed legislation, and how would the proposed legislation change provisions of any existing state law?
2. The proposed legislation permits telecommunications companies to pass the cost of the TRAF to the consumers which would appear to be a new tax burden on the citizens of this state. How is this type of tax justified?
3. Will any past or pending action by the Federal Communications Commission have any preemptive affect on the issues contemplated by the proposed legislation? If so, why is the proposed legislation necessary?
4. The proposed legislation suggests a methodology for determining the size of the fund. Please quantify and compare to other available, alternative methods of determining the size of the fund.

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5. What entities will benefit from the proposed reduction of intra-state access charges and to what extent? Please quantify.
6. What entities will benefit from the TRAF and how will eligibility for assistance be determined?
7. Should the proposed legislation include a provision to ensure regulatory accountability for use of TRAF funds?

Thank you for your time and consideration of this request. Please feel free to contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Charles Sargent", with a stylized flourish at the end.

Charles Sargent
State Representative
61st House District

CMS:tm