

## INTRODUCTION

The Department of Commerce (Department or DOC) must report to the Legislature by January 15, 2006 recommendations for the amount of, and method for, assessing a fee that would apply to each service provider based upon the number of Minnesota telephone numbers in use by current customers of the service provider.<sup>1</sup> Such a fee would be set at an amount needed to generate enough revenue to fund:

- the Telephone Assistance Plan (TAP),<sup>2</sup>
- the Telecommunications Access Minnesota Program (TAM)<sup>3</sup> at the levels established by the Public Utilities Commission (PUC), and
- the 911 emergency and public safety communications program at the levels appropriated by law to the Commissioner of Public Safety and the Commissioner of Finance.

Currently these programs are funded on a per access line fee, with 911 (\$0.65 as of July 2005) and TAM (\$0.07 as of July 2005) fees assessed on both wireline and wireless access lines and TAP (\$0.05) assessed on only wirelines. The aggregate annual amount collected will be approximately \$51.6 million for FY06 using the new fees and Department of Public Safety projections on the number of wireless and wireline access lines during the fiscal year.

In its report to the Legislature, the Department's recommendations are to include any changes to Minnesota Statutes necessary to establish the procedures under which each service provider would collect and remit the fee proceeds to the Commissioner of Revenue. The Commissioner of Revenue would then allocate the fee proceeds to the three funding areas.

As part of the process for developing recommendations and preparing the report to the Legislature, the DOC is to consult regularly with the departments of Public Safety, Finance, and Administration, the Public Utilities Commission, service providers, the chairs and ranking minority members of the senate and house committees, subcommittees, and divisions having jurisdiction over telecommunications and public safety, and other affected parties.

The purpose of this paper is to provide interested stakeholders with background information on why changes to how 911, TAM and TAP fees are collected may be necessary; alternative mechanisms that could collect such fees; and, to begin to frame the issues that need to be debated.

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<sup>1</sup> Minn. Stat. § 237.491 or HF 1, Article 10, See Attachment A.

<sup>2</sup> TAP is the Minnesota lifeline program that provides a subsidy or credit for local telecommunications service to certain low-income residents. The program was implemented by law, Minn. Stat. § 237.69 to 237.711.

<sup>3</sup> TAM is the Minnesota Relay service and equipment distribution program that assists an individual that is communications impaired to communicate using the telecommunications network. The program was implemented by law, Minn. Stat. § 237.50 to 237.56.

At the end of this white paper are preliminary and implementation issues that the Department has identified. The Department invites all interested stakeholders to provide responses to these issues, and any other pertinent issues that stakeholders identify. Any responses received will be used by the Department in preparing its report to the Legislature. Responses should be submitted by September 30, 2005. Questions may be directed to Diane Wells at the Department of Commerce at 651/284-4213 or [diane.wells@state.mn.us](mailto:diane.wells@state.mn.us).

## BACKGROUND

### A. Concern With Current Funding Source

The Department of Commerce had a 2005 legislative initiative that would change the funding for 911, TAP and TAM from a per access line fee to a per telephone number fee. The per number fee would have been assessed on any telephone numbers beginning with a Minnesota area code, regardless of the technology used to provide the underlying telecommunications service.

The DOC's initiative grew out of a concern that the current per access line fee was based on a dwindling number of "access lines" as customers moved to voice over internet protocol (VoIP) service or eliminated second lines as they moved to DSL or cable modems and that fees were not being assessed across all types of providers, giving certain providers a competitive advantage. The Department of Public Safety (DPS), which collects the 911, TAP and TAM fees, shared the DOC's concern over the shrinking number of access lines based on its revenue projections. DPS figures show that the number of wirelines has been decreasing steadily since late 2001. The decrease in wirelines has been offset by the increase in wireless lines. However, the DPS calculates that by mid 2006, the increase in wireless lines will barely offset the loss of wirelines and that by early 2009, the total number of wireline and wireless access lines will actually begin to decrease.

Other states recognize the need to review funding sources for their public safety and service programs. The *Future of 911 Coalition* in Michigan has issued a white paper that explains the many industry changes that have occurred that impacts how 911 is funded.<sup>4</sup> While the 911 funding mechanism in Michigan varies by county, many of the same arguments for change also apply to Minnesota: Because of the importance of 911, funding must be reliable, predictable and sustainable. When 911 was first introduced, there was little, if any, competition in the telecommunications market. In addition to the increased competition of today, there are additional technologies being used to communicate. If all competitors or new technologies don't pay the 911 fee, then a higher fee has to be assessed against a smaller and smaller base. The fee structures that were developed when telephone service was a monopoly service don't tend to treat all groups,

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<sup>4</sup> See the 2004 paper "Michigan's System of Financing 911 Service: Early Signs of a Looming Crisis" included as Attachment B or at [www.telecommich.org/Documents/911\\_white\\_paper.pdf](http://www.telecommich.org/Documents/911_white_paper.pdf)

such as senior citizens, the low income population, and businesses, fairly in today's competitive telecommunications marketplace.

## B. Change Was Made in the 2005 Session

The Department of Public Safety's concerns led the 2005 legislature to increase the 911 fee from \$0.40 to \$0.65 and expanded the definition of the type of service providers that must pay the 911 fee. The new law now requires any "switched or packet-based" providers that are "connected to the public switched telephone network" and that furnish service "capable of originating a 911 emergency telephone call" to pay the \$0.65 911 fee. (The actual language changes are shown in Attachment A.) Since collections for the TAM program are statutorily linked to the methodology used to collect 911 fees it is likely that the law change should result in service providers using voice over internet protocol (VoIP) technology to also contribute to TAM funding.

The 2005 law changes begin to address the concerns that led the Department to seek a change from funding based on a per access line basis to uniform funding on a per telephone number basis. TAM and 911 fees should be collected from all providers that offer or provide access to these services, regardless of the technology used.

## C. How Other States Fund 911, Lifeline, Relay Services

The DOC has conducted a review of the methods other states currently use to fund their 911, lifeline and relay programs. The results of that review are included as Attachment C. Some of these methods have been in place for years, others have been recently adjusted. Across the states, there is no dominant method being used, but numerous ways for collecting the funding necessary to support 911, lifeline, and relay services, including:

- Flat fees per access line (similar to what Minnesota currently does);
- Fees based on a percentage of the tariffed rate for basic telephone service;
- Fees based on a percentage of the intrastate portion of an end user's telephone bill;
- Several states have 911 fees that are billed by the telephone companies but set by the individual counties, so vary widely across the state;
- Several states fund their lifeline and/or relay programs from a state universal service fund, which is funded by a percentage of each provider's intrastate retail revenues and which the provider may or may not be allowed to pass on to the end user as a line item on the end users' bills;
- Several states have different mechanisms for the three types of fees (for example, the 911 fee may be a fixed amount per access line while the relay and lifeline fees are based on a percent of the service provider's intrastate retail revenues). And,
- Thirteen states (Alaska, Arkansas, Connecticut, Delaware, Florida, Illinois, Iowa, Massachusetts, New Hampshire, New Mexico, Ohio, South Carolina and Wisconsin) and the District of Columbia already have requirements in place to collect their 911 fees from wireless providers based either on wireless numbers with that state's telephone numbers as assigned by NANPA or wireless numbers billed to addresses within that state. (Relevant language from the laws/rules of these states are included as Attachment D.)

## D. How Minnesota's Funding Mechanism Compares

Having reviewed the various methods in place, it appears that the current Minnesota fees have the benefit of being assessed using the same method (i.e. a fixed fee per access line) and thus can be billed as one line item on the end user bill. Since they are fixed fees, they also don't fluctuate from month-to-month. The fees are the same statewide. The system is also set up in Minnesota so that one agency handles all of the revenue rather than having three different agencies involved in the collection process.

That is not to say that the Minnesota system cannot be improved. Currently, the TAP fees are not assessed on wireless lines. Further, current law refers to an assessment per line, when an assessment per number would be more encompassing of the technologies that connect to the public switched telephone network.

## ISSUES

### A. Preliminary Issues

With the above background information in mind, the Department of Commerce believes that there are some preliminary issues that should be addressed to determine the best manner in which to proceed. The Department's preliminary response to these issues is also provided. Stakeholders are invited to provide their responses.

*1. Given the changes made in the 2005 session to broaden the definition for the types of service providers that must pay the 911 and TAM fees, does more need to be done at this time?*

DOC Answer: It is probably still appropriate to move to a per number fee to fund 911, TAP and TAM as such a funding mechanism is stable, is technology and competitively neutral, and is administratively comparable to the current funding mechanism. The DOC also believes that it would be easier to define a telephone number than it is to define an access line.

*2. If the answer is that more does need to be done, is a per number fee initiative the best option or is there another mechanism that would be better?*

DOC Answer: In reviewing how other states recover the costs for the provision of 911, TAM and TAP, the DOC has not identified another mechanism that is superior. In fact, in assessing 911 fees to wireless providers, several states have adopted a per number fee mechanism.

*3. If a new mechanism is adopted, should it apply to all three services (911, TAM and TAP)?*

DOC Answer: From a policy perspective, DOC believes it would be appropriate to make changes that would enable all subscribers using a communications device that is assigned a telephone number to pay into all three funds and to ensure that all subscribers are able to benefit from all three funds. This also puts the providers of the services on an even competitive footing.

*4. If a new mechanism is adopted, should it apply to all types of technologies or should there be exceptions?*

DOC Answer: DOC believes that any new mechanism should apply to all technologies unless a provider can clearly show that customers using that technology could in no way benefit from the service(s) being funded. Using a per number fee mechanism is probably the best way to do this.

## B. Specific Per Number Fee Implementation Issues

If it is determined that a per number fee initiative should be pursued, there are some details to the proposal to discuss to ensure that any legislative language proposed is clear and addresses all implementation issues. Those issues are:

1. Whether the fee should be based on telephone numbers with Minnesota area codes as assigned by NANPA or telephone numbers billed to addresses in Minnesota? The State of Wisconsin has adopted language to assess a surcharge on wireless numbers billed to addresses in Wisconsin. It is very likely that there are wireless customers with telephone numbers that have 651 or 612 area codes that reside in Hudson or Prescott, so that they can call locally into the Twin Cities. These customers would be billed by Wisconsin as they have Wisconsin addresses but would also be billed by Minnesota because they have a Minnesota telephone number. On the other hand, if the fee is based on the billing address, there could be large wireline customers with locations in Minnesota but the bill is directed to an out of state address.
  - Are there legal reasons to go with telephone numbers assigned by NANPA or telephone numbers with a Minnesota billing address?
  - Under a per number fee, the definition of a “number” must be established. Currently, providers must file with NANPA twice a year the quantity of telephone numbers that they have assigned, which are defined as “numbers working in the Public Switched Telephone Network under an agreement such as a contract or tariff at the request of specific end users or customers for their use, or numbers not yet working but having a customer service order pending. Numbers that are not yet working and have a service order pending for more than five days shall not be classified as assigned numbers.” Should this definition and the quantity reported to NANPA be used to assess a per number fee?

2. Fees based on a per access line have had a factor developed for “trunk equivalency” (like Centrex customers) so that they are not billed for every single line. If large business and government customers are now charged for every number they have, they could see an increase in the 911/TAP/TAM fees that they pay. While certain 911 costs are incurred by telephone number (for example, to maintain the 911 database), is that justification for customers with a large concentration of numbers to pay a greater proportion of the total cost of these programs than they do today? In reviewing how the various states assess fees, it is worth noting that several of them cap the number of lines that are billed at 25, 75 or 100 per customer or per location.
3. Currently wireless providers are not eligible to collect lifeline support because they do not fit the statutory definitions for telephone company and access lines under Minn. Stat. 237.69. However, under a per number fee regime for the collection of 911/TAM/TAP, wireless providers could be required to contribute to the TAP fund. Should changes be made to the statutes so that wireless providers could receive lifeline funding?
4. Wireless service is provided on a monthly subscription basis, but also on a prepaid basis. If no monthly bill is sent, as is the case for prepaid service, should prepaid wireless service be assessed a per number fee.
5. Should there be one funding mechanism for 911, TAM and TAP (i.e. under a per number fee mechanism, should every number that is assessed the amount for one fund be automatically assessed the amounts for all three funds, or should there be exceptions)? Is there a policy reason and/or a legal reason to support having the fee be the same or different?
6. The benefits of recovering the fees for all three programs via the same mechanism include administrative ease and to reduce customer confusion. Should language be included in the statutes to ensure that changes to the three programs that would impact the fee collected for that program must all be done at the same time annually?

Stakeholders are also invited to share their views on these more specific implementation issues. The Department expects that those stakeholders that are companies that hold telephone numbers would be especially interested, and would have valuable ideas on, these detailed issues.

## CONCLUSION

Hopefully this paper generates further thoughts and ideas on the best funding mechanism for Minnesota’s 911, TAM and TAP programs. The Department of Commerce looks forward to receiving responses from stakeholders on the issues. Based on those responses, the Department will determine the appropriate next step(s) in the preparation of the report to the Legislature.

173.31 ARTICLE 10  
173.32 911 EMERGENCY TELECOMMUNICATIONS SERVICES  
173.33 Section 1. [237.491] [COMBINED PER NUMBER FEE.]  
173.34 Subdivision 1. [DEFINITIONS.] (a) The definitions in this  
173.35 subdivision apply to this section.  
173.36 (b) "911 emergency and public safety communications program"  
174.1 means the program governed by chapter 403.  
174.2 (c) "Minnesota telephone number" means a ten-digit  
174.3 telephone number being used to connect to the public switched  
174.4 telephone network and starting with area code 218, 320, 507,  
174.5 612, 651, 763, or 952, or any subsequent area code assigned to  
174.6 this state.  
174.7 (d) "Service provider" means a provider doing business in  
174.8 this state who provides real time, two-way voice service with a  
174.9 Minnesota telephone number.  
174.10 (e) "Telecommunications access Minnesota program" means the  
174.11 program governed by sections 237.50 to 237.55.  
174.12 (f) "Telephone assistance program" means the program  
174.13 governed by sections 237.69 to 237.711.  
174.14 Subd. 2. [PER NUMBER FEE.] (a) By January 15, 2006, the  
174.15 commissioner of commerce shall report to the legislature and to  
174.16 the senate Committee on Jobs, Energy, and Community Development  
174.17 and the house Committee on Regulated Industries, recommendations  
174.18 for the amount of and method for assessing a fee that would  
174.19 apply to each service provider based upon the number of  
174.20 Minnesota telephone numbers in use by current customers of the  
174.21 service provider. The fee would be set at a level calculated to  
174.22 generate only the amount of revenue necessary to fund:  
174.23 (1) the telephone assistance program and the  
174.24 telecommunications access Minnesota program at the levels  
174.25 established by the commission under sections 237.52, subdivision  
174.26 2, and 237.70; and  
174.27 (2) the 911 emergency and public safety communications  
174.28 program at the levels appropriated by law to the commissioner of  
174.29 public safety and the commissioner of finance for purposes of  
174.30 sections 403.11, 403.113, 403.27, 403.30, and 403.31 for each  
174.31 fiscal year.  
174.32 (b) The recommendations must include any changes to  
174.33 Minnesota Statutes necessary to establish the procedures whereby  
174.34 each service provider, to the extent allowed under federal law,  
174.35 would collect and remit the fee proceeds to the commissioner of  
174.36 revenue. The commissioner of revenue would allocate the fee  
175.1 proceeds to the three funding areas in paragraph (a) and credit  
175.2 the allocations to the appropriate accounts.  
175.3 (c) The recommendations must be designed to allow the  
175.4 combined per telephone number fee to be collected beginning July  
175.5 1, 2006. The per access line fee used to collect revenues to  
175.6 support the TAP, TAM, and 911 programs remains in effect until  
175.7 the statutory changes necessary to implement the per telephone  
175.8 number fee have been enacted into law and taken effect.  
175.9 (d) As part of the process of developing the  
175.10 recommendations and preparing the report to the legislature  
175.11 required under paragraph (a), the commissioner of commerce must,  
175.12 at a minimum, consult regularly with the Departments of Public  
175.13 Safety, Finance, and Administration, the Public Utilities

175.14 Commission, service providers, the chairs and ranking minority  
175.15 members of the senate and house committees, subcommittees, and  
175.16 divisions having jurisdiction over telecommunications and public  
175.17 safety, and other affected parties.

175.18 Sec. 2. Minnesota Statutes 2004, section 237.70,  
175.19 subdivision 7, is amended to read:

175.20 Subd. 7. [APPLICATION, NOTICE, FINANCIAL ADMINISTRATION,  
175.21 COMPLAINT INVESTIGATION.] The telephone assistance plan must be  
175.22 administered jointly by the commission, the Department of  
175.23 Commerce, and the local service providers in accordance with the  
175.24 following guidelines:

175.25 (a) The commission and the Department of Commerce shall  
175.26 develop an application form that must be completed by the  
175.27 subscriber for the purpose of certifying eligibility for  
175.28 telephone assistance plan credits to the local service  
175.29 provider. The application must contain the applicant's Social  
175.30 Security number. Applicants who refuse to provide a Social  
175.31 Security number will be denied telephone assistance plan  
175.32 credits. The application form must also include a statement  
175.33 that the applicant household is currently eligible for one of  
175.34 the programs that confers eligibility for the federal Lifeline  
175.35 Program. The application must be signed by the applicant,  
175.36 certifying, under penalty of perjury, that the information  
176.1 provided by the applicant is true.

176.2 (b) Each local service provider shall annually mail a  
176.3 notice of the availability of the telephone assistance plan to  
176.4 each residential subscriber in a regular billing and shall mail  
176.5 the application form to customers when requested.

176.6 The notice must state the following:

176.7 YOU MAY BE ELIGIBLE FOR ASSISTANCE IN PAYING YOUR TELEPHONE  
176.8 BILL IF YOU RECEIVE BENEFITS FROM CERTAIN LOW-INCOME ASSISTANCE  
176.9 PROGRAMS. FOR MORE INFORMATION OR AN APPLICATION FORM PLEASE  
176.10 CONTACT .....

176.11 (c) An application may be made by the subscriber, the  
176.12 subscriber's spouse, or a person authorized by the subscriber to  
176.13 act on the subscriber's behalf. On completing the application  
176.14 certifying that the statutory criteria for eligibility are  
176.15 satisfied, the applicant must return the application to the  
176.16 subscriber's local service provider. On receiving a completed  
176.17 application from an applicant, the subscriber's local service  
176.18 provider shall provide telephone assistance plan credits against  
176.19 monthly charges in the earliest possible month following receipt  
176.20 of the application. The applicant must receive telephone  
176.21 assistance plan credits until the earliest possible month  
176.22 following the service provider's receipt of information that the  
176.23 applicant is ineligible.

176.24 If the telephone assistance plan credit is not itemized on the  
176.25 subscriber's monthly charges bill for local telephone service,  
176.26 the local service provider must notify the subscriber of the  
176.27 approval for the telephone assistance plan credit.

176.28 (d) The commission shall serve as the coordinator of the  
176.29 telephone assistance plan and be reimbursed for its  
176.30 administrative expenses from the surcharge revenue pool. As the  
176.31 coordinator, the commission shall:

176.32 (1) establish a uniform statewide surcharge in accordance  
176.33 with subdivision 6;

176.34 (2) establish a uniform statewide level of telephone



176.35 assistance plan credit that each local service provider shall  
176.36 extend to each eligible household in its service area;

177.1 (3) require each local service provider to account to the  
177.2 commission on a periodic basis for surcharge revenues collected  
177.3 by the provider, expenses incurred by the provider, not to  
177.4 include expenses of collecting surcharges, and credits extended  
177.5 by the provider under the telephone assistance plan;

177.6 (4) require each local service provider to remit surcharge  
177.7 revenues to the Department of ~~Administration~~ Public Safety for  
177.8 deposit in the fund; and

177.9 (5) remit to each local service provider from the surcharge  
177.10 revenue pool the amount necessary to compensate the provider for  
177.11 expenses, not including expenses of collecting the surcharges,  
177.12 and telephone assistance plan credits. When it appears that the  
177.13 revenue generated by the maximum surcharge permitted under  
177.14 subdivision 6 will be inadequate to fund any particular  
177.15 established level of telephone assistance plan credits, the  
177.16 commission shall reduce the credits to a level that can be  
177.17 adequately funded by the maximum surcharge. Similarly, the  
177.18 commission may increase the level of the telephone assistance  
177.19 plan credit that is available or reduce the surcharge to a level  
177.20 and for a period of time that will prevent an unreasonable  
177.21 overcollection of surcharge revenues.

177.22 (e) Each local service provider shall maintain adequate  
177.23 records of surcharge revenues, expenses, and credits related to  
177.24 the telephone assistance plan and shall, as part of its annual  
177.25 report or separately, provide the commission and the Department  
177.26 of Commerce with a financial report of its experience under the  
177.27 telephone assistance plan for the previous year. That report  
177.28 must also be adequate to satisfy the reporting requirements of  
177.29 the federal matching plan.

177.30 (f) The Department of Commerce shall investigate complaints  
177.31 against local service providers with regard to the telephone  
177.32 assistance plan and shall report the results of its  
177.33 investigation to the commission.

177.34 Sec. 3. Minnesota Statutes 2004, section 403.02,  
177.35 subdivision 7, is amended to read:

177.36 Subd. 7. [AUTOMATIC LOCATION IDENTIFICATION.] "Automatic  
178.1 location identification" means the process of electronically  
178.2 identifying and displaying ~~on a special viewing screen~~ the name  
178.3 of the subscriber and the location, where available, of the  
178.4 calling telephone number to a person answering a 911 emergency  
178.5 call.

178.6 Sec. 4. Minnesota Statutes 2004, section 403.02,  
178.7 subdivision 13, is amended to read:

178.8 Subd. 13. [ENHANCED 911 SERVICE.] "Enhanced 911 service"  
178.9 means the use of ~~selective routing~~, automatic location  
178.10 identification, or local location identification as part of  
178.11 local 911 service provided by an enhanced 911 system consisting  
178.12 of a common 911 network and database and customer data and  
178.13 network components connecting to the common 911 network and  
178.14 database.

178.15 Sec. 5. Minnesota Statutes 2004, section 403.02,  
178.16 subdivision 17, is amended to read:

178.17 Subd. 17. [911 SERVICE.] "911 service" means a  
178.18 telecommunications service that automatically connects a person  
178.19 dialing the digits 911 to an established public safety answering

178.20 point. 911 service includes:  
178.21 (1) ~~equipment for connecting and outswitching 911 calls~~  
178.22 ~~within a telephone central office, trunking facilities from the~~  
178.23 ~~central office to a public safety answering point customer data~~  
178.24 ~~and network components connecting to the common 911 network and~~  
178.25 ~~database;~~  
178.26 (2) common 911 network and database equipment, as  
178.27 appropriate, for automatically selectively routing 911 calls in  
178.28 situations where one telephone central office serves more than  
178.29 one to the public safety answering point serving the caller's  
178.30 jurisdiction; and  
178.31 (3) provision of automatic location identification if the  
178.32 public safety answering point has the capability of providing  
178.33 that service.  
178.34 Sec. 6. Minnesota Statutes 2004, section 403.02, is  
178.35 amended by adding a subdivision to read:  
178.36 Subd. 17a. [911 EMERGENCY TELECOMMUNICATIONS SERVICE  
179.1 PROVIDER.] "911 emergency telecommunications service provider"  
179.2 means a telecommunications service provider or other entity,  
179.3 determined by the commissioner to be capable of providing  
179.4 effective and efficient components of the 911 system, that  
179.5 provides all or portions of the network and database for  
179.6 automatically selectively routing 911 calls to the public safety  
179.7 answering point serving the caller's jurisdiction.  
179.8 Sec. 7. Minnesota Statutes 2004, section 403.025,  
179.9 subdivision 3, is amended to read:  
179.10 Subd. 3. [WIRE-LINE CONNECTED TELECOMMUNICATIONS SERVICE  
179.11 PROVIDER REQUIREMENTS.] Every owner and operator of a  
179.12 wire-line or wireless circuit switched or packet-based  
179.13 telecommunications system connected to the public switched  
179.14 telephone network shall design and maintain the system to dial  
179.15 the 911 number without charge to the caller.  
179.16 Sec. 8. Minnesota Statutes 2004, section 403.025,  
179.17 subdivision 7, is amended to read:  
179.18 Subd. 7. [CONTRACTUAL REQUIREMENTS.] (a) The state,  
179.19 together with the county or other governmental agencies  
179.20 operating public safety answering points, shall contract with  
179.21 the appropriate wire-line telecommunications service  
179.22 providers or other entities determined by the commissioner to be  
179.23 capable of providing effective and efficient components of the  
179.24 911 system for the operation, maintenance, enhancement, and  
179.25 expansion of the 911 system.  
179.26 (b) The state shall contract with the appropriate wireless  
179.27 telecommunications service providers for maintaining, enhancing,  
179.28 and expanding the 911 system.  
179.29 (c) The contract language or subsequent amendments to the  
179.30 contract must include a description of the services to be  
179.31 ~~furnished by wireless and wire line telecommunications service~~  
179.32 ~~providers~~ to the county or other governmental agencies operating  
179.33 public safety answering points, ~~as well as compensation based on~~  
179.34 ~~the effective tariff or price list approved by the Public~~  
179.35 ~~Utilities Commission.~~ The contract language or subsequent  
179.36 amendments must include the terms of compensation based on the  
180.1 effective tariff or price list filed with the Public Utilities  
180.2 Commission or the prices agreed to by the parties.  
180.3 (d) The contract language or subsequent amendments to  
180.4 contracts between the parties must contain a provision for

180.5 resolving disputes.

180.6 Sec. 9. Minnesota Statutes 2004, section 403.05,  
180.7 subdivision 3, is amended to read:

180.8 Subd. 3. [AGREEMENTS FOR SERVICE.] Each county and any  
180.9 other governmental agency shall contract with the state and  
180.10 wire-line telecommunications service providers or other entities  
180.11 determined by the commissioner to be capable of providing  
180.12 effective and efficient components of the 911 system for the  
180.13 recurring and nonrecurring costs associated with operating and  
180.14 maintaining 911 emergency communications systems.

180.15 Sec. 10. Minnesota Statutes 2004, section 403.07,  
180.16 subdivision 3, is amended to read:

180.17 Subd. 3. [DATABASE.] In 911 systems that have been  
180.18 approved by the commissioner for a local location identification  
180.19 database, each wire-line telecommunications service provider  
180.20 shall provide current customer names, service addresses, and  
180.21 telephone numbers to each public safety answering point within  
180.22 the 911 system and shall update the information according to a  
180.23 schedule prescribed by the county 911 plan. Information  
180.24 provided under this subdivision must be provided in accordance  
180.25 with the transactional record disclosure requirements of the  
180.26 federal ~~Electronic Communications Privacy Act of 1986~~ 1932,  
180.27 United States Code, title ~~18~~ 47, section ~~2703~~ 222,  
180.28 subsection ~~(c)~~, paragraph ~~(1)~~, subparagraph ~~(B)(iv)~~ (g).

180.29 Sec. 11. Minnesota Statutes 2004, section 403.08,  
180.30 subdivision 10, is amended to read:

180.31 Subd. 10. [PLAN INTEGRATION.] Counties shall incorporate  
180.32 the statewide design when modifying county 911 plans to provide  
180.33 for integrating wireless 911 service into existing county 911  
180.34 systems. The commissioner shall contract with the involved  
180.35 wireless service providers and 911 emergency telecommunications  
180.36 service providers to integrate cellular and other wireless  
181.1 services into existing 911 systems where feasible.

181.2 Sec. 12. Minnesota Statutes 2004, section 403.11,  
181.3 subdivision 1, is amended to read:

181.4 Subdivision 1. [EMERGENCY TELECOMMUNICATIONS SERVICE FEE;  
181.5 ACCOUNT.] (a) Each customer of a wireless or wire-line switched  
181.6 or packet-based telecommunications service provider connected to  
181.7 the public switched telephone network that furnishes service  
181.8 capable of originating a 911 emergency telephone call is  
181.9 assessed a fee based upon the number of wired or wireless  
181.10 telephone lines, or their equivalent, to cover the costs of  
181.11 ongoing maintenance and related improvements for trunking and  
181.12 central office switching equipment for 911 emergency  
181.13 telecommunications service, plus administrative and staffing  
181.14 costs of the commissioner related to managing the 911 emergency  
181.15 telecommunications service program. Recurring charges by a  
181.16 wire-line telecommunications service provider for updating the  
181.17 information required by section 403.07, subdivision 3, must be  
181.18 paid by the commissioner if the wire-line telecommunications  
181.19 service provider is included in an approved 911 plan and the  
181.20 charges are made pursuant to ~~tariff, price list, or~~ contract.  
181.21 The fee assessed under this section must also be used for the  
181.22 purpose of offsetting the costs, including administrative and  
181.23 staffing costs, incurred by the State Patrol Division of the  
181.24 Department of Public Safety in handling 911 emergency calls made  
181.25 from wireless phones.

181.26 (b) Money remaining in the 911 emergency telecommunications  
181.27 service account after all other obligations are paid must not  
181.28 cancel and is carried forward to subsequent years and may be  
181.29 appropriated from time to time to the commissioner to provide  
181.30 financial assistance to counties for the improvement of local  
181.31 emergency telecommunications services. The improvements may  
181.32 include providing access to 911 service for telecommunications  
181.33 service subscribers currently without access and upgrading  
181.34 existing 911 service to include automatic number identification,  
181.35 local location identification, automatic location  
181.36 identification, and other improvements specified in revised  
182.1 county 911 plans approved by the commissioner.  
182.2 (c) The fee may not be less than eight cents nor more than  
182.3 ~~40~~ 65 cents a month for each customer access line or other basic  
182.4 access service, including trunk equivalents as designated by the  
182.5 Public Utilities Commission for access charge purposes and  
182.6 including wireless telecommunications services. With the  
182.7 approval of the commissioner of finance, the commissioner of  
182.8 public safety shall establish the amount of the fee within the  
182.9 limits specified and inform the companies and carriers of the  
182.10 amount to be collected. When the revenue bonds authorized under  
182.11 section 403.27, subdivision 1, have been fully paid or defeased,  
182.12 the commissioner shall reduce the fee to reflect that debt  
182.13 service on the bonds is no longer needed. The commissioner  
182.14 shall provide companies and carriers a minimum of 45 days'  
182.15 notice of each fee change. The fee must be the same for all  
182.16 customers.  
182.17 (d) The fee must be collected by each wireless or wire-line  
182.18 telecommunications service provider subject to the fee. Fees  
182.19 are payable to and must be submitted to the commissioner monthly  
182.20 before the 25th of each month following the month of collection,  
182.21 except that fees may be submitted quarterly if less than \$250 a  
182.22 month is due, or annually if less than \$25 a month is due.  
182.23 Receipts must be deposited in the state treasury and credited to  
182.24 a 911 emergency telecommunications service account in the  
182.25 special revenue fund. The money in the account may only be used  
182.26 for 911 telecommunications services.  
182.27 (e) This subdivision does not apply to customers of  
182.28 interexchange carriers.  
182.29 (f) The installation and recurring charges for integrating  
182.30 wireless 911 calls into enhanced 911 systems must be paid by the  
182.31 commissioner if the 911 service provider is included in the  
182.32 statewide design plan and the charges are made pursuant to  
182.33 ~~tariff, price list, or contract.~~  
182.34 Sec. 13. Minnesota Statutes 2004, section 403.11,  
182.35 subdivision 3, is amended to read:  
182.36 Subd. 3. [METHOD OF PAYMENT.] (a) Any wireless or  
183.1 wire-line telecommunications service provider incurring  
183.2 reimbursable costs under subdivision 1 shall submit an invoice  
183.3 itemizing rate elements by county or service area to the  
183.4 commissioner for 911 services furnished under ~~tariff, price~~  
183.5 ~~list, or contract.~~ Any wireless or wire-line telecommunications  
183.6 service provider is eligible to receive payment for 911 services  
183.7 rendered according to the terms and conditions specified in the  
183.8 contract. Competitive local exchange carriers holding  
183.9 certificates of authority from the Public Utilities Commission  
183.10 are eligible to receive payment for recurring 911 services

183.11 provided after July 1, 2001. The commissioner shall pay the  
183.12 invoice within 30 days following receipt of the invoice unless  
183.13 the commissioner notifies the service provider that the  
183.14 commissioner disputes the invoice.

183.15 (b) The commissioner shall estimate the amount required to  
183.16 reimburse 911 emergency telecommunications service providers and  
183.17 wireless and wire-line telecommunications service providers for  
183.18 the state's obligations under subdivision 1 and the governor  
183.19 shall include the estimated amount in the biennial budget  
183.20 request.

183.21 Sec. 14. Minnesota Statutes 2004, section 403.11,  
183.22 subdivision 3a, is amended to read:

183.23 Subd. 3a. [TIMELY CERTIFICATION.] A certification must be  
183.24 submitted to the commissioner no later than ~~two years~~ one year  
183.25 after commencing a new or additional eligible 911 service. Any  
183.26 wireless or wire-line telecommunications service provider  
183.27 incurring reimbursable costs under this section at any time  
183.28 before January 1, 2003, may certify those costs for payment to  
183.29 the commissioner according to this section for a period of 90  
183.30 days after January 1, 2003. During this period, the  
183.31 commissioner shall reimburse any wireless or wire-line  
183.32 telecommunications service provider for approved, certified  
183.33 costs without regard to any contrary provision of this  
183.34 subdivision. Each applicable contract must provide that, if  
183.35 certified expenses under the contract deviate from estimates in  
183.36 the contract by more than ten percent, the commissioner may  
184.1 reduce the level of service without incurring any termination  
184.2 fees.

184.3 Sec. 15. Minnesota Statutes 2004, section 403.113,  
184.4 subdivision 1, is amended to read:

184.5 Subdivision 1. [FEE.] (a) Each customer receiving service  
184.6 from a wireless or wire-line switched or packet-based  
184.7 telecommunications service provider connected to the public  
184.8 telephone network that furnishes service capable of originating  
184.9 a 911 emergency telephone call is assessed a fee to fund  
184.10 implementation, operation, maintenance, enhancement, and  
184.11 expansion of enhanced 911 service, including acquisition of  
184.12 necessary equipment and the costs of the commissioner to  
184.13 administer the program. The actual fee assessed under section  
184.14 403.11 and the enhanced 911 service fee must be collected as one  
184.15 amount and may not exceed the amount specified in section  
184.16 403.11, subdivision 1, paragraph (c).

184.17 (b) The enhanced 911 service fee must be collected and  
184.18 deposited in the same manner as the fee in section 403.11 and  
184.19 used solely for the purposes of paragraph (a) and subdivision 3.

184.20 (c) The commissioner, in consultation with counties and 911  
184.21 system users, shall determine the amount of the enhanced 911  
184.22 service fee. ~~The fee must include at least ten cents per month~~  
184.23 ~~to be distributed under subdivision 2.~~ The commissioner shall  
184.24 inform wireless and wire-line telecommunications service  
184.25 providers that provide service capable of originating a 911  
184.26 emergency telephone call of the total amount of the 911 service  
184.27 fees in the same manner as provided in section 403.11.

184.28 Sec. 16. Minnesota Statutes 2004, section 403.21,  
184.29 subdivision 8, is amended to read:

184.30 Subd. 8. [SUBSYSTEMS.] "Subsystems" or "public safety  
184.31 radio subsystems" means systems identified in the plan or a plan

184.32 ~~developed under section 403.36 as subsystems interconnected by~~  
184.33 ~~the system backbone in subsequent phases and operated by the~~  
184.34 ~~Metropolitan Radio Board, a regional radio board, or local~~  
184.35 ~~government units for their own internal operations.~~  
184.36 Sec. 17. Minnesota Statutes 2004, section 403.27,  
185.1 subdivision 1, is amended to read:  
185.2 Subdivision 1. [AUTHORIZATION.] ~~(a)~~ After consulting with  
185.3 the commissioner of finance, the council, if requested by a vote  
185.4 of at least two-thirds of all of the members of the Metropolitan  
185.5 Radio Board, may, by resolution, authorize the issuance of its  
185.6 revenue bonds for any of the following purposes to:  
185.7 (1) provide funds for regionwide mutual aid and emergency  
185.8 medical services communications;  
185.9 (2) provide funds for the elements of the first phase of  
185.10 the regionwide public safety radio communication system that the  
185.11 board determines are of regionwide benefit and support mutual  
185.12 aid and emergency medical services communication including, but  
185.13 not limited to, costs of master controllers of the backbone;  
185.14 (3) provide money for the second phase of the public safety  
185.15 radio communication system;  
185.16 (4) to the extent money is available after meeting the  
185.17 needs described in clauses (1) to (3), provide money to  
185.18 reimburse local units of government for amounts expended for  
185.19 capital improvements to the first phase system previously paid  
185.20 for by the local government units; or  
185.21 (5) refund bonds issued under this section.  
185.22 ~~(b) After consulting with the commissioner of finance, the~~  
185.23 ~~council, if requested by a vote of at least two thirds of all of~~  
185.24 ~~the members of the Statewide Radio Board, may, by resolution,~~  
185.25 ~~authorize the issuance of its revenue bonds to provide money for~~  
185.26 ~~the third phase of the public safety radio communication system.~~  
185.27 Sec. 18. Minnesota Statutes 2004, section 403.27,  
185.28 subdivision 3, is amended to read:  
185.29 Subd. 3. [LIMITATIONS.] (a) The principal amount of the  
185.30 bonds issued pursuant to subdivision 1, exclusive of any  
185.31 original issue discount, shall not exceed the amount of  
185.32 \$10,000,000 plus the amount the council determines necessary to  
185.33 pay the costs of issuance, fund reserves, debt service, and pay  
185.34 for any bond insurance or other credit enhancement.  
185.35 (b) In addition to the amount authorized under paragraph  
185.36 (a), the council may issue bonds under subdivision 1 in a  
186.1 principal amount of \$3,306,300, plus the amount the council  
186.2 determines necessary to pay the cost of issuance, fund reserves,  
186.3 debt service, and any bond insurance or other credit  
186.4 enhancement. The proceeds of bonds issued under this paragraph  
186.5 may not be used to finance portable or subscriber radio sets.  
186.6 ~~(c) In addition to the amount authorized under paragraphs~~  
186.7 ~~(a) and (b), the council may issue bonds under subdivision 1 in~~  
186.8 ~~a principal amount of \$18,000,000, plus the amount the council~~  
186.9 ~~determines necessary to pay the costs of issuance, fund~~  
186.10 ~~reserves, debt service, and any bond insurance or other credit~~  
186.11 ~~enhancement. The proceeds of bonds issued under this paragraph~~  
186.12 ~~must be used to pay up to 50 percent of the cost to a local~~  
186.13 ~~government unit of building a subsystem and may not be used to~~  
186.14 ~~finance portable or subscriber radio sets. The bond proceeds~~  
186.15 ~~may be used to make improvements to an existing 800 MHz radio~~  
186.16 ~~system that will interoperate with the regionwide public safety~~

186.17 ~~radio communication system, provided that the improvements~~  
186.18 ~~conform to the board's plan and technical standards. The~~  
186.19 ~~council must time the sale and issuance of the bonds so that the~~  
186.20 ~~debt service on the bonds can be covered by the additional~~  
186.21 ~~revenue that will become available in the fiscal year ending~~  
186.22 ~~June 30, 2005, generated under section 403.11 and appropriated~~  
186.23 ~~under section 403.30.~~

186.24 ~~(d) In addition to the amount authorized under paragraphs~~  
186.25 ~~(a) to (c), the council may issue bonds under subdivision 1 in a~~  
186.26 ~~principal amount of up to \$27,000,000, plus the amount the~~  
186.27 ~~council determines necessary to pay the costs of issuance, fund~~  
186.28 ~~reserves, debt service, and any bond insurance or other credit~~  
186.29 ~~enhancement. The proceeds of bonds issued under this paragraph~~  
186.30 ~~are appropriated to the commissioner of public safety for phase~~  
186.31 ~~three of the public safety radio communication system. In~~  
186.32 ~~anticipation of the receipt by the commissioner of public safety~~  
186.33 ~~of the bond proceeds, the Metropolitan Radio Board may advance~~  
186.34 ~~money from its operating appropriation to the commissioner of~~  
186.35 ~~public safety to pay for design and preliminary engineering for~~  
186.36 ~~phase three. The commissioner of public safety must return~~  
187.1 ~~these amounts to the Metropolitan Radio Board when the bond~~  
187.2 ~~proceeds are received.~~

187.3 Sec. 19. [403.275] [STATE 911 REVENUE BONDS.]

187.4 Subdivision 1. [BONDING AUTHORITY.] (a) The commissioner  
187.5 of finance, if requested by a vote of at least two-thirds of all  
187.6 the members of the Statewide Radio Board, shall sell and issue  
187.7 state revenue bonds for the following purposes:

187.8 (1) to pay the costs of the statewide public safety radio  
187.9 communication system backbone identified in the plan under  
187.10 section 403.36 and those elements that the Statewide Radio Board  
187.11 determines are of regional or statewide benefit and support  
187.12 mutual aid and emergency medical services communication,  
187.13 including, but not limited to, costs of master controllers of  
187.14 the backbone;

187.15 (2) to pay the costs of issuance, debt service, and bond  
187.16 insurance or other credit enhancements, and to fund reserves;  
187.17 and

187.18 (3) to refund bonds issued under this section.

187.19 (b) The amount of bonds that may be issued for the purposes  
187.20 of clause (1) will be set from time to time by law; the amount  
187.21 of bonds that may be issued for the purposes of clauses (2) and  
187.22 (3) is not limited.

187.23 (c) The bond proceeds may be used to to pay up to 50  
187.24 percent of the cost to a local government unit of building a  
187.25 subsystem. The bond proceeds may be used to make improvements  
187.26 to an existing 800 MHz radio system that will interoperate with  
187.27 the regionwide public safety radio communication system,  
187.28 provided that the improvements conform to the Statewide Radio  
187.29 Board's plan and technical standards. The bond proceeds may not  
187.30 be used to pay for portable or subscriber radio sets.

187.31 Subd. 2. [PROCEDURE.] (a) The commissioner may sell and  
187.32 issue the bonds on the terms and conditions the commissioner  
187.33 determines to be in the best interests of the state. The bonds  
187.34 may be sold at public or private sale. The commissioner may  
187.35 enter any agreements or pledges the commissioner determines  
187.36 necessary or useful to sell the bonds that are not inconsistent  
188.1 with sections 403.21 to 403.40. Sections 16A.672 to 16A.675

188.2 apply to the bonds. The proceeds of the bonds issued under this  
188.3 section must be credited to a special 911 revenue bond proceeds  
188.4 account in the state treasury.

188.5 (b) Before the proceeds are received in the 911 revenue  
188.6 bond proceeds account, the commissioner of finance may transfer  
188.7 to the account from the 911 emergency telecommunications service  
188.8 account amounts not exceeding the expected proceeds from the  
188.9 next bond sale. The commissioner of finance shall return these  
188.10 amounts to the 911 emergency telecommunications service account  
188.11 by transferring proceeds when received. The amounts of these  
188.12 transfers are appropriated from the 911 emergency  
188.13 telecommunications service account and from the 911 revenue bond  
188.14 proceeds account.

188.15 Subd. 3. [REVENUE SOURCES.] The debt service on the bonds  
188.16 is payable only from the following sources:

188.17 (1) revenue credited to the 911 emergency  
188.18 telecommunications service account from the fee imposed and  
188.19 collected under section 237.491 or 403.11, subdivision 1, or  
188.20 from any other source; and

188.21 (2) other revenues pledged to the payment of the bonds.

188.22 Subd. 4. [REFUNDING BONDS.] The commissioner may issue  
188.23 bonds to refund outstanding bonds issued under subdivision 1,  
188.24 including the payment of any redemption premiums on the bonds  
188.25 and any interest accrued or to accrue to the first redemption  
188.26 date after delivery of the refunding bonds. The proceeds of the  
188.27 refunding bonds may, in the discretion of the commissioner, be  
188.28 applied to the purchases or payment at maturity of the bonds to  
188.29 be refunded, or the redemption of the outstanding bonds on the  
188.30 first redemption date after delivery of the refunding bonds and  
188.31 may, until so used, be placed in escrow to be applied to the  
188.32 purchase, retirement, or redemption. Refunding bonds issued  
188.33 under this subdivision must be issued and secured in the manner  
188.34 provided by the commissioner.

188.35 Subd. 5. [NOT A GENERAL OR MORAL OBLIGATION.] Bonds issued  
188.36 under this section are not public debt, and the full faith,  
189.1 credit, and taxing powers of the state are not pledged for their  
189.2 payment. The bonds may not be paid, directly in whole or in  
189.3 part from a tax of statewide application on any class of  
189.4 property, income, transaction, or privilege. Payment of the  
189.5 bonds is limited to the revenues explicitly authorized to be  
189.6 pledged under this section. The state neither makes nor has a  
189.7 moral obligation to pay the bonds if the pledged revenues and  
189.8 other legal security for them is insufficient.

189.9 Subd. 6. [TRUSTEE.] The commissioner may contract with and  
189.10 appoint a trustee for bond holders. The trustee has the powers  
189.11 and authority vested in it by the commissioner under the bond  
189.12 and trust indentures.

189.13 Subd. 7. [PLEDGES.] Any pledge made by the commissioner is  
189.14 valid and binding from the time the pledge is made. The money  
189.15 or property pledged and later received by the commissioner is  
189.16 immediately subject to the lien of the pledge without any  
189.17 physical delivery of the property or money or further act, and  
189.18 the lien of any pledge is valid and binding as against all  
189.19 parties having claims of any kind in tort, contract, or  
189.20 otherwise against the commissioner, whether or not those parties  
189.21 have notice of the lien or pledge. Neither the order nor any  
189.22 other instrument by which a pledge is created need be recorded.



189.23 Subd. 8. [BONDS; PURCHASE AND CANCELLATION.] The  
189.24 commissioner, subject to agreements with bondholders that may  
189.25 then exist, may, out of any money available for the purpose,  
189.26 purchase bonds of the commissioner at a price not exceeding (1)  
189.27 if the bonds are then redeemable, the redemption price then  
189.28 applicable plus accrued interest to the next interest payment  
189.29 date thereon, or (2) if the bonds are not redeemable, the  
189.30 redemption price applicable on the first date after the purchase  
189.31 upon which the bonds become subject to redemption plus accrued  
189.32 interest to that date.

189.33 Subd. 9. [STATE PLEDGE AGAINST IMPAIRMENT OF CONTRACTS.]  
189.34 The state pledges and agrees with the holders of any bonds that  
189.35 the state will not limit or alter the rights vested in the  
189.36 commissioner to fulfill the terms of any agreements made with  
190.1 the bondholders, or in any way impair the rights and remedies of  
190.2 the holders until the bonds, together with interest on them,  
190.3 with interest on any unpaid installments of interest, and all  
190.4 costs and expenses in connection with any action or proceeding  
190.5 by or on behalf of the bondholders, are fully met and  
190.6 discharged. The commissioner may include this pledge and  
190.7 agreement of the state in any agreement with the holders of  
190.8 bonds issued under this section.

190.9 Sec. 20. Minnesota Statutes 2004, section 403.30,  
190.10 subdivision 1, is amended to read:

190.11 Subdivision 1. [STANDING APPROPRIATION; COSTS COVERED.]  
190.12 ~~For each fiscal year beginning with the fiscal year commencing~~  
190.13 ~~July 1, 1997, The amount necessary to pay the following debt~~  
190.14 ~~service costs and reserves for bonds issued by the Metropolitan~~  
190.15 ~~Council under section 403.27 or by the commissioner of finance~~  
190.16 ~~under section 403.275 is appropriated to the commissioner of~~  
190.17 ~~public safety from the 911 emergency telecommunications service~~  
190.18 ~~account established under section 403.11-~~

190.19 ~~(1) debt service costs and reserves for bonds issued~~  
190.20 ~~pursuant to section 403.27;~~

190.21 ~~(2) repayment of the right of way acquisition loans;~~

190.22 ~~(3) costs of design, construction, maintenance of, and~~  
190.23 ~~improvements to those elements of the first, second, and third~~  
190.24 ~~phases that support mutual aid communications and emergency~~  
190.25 ~~medical services;~~

190.26 ~~(4) recurring charges for leased sites and equipment for~~  
190.27 ~~those elements of the first, second, and third phases that~~  
190.28 ~~support mutual aid and emergency medical communication services;~~  
190.29 ~~or~~

190.30 ~~(5) aid to local units of government for sites and~~  
190.31 ~~equipment in support of mutual aid and emergency medical~~  
190.32 ~~communications services to the commissioner of finance. The~~  
190.33 ~~commissioner of finance shall transmit the necessary amounts to~~  
190.34 ~~the Metropolitan Council as requested by the council.~~

190.35 This appropriation shall be used to pay annual debt service  
190.36 costs and reserves for bonds issued pursuant to section  
191.1 403.27 or 403.275 prior to use of fee money to pay other  
191.2 costs eligible under this subdivision. In no event shall the  
191.3 appropriation for each fiscal year exceed an amount equal to  
191.4 four cents a month for each customer access line or other basic  
191.5 access service, including trunk equivalents as designated by the  
191.6 Public Utilities Commission for access charge purposes and  
191.7 including cellular and other nonwire access services, in the

191.8 ~~fiscal year. Beginning July 1, 2004, this amount will increase~~  
191.9 ~~to 13 cents a month or to support other appropriations.~~  
191.10 Sec. 21. [REPEALER.]  
191.11 Minnesota Statutes 2004, section 403.30, subdivision 3, is  
191.12 repealed.  
191.13 Sec. 22. [EFFECTIVE DATE.]  
191.14 Sections 1 to 21 are effective the day following final  
191.15 enactment and apply to contracts entered into on or after that  
191.16 date. Notwithstanding Minnesota Statutes, section 403.11,  
191.17 subdivision 1, as amended by this act, a fee change under that  
191.18 subdivision in calendar year 2005 may become effective after a  
191.19 minimum of 30 days' notice.

## **Michigan's System of Financing 911 Service: Early Signs of a Looming Crisis**

Michigan's emergency response agencies are charged with protecting the health and safety of every person in the state. The challenges facing emergency responders took on a whole new level of importance after the tragic events that took place on September 11, 2001. In today's world, the ability to respond quickly to all types of emergency situations is much more than a luxury—it is an absolute necessity.

Unfortunately, the system being used to fund one of the most widely used emergency response services—911—is increasingly incapable of meeting the needs of Michigan's citizens. Without substantial changes, it will be impossible to fully fund the state's 911 systems. That will leave those in need of emergency assistance as well as those charged with providing it at risk.

This is why a group of concerned businesses and individuals have formed the Future of 911 Coalition. The coalition is committed to finding funding solutions for 911 services that are reliable, predictable, and sustainable well into the future. To do that, the coalition is reaching out to emergency responders, legislators, local elected officials, the business community and others. We encourage all interested parties to participate in this dialogue so that our state's emergency response network is there when it's needed.

### **History of 911 Funding**

It has been 18 years since the Michigan legislature passed the state's first 911 law. The world was a much different place back then.

When legislators first decided to let counties fund their 911 systems by imposing taxes on telephone bills, it was just a couple of years after the court ordered breakup of AT&T. Since customers had only one choice for local telephone service at that time, requiring the telephone company to collect and distribute the 911 tax appealed to policymakers. Not only did the companies take care of handling the money, but the policymakers avoided the appearance of raising taxes since many customers assumed the tax was part of their regular phone bills.

As more and more counties established 911 systems, the legislature made a few amendments to the 1986 law to allow for higher taxes on telephone bills. In the early 1990's, the law was changed to allow counties to impose a 911 tax of up to 4% of the highest basic monthly telephone rate without voter approval. An additional tax of up to 16% could be added to bills if approved by voters, creating a maximum 911 tax rate of 20%. Almost all residential and business customers were required to pay the tax on every phone line they had. The most notable exception to this being local governments, who don't have to pay the tax for the phone lines they use.

That tax system remains in place today.

## **The Telecommunications Industry Transforms Itself**

Fast forward to 2004. The telecommunications industry has and continues to be revolutionized by technology and competition. Today's industry bears little resemblance to the late 80's and early 90's version. Some industry analysts predict that in just a few short years, the industry will undergo another complete transformation as new means of communicating become commonplace.

This year, Michigan became the most competitive state in the nation in its local telephone service market. More customers have switched local telephone companies in our state than in any other. While some of those competitive providers are located in Michigan, most are not. And with the proliferation of email, instant messaging, cellular phones and new technologies that make placing voice calls over the Internet cheap and easy, there are fewer and fewer traditional landline customers. According to the Federal Communications Commission, there were more cellular telephone customers in Michigan in 2003 than customers of traditional local telephone companies.

These trends spell trouble from our increasingly outdated 911 funding system. Since the 911 tax is assessed only on traditional landline telephone customers, it fails to capture other means of communicating in an equitable way. And though no official studies have been published, it appears that many of the competitive telecom providers are not living up to their obligations to collect the 911 tax from their customers. Statewide, the number of telephone lines that are billed for 911 taxes has dropped by nearly 30% over the last five years.

In a highly competitive market, being able to undercut your competitors by \$2.00 or \$3.00 per month by avoiding 911 taxes is a considerable advantage.

## **Up With the Old, Instead of In With the New**

So now there are fewer and fewer customers paying 911 taxes, which is putting pressure on counties to increase the telephone tax to collect needed revenues. While this may be an understandable response, it is a temporary fix that fails to address the structural changes taking place in the telecommunications industry. A higher tax on a dwindling base of taxpayers is not a recipe for a stable, reliable and sustainable means of paying for essential emergency services. What is needed is a source of funding that recognizes the importance of the 911 system and allows county officials to make it a priority within their budgets.

A majority of Michigan county governments have already chosen to keep telephone taxes as low as possible while fully funding their 911 operations. They have done this by using general fund dollars, millages, or combinations of these with low telephone taxes. According to the Michigan Public Service Commission, 16 counties are funding their 911 systems without any telephone tax. Another 29 counties have established tax rates at or below the 4% allowable without a vote. They have not imposed any of the additional 16% tax that is allowed with voter approval.

Those counties are going to be in a much better position to adjust to the rapidly changing telecommunications market than counties that are seeking to fund their 911 systems solely on the backs of traditional landline telephone customers. They have recognized the importance of ensuring that our state's 911 network works every time it is needed by making the funding of these services a top budget priority.

Some might argue that counties—like other local governments—are strapped for financial resources and therefore can't fund 911 like other essential services. The coalition understands the situation governments all over the state find themselves in. However, what more fundamental expectation can a resident of this state have than being able to count on government to provide for critical emergency services? Counties that rely on telephone surcharges will need to reassess their priorities at some point given the sharp decline in revenues that telephone surcharges will continue to experience as competition and technology transform the telecommunications industry. If some counties are unable to commit general fund dollars or establish millages for 911 funding, then they should explore other options to provide a stable, reliable and sustainable financing mechanism. The Future of 911 Coalition hopes to facilitate those kinds of discussions.

### **The Impact on Senior Citizens, Low-Income Customers, and the Business Community**

Counties that choose to impose high 911 taxes on telephone bills may not realize how it impacts senior citizens, low-income customers and the business community. Each of these groups suffers extra hardships when they are unfairly burdened with paying taxes for services that are used by many others.

Senior citizens generally have limited incomes and have to carefully budget their expenses. Many seniors may also be less-inclined to utilize new telecommunications technologies or unfamiliar providers for their calling needs. So as other customers opt for alternative modes of communicating via services that don't impose the 911 tax, senior citizens are left paying more than their fair share.

The same is true for low-income customers. While there are state and federal programs available to help needy customers pay for vital communications services, these discounts don't cover 911 taxes. Again, these customers end up paying more than their fare share when counties choose to impose higher taxes on telephone bills.

For the business community, paying 911 taxes can get very expensive quickly. Since the tax is imposed on every traditional telephone line, businesses with more than one line pay the tax more than once. This can be particularly difficult for small businesses that need to keep costs as low as possible to remain viable. It doesn't take much for a small business to be forced to choose between hiring a new worker and paying taxes.

### **The 911 Tax on Telephone Bills Distorts the Telecommunications Market**

As was stated above, today's telecommunications industry is highly competitive and new technologies are transforming the way people communicate. In Michigan, there are dozens of

community-based telecommunications providers that are facing these competitive pressures head on while delivering the affordable, reliable service they've been providing for more than 100 years. Those companies employ more than 15,000 state workers and are active members of their communities.

Those same companies, however, are put at a considerable competitive disadvantage by being required to collect county 911 taxes on their bills while the competitors either aren't under the same obligation or simply choose to ignore the law. Think about comparing prices for two local telephone service providers in Huron County, where the state's highest 911 tax is imposed. The local telephone company has prices that appear to be \$3.89 per month higher than a company not imposing the tax. Based solely on price, which company would you choose?

That price disparity is caused by a tax that is not uniformly and fairly applied to all competitors. It distorts the decision making process for customers and leaves Michigan's local telephone companies less able to invest in jobs and network infrastructure improvements.

### **The Better 911 Funding Choice**

The most stable, reliable, and sustainable funding mechanism for an essential government service like 911 is for county government's to budget for it with general fund dollars or millages. This spreads the costs of operating the system fairly over all county residents and businesses without placing extra burdens on senior citizens or low-income telephone customers. It also avoids the funding death spiral being created by telecommunications competition and technological advances. Finally, it creates an incentive for Michigan-based telecommunications providers to invest in jobs and network infrastructure improvements by leveling the competitive playing field.

Counties that have chosen to impose high 911 telephone taxes should seek to re-join the majority of counties that have decided against that approach. High telephone tax counties must begin transitioning away from that mechanism before they find themselves with too few dollars to adequately provide for the health, safety and welfare of their constituents.

*The Future of 911 Coalition is committed to working with all interested parties on solutions to Michigan's long-term 911 funding challenges. More information is available by contacting the coalition at [futureof911@sbcglobal.net](mailto:futureof911@sbcglobal.net).*

How Other States Fund 911/Relay/Lifeline

Alabama

- 911: The 911 fee of 5% of basic tariffed rate for wireline service, not to exceed \$2.00 and a maximum of 100 lines per location. Wireless fee is \$0.70 per month for each wireless connection with an Alabama billing address.
- Relay: Funded by a \$0.15 per access line charge (appears to be only on wireline).

Alaska

- 911: The wireline and wireless 911 fee for municipalities with populations greater than 100,000 is \$0.50 and for municipalities with populations less than 100,000 the fee is \$0.75 for both wireline and wireless. The wireline fee is assessed per access line and is capped at 100 lines per customer per municipality. The wireless fee is assessed per telephone number billed to an address in that municipality. The companies collect the fees and remit them to the municipalities.
- Relay: Funded by a surcharge of \$0.10 on residential and single line business customers and \$0.20 on multi-line business customers (per line or trunk).
- Lifeline: Funded by the Alaska USF (also funds DEM weighting and public interest pay phones). The surcharge is a 0.65% fee on intrastate telecommunications revenues.

Arizona

- 911: For both wireline and wireless access lines, the 911 fee (“Emergency Telecommunications Excise Tax) is \$0.37 in years 2001-2006; \$0.28 in 2006-2007, and \$0.20 after 2007.
- Relay: The relay fee is one and one-tenth percent of the provider’s gross proceeds of sales or gross income derived from the business of providing exchange access services.

Arkansas

- 911: The 911 rate for wireline service is 5% of the tariffed rate and the wireless rate is \$0.50 per connection that has a billing address in Arkansas or contains an area code assigned to Arkansas by NANPA. The fee is capped at no more than 100 exchange access facilities per person per location. The wireline revenues are remitted to the governing authority of each political subdivision. The wireless revenues are remitted to the CMRS Emergency Telephone Services Board.
- Relay: The relay fee cannot exceed \$0.10 per access line and cannot be assessed on more than 100 lines per location. The TDD equipment fee cannot be more than \$0.03 per access line.

California

- 911: The 911 fee for wireline and wireless is a surcharge on the intrastate phone bill, currently at .65% (a maximum of .75% is allowed).
- Lifeline: The Universal Service Lifeline Telephone surcharge is 1.550% of intrastate telecommunications services revenues.
- Relay: Funded by a 0.30% surcharge on intrastate telecommunications services.

### Colorado

- 911: The 911 fee is set by the counties and the surcharge is a maximum of \$0.70 per exchange access facility and may be assessed against users whose address is in those portions of the county's jurisdiction where emergency telephone service will be provided. The charge is not imposed on any state or local governmental entity. The surcharge must be the same for wireline and wireless.
- Relay: Funded by a \$0.06 surcharge on all residential and business access lines.
- Lifeline: Funded by a \$0.12 surcharge on all residential and business access lines (increased from \$0.10 in July 2004).

### Connecticut

- 911: The Connecticut DPU sets the 911 fee each June and is capped by law at \$0.50 per subscriber (wireline and wireless). The fee varies by the number of lines and as of June 1, 2005 is assessed at a per wireless telephone number/access line fee of: one line = \$0.37, 2 lines = \$0.28, 3 lines = \$0.25, 4 to 5 lines = \$0.22, 6-10 lines = \$0.19, 11-25 lines = \$0.15, 26 to 50 lines = \$0.12, 51-99 lines = \$0.09, and 100+ lines = \$0.07 per line.
- Relay and Lifeline: Funded by an assessment based on market share as measured by total intrastate and interstate revenues.

### Delaware

- 911: The wireline and wireless 911 fee is \$0.60. For Centrex service, the rate is one-ninth of the surcharge except where a Centrex customer has less than nine lines, the maximum monthly charge for those lines is the surcharge imposed on each business exchange access line or trunk divided by the customer's Centrex lines. For each PRI-ISDN system the charge is five times the surcharge. The wireless surcharge is assessed on each wireless telephone number billed by the provider.

### District of Columbia

- 911: The wireline fee for 911 is \$0.76 per exchange access line, \$0.62 per Centrex line and \$0.62 per PBX station. For wireless, the fee is \$0.76 for each telephone number that has a District of Columbia billing address.
- Relay and Lifeline: Funded by providers based on each carrier's share of local telecommunications service revenue.

### Florida

- 911: The 911 fee is a maximum of \$0.50 wireline and wireless (and not to exceed 25 lines per billing address). The wireline fee is collected by telephone companies and remitted to counties. The wireless fee is collected by the wireless provider on each customer whose place of primary use is within the state and the fee is assessed per each service number. Wireless fees are remitted to the state Wireless 911 Board.
- Relay: The fee for the Florida Relay is \$0.15 per access line. It is assessed per access line and may not be assessed on more than 25 lines per account.



### Georgia

- 911: The 911 fee of \$1.50 access charge per each wireline and \$1.00 for each wireless line. Money is collected by the companies and remitted directly to the local jurisdictions (mainly counties for wireline and only counties for wireless).
- Relay: The TRS funding mechanism is a state mandated monthly maintenance surcharge on residential and business local exchange access facilities.

### Hawaii

- 911: The 911 wireline fee is \$0.27 and the wireless fee is \$0.66 per connection.
- Relay: The relay is funded by a per access line fee of \$0.17 (2002).

### Idaho

- 911: The Idaho PUC sets the 911 surcharge that is assessed on each end user's business, residential and wireless access service. The surcharge is a maximum of \$1.00 for both wireline and wireless.
- Relay: The relay system is funded by a surcharge of \$0.04 per wireline access line and \$0.0007 per toll minute of use.
- Lifeline: Low income assistance: Business, residential and wireless access lines are all assessed a surcharge of \$0.07 (reduced from \$0.12 on May 1, 2005).
- USF: Assistance to high cost wireline companies is provided by a surcharge on wireline services of \$0.10 per residential access line, \$0.15 per business access line, and \$0.003 per toll minute of use.

### Illinois

- 911: The wireline 911 fee is set by each county and must be approved in a referendum. Current fees range from \$0.29 to \$5.00 per network connection. The wireless 911 surcharge is set statewide at a rate of \$0.75 and is assessed "per CMRS connection that either has a telephone number within an area code assigned to Illinois by the North American Numbering Plan Administrator or has a billing address in this State."
- Relay: Funded by an \$0.08 per access line fee.
- Lifeline: Low income assistance is funded through voluntary contributions from Illinois telephone consumers.
- USF: This fee is set at 0.3% of local and intrastate toll charges and is used to support rural and high cost companies.

### Indiana

- 911: The 911 fee is a percentage of the basic wireline phone service charge, up to 10% for smaller jurisdictions to 3% for the 6 or 7 largest ones. The estimated average is \$1.25 per line per month. Funds are collected by telephone companies and remitted directly to local jurisdictions (92 counties and some municipalities). For wireless, the monthly access charge is \$0.65 per month (it cannot exceed \$1.00) and goes to the state wireless board for distribution to carriers and PSAPs based on level of service. For a wireless standard subscriber, the fee is per service that has an Indiana bill address. For a prepaid wireless subscriber, the fee is per service assigned an Indiana telephone number or an Indiana identification number.

- Relay: Funded by a \$0.03 surcharge on each residential and business line (wireline and wireless).

#### Iowa

- 911: The 911 wireline fee is assessed per access line by county and ranges from \$0.25 to \$2.50, with most counties' fee at \$1.00. The 911 wireless fee is \$0.65 per customer per service number based upon the address associated with the point of purchase, the customer billing address, or the location associated with the mobile telephone number for each active prepaid wireless telephone that has a sufficient positive balance as of the last days of the information, if that information is available.
- Relay: On April 6, 2005, Governor Vilsack signed into law an act, identified as Senate File 264 (SF 264) which amends Iowa Code §477C.7. SF 264 becomes effective on July 1, 2005. The amended statute requires that wireless communications service providers pay 3 cents per month per Iowa wireless number to fund the Dual Party Relay Service. The remainder of the assessment will be allocated proportionately based on intrastate revenues, one-half to local exchange service providers and one-half to interexchange carriers, centralized equal access providers, and alternative operator service companies.

#### Kansas

- 911: The 911 fee for wireline service is \$0.75. For wireless service, the fee is \$0.50 per wireless subscriber account with a primary place of use in Kansas. Prepaid wireless service is not assessed the 911 fee.
- Relay and Lifeline: Both programs are supported by the Kansas USF, which is an assessment on providers' intrastate retail revenues (wireline and wireless). For the year ending March 1, 2005, the assessment was 4.32%.

#### Kentucky

- 911: The wireline 911 fee is \$0.36 to \$4.00, as set by county. The wireless 911 fee is \$0.70 per connection.
- Relay: Funded by a fee of \$0.09 per access line.
- Lifeline: Funded by a \$0.05 charge on all customers' bills.

#### Louisiana

- 911: The wireline 911 fee is a maximum of \$1.00 residential and \$2.00 per business line, capped at 100 exchange access facilities per person per location. The wireless 911 fee is a maximum of \$0.85 per CMRS connection for which the billing address is within the jurisdiction.
- Relay: A charge of \$0.05 per LEC access line funds the Relay service.

#### Maine

- 911: The statewide 911 fee is \$0.50 per line or number and may not be imposed on more than 25 lines or numbers per customer billing account.
- USF: The current quarterly surcharge for the Maine USF is 1.32% and is collected on intrastate revenues for wireline and wireless providers and is used to support rural ILECs.

#### Maryland

- 911: The 911 fee is a maximum of \$1.00 for each subscriber to switched local exchange access service or CMRS or other 911 accessible service. \$0.25 goes to the state 911 trust fund. Up to \$0.75 can be assessed by county.
- Relay: Funded by a \$0.20 per line charge (same fee since 1997).

#### Massachusetts

- 911: For wireline service, the fee is \$0.85 for each voice grade residential and business line. This fee is used to fund wireline 911 and the relay program. For wireless, the fee is \$0.30 per wireless mobile telephone number based on the area code chosen by the subscriber. With the approval of the board, a wireless carrier may impose this surcharge based on the subscriber's billing address. The wireless fee may be increased to a maximum of \$0.75 per month.
- Relay: funded by the \$0.85 fee discussed above for wireline service.

#### Michigan

- 911: The 911 fee for wireline service is assessed at a county's option and ranges from \$0 to \$4.00. It is based upon a percentage of the rate for basic service and non-recurring charges. The 911 fee for wireless service is \$0.52 per CMRS connection and is scheduled to be reduced to \$0.29 at the end of 2005. Also, there is a group in Michigan called the Future of 911 Coalition (see white paper in Attachment C) that argues that the current method of financing 911 is not sustainable going forward and advocates for funding 911 through county government's general fund dollars or millages.
- Lifeline: In 2003 determined that a state USF was not necessary.

#### Minnesota

- 911: The 911 fee is increasing from \$0.40 to \$0.65 per wireline and wireless access line effective mid-2005.
- Relay: The Relay fee, which is applied per wireline and wireless access line, is being reduced from \$0.10 to \$0.07 effective mid-2005.
- Lifeline: The Telecommunications Assistance Plan fee is assessed at \$0.05 per wireline access line.

#### Mississippi

- 911: The 911 wireline fee is set by county and is not to exceed \$1.00 per residential telephone subscriber line and \$2.00 per commercial telephone subscriber line (capped at no more than 25 access lines per location). The 911 wireless fee is overseen by the state CMRS Board and the 911 fee is a \$1.00 surcharge on each wireless telephone connection whose place of primary use is in the state.
- Relay: Funded by a \$0.07 per access line fee.

#### Missouri

- 911: The 911 fee for wireline service is 15% of the tariffed local service rate or \$0.75, whichever is greater. There is no 911 fee on wireless service currently as it has been voted down twice (in 1999 and 2002).
- Relay: Currently at \$0.10 per access line. The PSC has a docket open where its staff is recommending an increase to \$0.15 per access line.
- Lifeline: Funded by a 0.18% assessment on basic local service and instate toll charges.

#### Montana

- 911: The 911 fee for wireline and wireless service is \$0.50 by telephone exchange access service, wireless telephone service, or other 911 accessible services.
- Relay: The Relay fee is \$0.10 for wireline and wireless service.
- Lifeline: Montana laws (69-3-1003) provide for a per residential access line surcharge to fund the telephone assistance program.

#### Nebraska

- 911: The wireline fee is \$0.25 to \$1.00. The wireless fee is not to exceed \$0.50 per access line.
- Relay: A surcharge of \$0.07 per access line is assessed for the Relay program, capped at 100 access lines per subscriber.
- Lifeline: The fund is combined with the universal service fund (assisting companies that serve high cost areas) and is funded by a 6.95% surcharge on the instate portion of the bill.

#### Nevada

- 911: The 911 fee is set by county. For wireline service, the fee may be no higher than \$0.25 per access line. The wireless fee must equal the wireline fee and is assessed to each customer whose primary use is within the county. In 2005, certain cities were given the authority to assess a \$0.75 surcharge on wireline and wireless lines to support 911 service within that city.
- Lifeline: Included in USF administered by NECA and supported by a tax of \$0.0471 on intrastate retail revenues.
- Relay: \$0.03 per line.

#### New Hampshire

- 911: The 911 fee is \$0.42 for both wireline and wireless service. The fee is assessed on every residence and business exchange line and every CMRS number, and not on more than 25 business or CMRS lines per customer billing account.
- Relay: Funded by a \$0.04 per access line per month fee.
- Lifeline: No separate state program due to low local rates.

#### New Jersey

- 911: The 911 fee is \$0.90 for wireline and wireless service.
- Relay: Paid for by LECs and IXC's based on each companies' ratio of revenue to all revenues of New Jersey LECs and IXC's.
- Lifeline: Doesn't appear to have a separate program.

### New Mexico

- 911: The wireline and wireless 911 fee is \$0.51. The wireline fee, assessed per access line that has the capability to reach local public safety agencies, is broken down into \$0.25 for the 911 emergency surcharge and \$0.26 for the 911 network and database surcharge. It is not assessed to subscribers receiving reduced rates per the Low Income Telephone Service Assistance Act. The wireless fee of \$0.51 is assessed on each active number for a CMRS subscriber whose billing address is in New Mexico.

### New York

- 911: The 911 fee for wireline service is \$0.35 per access line. Cities over 1 million in population may assess a surcharge of \$1.00. No more than 75 access lines per customer location may be assessed the charge. It is also not assessed on lifeline customers. The wireless 911 fee is \$1.20 and is assessed on wireless communications service where the place of primary use is in New York state.
- Relay and Lifeline: The Targeted Accessibility Fund (TAF) was established to fund Lifeline, emergency services (911), and telecommunication relay service (TRS) for the hearing impaired. The fee is assessed on intrastate gross revenue and carrier access charges. The fee cannot be passed on to customers.

### North Carolina

- 911: Wireline monthly access fee varies by county of between \$0.30 to \$1.50 (average of \$0.80). Funds are collected by telephone companies and remitted directly to local jurisdictions (mainly counties). Wireless fee is \$0.80 monthly access charge and goes to the state wireless board and is then distributed to counties based on applications.
- Lifeline: Commission rules and North Carolina statutes require any local provider authorized to provide service to contribute to any universal service fund.

### North Dakota

- 911: The 911 fee in North Dakota is a maximum \$1.00 for wireline and wireless service, as approved by voters by county.
- Relay: The 2005-06 per access line surcharge is \$0.05 and is paid by both wireline and wireless carriers.
- Lifeline: On June 8, 2005, the North Dakota PSC rescinded its lifeline and link up plans because it did not believe it had clear legislative authority to adopt such plans. The PSC did require that the programs funded as a result of settlements with companies continue to be funded.

### Ohio

- 911: The wireline fee is a maximum \$0.50 as established by county. The wireless fee will take effect August 1, 2005 and is \$0.32 for each wireless telephone number in the state.

### Oklahoma

- 911: The 911 wireline fee is set by county and must be approved in a referendum. The county fees range from 3 to 15% of the monthly tariffed rate, capped at no more than 100 access

lines per person per location. The wireless fee is \$0.50 and must be approved by county. Only five counties have approved a wireless 911 fee.

- Relay: By statute, a \$0.05 per access line surcharge is assessed to recover the costs of the relay and equipment.
- Lifeline: Low income, high cost, schools and library funds are all funded by a fee assessed on providers based on their intrastate revenues. Providers have the option of recovering their contributions from ratepayers, and if they choose to recover, it must be in a fair, equitable and nondiscriminatory manner.

### Oregon

- 911: The 911 surcharge is \$0.75 for both wireline and wireless service. The wireline fee is applied to each line that has unrestricted connection to the switched network. The wireless fee is assessed on a per instrument basis if the primary use is in Oregon.
- Relay and Lifeline: Each Oregon access line must pay \$0.10 per month. For cellular, wireless, or other radio common carriers, the tax applies to each device
- USF: Oregon also has a high cost fund supported by carriers based on a percentage of their intrastate revenues.

### Pennsylvania

- 911: The wireline 911 rate is set by county with a maximum allowed by law ranging from \$1.00 to \$1.50 depending on county size. The rate is assessed per line, up to 25 lines. For other multi-line customers, the amount billed per line is 0.75 of the rate for 26-100 lines, 0.50 of the rate for 101-250 lines, 0.20 of the rate for 251-500 lines, and 0.172 of the rate for over 500 lines. The wireless 911 fee is \$1.00 per wireless service customer, including resellers and prepaid service.
- Relay: The relay is funded by a per access line surcharge that through June 2005 was \$0.06 per residential line and \$0.12 per business line.

### Rhode Island

- 911: Rhode Island provides 911 service on a statewide basis. The funding is by a \$1.00 surcharge on both wireline and wireless lines. The surcharge is applied to any service that “is capable of accessing, connecting with, or interfacing with RI E 911 by dialing or initializing or otherwise activating the RI E 911 Uniform Emergency Telephone System through the numerals “9-1-1” by means of a landline local telephone exchange device, cellular telephone device, wireless communications device, radio, or any other communications device or means (including computers). Data-only subscriber lines or cables and internet connection lines or cables which are capable of accessing, connecting with, or interacting with RI E 911 as aforesaid, are subject to the subscriber surcharge.”
- Relay: The Rhode Island relay is funded by a \$0.09 surcharge on all access lines.

### South Carolina

- 911: The wireline 911 fee is between \$0.50 and \$1.50 per local exchange access facility depending on the tier of the local unit of government and whether the fee is for start up costs or ongoing operations. Start up costs are limited to the first 50 local exchange access lines in an account. The wireless 911 fee is \$0.60 and is assessed on every CMRS connection for

which there is a mobile identification number containing an area code assigned to South Carolina by the North American Numbering Plan Administrator.

### South Dakota

- 911: The wireline and wireless 911 charge is set by the county or municipality and is not to exceed \$0.75. For wireline service, the fee is assessed per line and is limited to 100 access lines per customer account billed. For wireless service, the fee is assessed per cellular telephone where the primary place of use is within that governing body's designated 911 service area.

### Tennessee

- 911: Wireline monthly access fee ranges from \$0.65/residential and \$2.00 business with a cap of \$1.50/month residential and \$3.00/month business by local referendum or state 911 board. Assessment limited to a maximum of 100 lines per location. The wireless 911 program is funded by a fee of \$1.00/month with 75% remitted to carriers and 25% to PSAPs.

### Texas

- 911: The 911 fee is \$0.50 for both wireline and wireless service. The wireline fee is assessed on any line that also pays the federal SLC. Wireless service is defined as any cellular telephone, communications channel, personal communications system, CMRS, cable/broadband services, or any other wire or wireless means that connects the customer to the public switched telecommunications network and provides the customer with the ability to reach a public safety answering point by dialing the digits 9-1-1. (Not included in the assessment are public payphones, paging or other one-way services, a communications channel suitable only for data transmission, a line from a telecommunications service provider to an ISP for the ISP's data modem lines used only to provide its Internet access service and that are not capable of transmitting voice messages, a wireless roaming service or other non-vocal CMRS, or a private telecommunications system.) There is also an equalization surcharge, currently at 0.60%, levied on intrastate long-distance charges and collected and distributed as needed on a statewide basis.
- Relay and Lifeline: Both are funded by the Texas USF (along with funding to high cost companies). The Texas USF is supported by local, interexchange and wireless carriers through a 3.6% assessment on their intrastate revenues. The companies are not required to pass through the assessment to their end users but most companies do.

### Utah

- 911: The wireline and wireless 911 fee is \$0.65 for the county, city or town 911 system; a fee of \$0.13 for the statewide unified E-911 emergency service; and a fee of \$0.07 to support the University of Utah Poison Control Center. Wireline service is defined as a local exchange switched access line. Wireless service is defined as a revenue producing radio communications access line with a billing address within the boundaries of the county, city or town.
- Relay: Funded through a \$0.10 per access line charge.
- USF: Utah's USF is funded through a 0.9% assessment against intrastate retail revenues. This fund supports high cost companies, which must have a retail lifeline offering in order to receive funds.

### Vermont

- 911, Relay, Lifeline: The state USF is used to fund three programs: 911, the Relay, and Lifeline. The Public Service Board sets the USF rate each year to cover the needs of the Relay, Lifeline, and the 911 budget approved by the legislature. The USF rate is capped at 2% and the current rate is 1.27% of eligible intrastate telecommunications revenues. The Vermont Public Service Board has issued draft rules that would specifically include cable modem service and VoIP as eligible intrastate telecommunications services to which the VUSF surcharge would apply.

### Virginia

- 911: Wireline monthly access fee varies by county of between \$0.40 to a cap of \$3.00 (average of \$1.70). Funds are collected by telephone companies and remitted directly to local jurisdictions (mainly counties). Wireless fee is \$0.75 monthly access charge and goes to the state wireless board and is then distributed to counties based on applications.
- Relay: Funded by a \$0.16 per line fee.

### Washington

- 911: Wireline and wireless fee for 911 is \$0.20/month state and \$0.50/month local. The state funds are intended to help small counties whose local charge revenue is low. The state portion is collected by the telephone companies and remitted to the state Department of Revenue. The county portion is collected by the telephone companies and remitted directly to each county treasurer.
- Relay: The telecommunications relay fee is \$0.14 (FY05) per switched line (i.e. no relay fee on wireless lines). The cap on the fee is \$0.19. The fund is administered by the state DSHS Office of Deaf and Hard of Hearing.
- Lifeline: The telecommunication assistance fee is \$0.14 per switched line. The fund is administered by the DSHS and a) provides assistance to telephone subscribers that qualify for other state assistance programs and b) up to 8% of the receipts go to the Department of Community, Trade and Economic Development as reimbursement for costs of providing community service voice mail services.

### West Virginia

- 911: The 911 wireline fee is set by county and ranges from \$0.55 to \$3.75. The wireless fee is set by the WVPSC and is to be based on the weighted average of all of the counties that have adopted an E911 ordinance and fee. The wireless 911 fee is currently \$1.48 (adjusted every two years).
- Relay: Funded by a \$0.10 surcharge on all wireline access lines.
- Lifeline: Funded as a credit against the West Virginia telecommunications tax.

### Wisconsin

- 911: The 911 wireline surcharge is set by each county and is determined by the telephone companies costs divided by the number of wirelines in the county. There is currently no wireless 911 surcharge. A law passed in 2004 requires the PSC to set the statewide wireless fee after receiving grant requests from wireless providers and local governments. The wireless 911 fee will be based on the amount of approved grants divided by the number of



wireless telephone numbers with billing addresses in the state that are billed on a recurring basis and the number of wireless customers with prepaid service having an address within the state or sold within the state. The fee will be recovered on each telephone number of a customer that has a billing address in the state. The WPSC has received the grant requests and is in the process of calculating the fee.

- Relay: Funded through a surcharge of .1230414169 on all companies intrastate and interstate revenues. Not assessed on wireless providers.
- Lifeline: Part of the Wisconsin USF, which is funded by a surcharge on annual intrastate revenues of .02885. By statute, wireless providers may be assessed but they are not currently.

### Wyoming

- 911: The 911 wireline and wireless fee is set by the local government providing the 911 service and is capped at \$0.75 and must be the same for wireline and wireless service. No 911 emergency tax shall be imposed upon more than one hundred (100) local exchange access lines or their equivalent per customer billing
- Relay: Funded by a \$0.25 fee on wireline and wireless service, capped at 100 local exchange access lines (like 911 fee cap).
- Lifeline: Funded by the Wyoming USF. The lifeline rate requires that no customer pay more than 130% of the statewide average rate. For the year ending July 1, 2005, that rate (basic only, no taxes, fees, surcharges, etc.) was \$31.67. The USF is supported by a percent surcharge on gross intrastate retail revenues. For the year ending July 1, 2005, the assessment rate was 0 due to a surplus. (For the year ending July 1, 2004, the assessment rate was 1%.)

Alaska

## Sec. 29.35.131. 911 surcharge.

(a) A municipality may, by resolution or ordinance, elect to provide an enhanced 911 system at public safety answering points, may purchase or lease the enhanced 911 equipment or service required to establish or maintain an enhanced 911 system at public safety answering points from a local exchange telephone company or other qualified vendor, and may impose an enhanced 911 surcharge, in an amount to be determined by the municipality, on all local exchange access lines that provide telephone service to wireline telephones in the area to be served by the enhanced 911 system. A municipality that provides services under an enhanced 911 system may also by resolution or ordinance impose an enhanced 911 surcharge on each wireless telephone number that is billed to an address within the enhanced 911 service area. For a municipality with a population of 100,000 or more, an enhanced 911 surcharge may not exceed 50 cents per month for each wireless telephone number or 50 cents per month for each local exchange access line for wireline telephones. For a municipality with fewer than 100,000 people, an enhanced 911 surcharge may not exceed 75 cents per month for each wireless telephone number or 75 cents per month for each local exchange access line for wireline telephones. An enhanced 911 service area may be all of a city, all of a unified municipality, or all or part of the area within a borough and may include the extraterritorial jurisdiction of a municipality in accordance with [AS 29.35.020](#) . The governing body of a municipality shall review an enhanced 911 surcharge annually to determine whether the current level of the surcharge is adequate, excessive, or insufficient to meet anticipated enhanced 911 system needs. The municipality may only use the enhanced 911 surcharge for the enhanced 911 system.

(b) A local exchange telephone company providing service in a municipality that has imposed an enhanced 911 surcharge shall bill each month and collect the surcharge from customers in the enhanced 911 service area. A wireless telephone company that provides telephone service to wireless telephone customers with billing addresses within the enhanced 911 service area shall impose an enhanced 911 surcharge each month and collect the surcharge from customers in the enhanced 911 service area. A local exchange telephone customer may not be subject to more than one enhanced 911 surcharge on a local exchange access line for a wireline telephone. A wireless telephone customer may not be subject to more than one enhanced 911 surcharge for each wireless telephone number. A customer that has more than 100 local exchange access lines from a local exchange telephone company in the municipality is liable for the enhanced 911 surcharge only on 100 local exchange access lines.

Arkansas

12-10-318. Emergency telephone service charges - Imposition - Liability.

(a)(1)(A) When so authorized by a majority of the persons voting within the political subdivision in accordance with the law, the governing authority of each political subdivision may levy an emergency telephone service charge in the amount assessed by the political subdivision on a per access line basis as of January 1, 1997, or the amount up to five percent (5%) of the tariff rate, except that any political subdivision with a population of fewer than twenty-seven thousand five hundred (27,500) according to the 1990 Federal Decennial Census may, by a majority vote of the electors voting on the issue, levy an emergency telephone charge in an amount assessed by the political subdivision on a per access line basis as of January 1, 1997, or an amount up to twelve percent (12%) of the tariff rate.

(B) The governing authority of a political subdivision that has been authorized under subdivision (a)(1)(A) of this section to levy an emergency telephone service charge in an amount up to twelve percent (12%) of the tariff rate may decrease the percentage rate to not less than four percent (4%) of the tariff rate for those telephone service users that are served by a telephone company with fewer than two hundred (200) access lines in this state as of the date of the election conducted under subdivision (a)(1)(A) of this section.

(2) The governing authority of the political subdivision may, upon its own initiative, call such a special election.

(b)(1)(A) There is hereby levied a commercial mobile radio service emergency telephone service charge in an amount of fifty cents (50¢) per month per commercial mobile radio service connection that has a billing address within the State of Arkansas or with respect to which the mobile identification number for the commercial mobile radio service connection contains an area code assigned to Arkansas by the North American Numbering Plan Administrator.

(B)(i) After September 1, 2003, when authorized by a majority of persons voting within a political subdivision in accordance with the law, the governing authority of that political subdivision may levy an additional commercial mobile radio service emergency telephone service charge in an amount up to thirty cents (30¢) per month per commercial mobile radio service connection that has a billing address within the political subdivision.

(ii) The commercial mobile radio service provider may add any amounts approved by the voters and implemented under this subdivision (b)(1)(B) to the fifty cents (50¢) levied in subdivision (b)(1)(A) of this section so that the commercial mobile radio service emergency telephone service charges appear as a single line item on a subscriber's bill.

(C) The fees collected by commercial mobile radio service providers under subdivisions (b)(1)(A) and (B) of this section shall be remitted to the CMRS Emergency Telephone Services Board within sixty (60) days after the end of the month in which the fees are collected.

(D) The funds collected pursuant to this subdivision (b)(1) shall not be deemed revenues of the state and shall not be subject to appropriation by the General Assembly.

(E) The fee levied in subdivision (b)(1)(A) of this section and any additional amounts approved by the voters and implemented under subdivision (b)(1)(B) of this section and collected by commercial mobile radio service providers who provide mobile telecommunications services as defined by the Mobile Telecommunications Sourcing

Act, Pub. L. No. 106-252, as in effect on January 1, 2001, shall be collected pursuant to the Mobile Telecommunications Sourcing Act.

## Connecticut

Department of Public Utility Decision in Docket 05-01-04 of May 25, 2005

### Summary

Pursuant to §16-256b of the General Statutes of Connecticut (Conn. Gen. Stat.), the Department of Public Utility Control (Department) initiated this docket to conduct an annual proceeding to determine the monthly fee that will be assessed on each local telephone service and commercial mobile radio service (CMRS) subscribers to fund the development and administration of the state's Enhanced Emergency 911 (E-911) program. After review of the Department of Public Safety's (Public Safety) proposed E-911 program operating budget for Fiscal Year (FY) 05/06, the Department has determined that Connecticut local exchange and CMRS customers should be assessed an amount ranging from \$0.37 to \$0.07, depending upon the number of access lines or telephone numbers subscribed, effective January 1, 2005. This is an increase from the amount assessed of \$0.19 to \$0.04 in FY 04/05. The increase is due primarily to the substantial increase in Public Safety's FY 05/06 operating budget which contains many new expenses that were not included in the FY 04/05 operating budget.<sup>1</sup> Response to Interrogatory TE-7.

### Background

In accordance with §16-256b and § 28-24 of the Conn. Gen. Stat. and the Regulations of Connecticut State Agencies (Conn. Agencies Regs.) §§28-24-1 et al, the Department in conjunction with Public Safety directed the three incumbent local exchange companies (LEC), all competitive local exchange carriers (CLEC) and CMRS providers (collectively, the Companies) to provide their total number of access lines and active telephone numbers in service as of January 1, 2005. The Companies were also directed to provide the number of customers subscribing to multiple lines/telephone numbers. Pursuant to Conn. Agencies Regs. §28-24-10(h), Public Safety was required to submit to the Department its annual operating budget for the state's Enhanced Emergency 911 (E-911) program. Public Safety filed its budget with the Department on March 30, 2005, and a revised budget on April 5, 2005.<sup>2</sup> This information is necessary to determine the FY 05/06 funding requirements to administer the state's E-911 program.

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<sup>1</sup> FY04/05 budget was \$8,440,794 while the FY05/06 budget has increased to \$16,699,080, a difference of \$8,258,286.

<sup>2</sup> The April 5, 2005 budget was submitted to correct the Title of Item 13, CSP Subsidy.

Delaware

§ 10103. E-911 Emergency Reporting System Fund.

(a) The Fund shall be funded by means of a monthly surcharge of up to 60 cents per month imposed by providers on subscribers of telecommunications services in this State as follows.

(1) Residential telephone service. -- The surcharge shall be imposed by each provider providing such service on all Delaware residential subscribers per residence exchange access line or per Basic Rate Interface ("BRI") ISDN arrangement, where the residence exchange access service is provided via a BRI ISDN arrangement. The surcharge shall not be applied to residence exchange access lines provided to Lifeline subscribers.

(2) Business telephone service. -- The surcharge shall be imposed by each provider providing such service on all Delaware business subscribers per business exchange access line and trunk or per BRI ISDN arrangement where the business exchange access service is provided via a BRI ISDN arrangement. Each Centrex access line shall be charged the equivalent of 1/9 of the surcharge; provided, however, that where a Centrex customer has fewer than 9 lines, the maximum monthly charge for those lines will be the surcharge

imposed on each business exchange access line or trunk divided by the customer's Centrex lines. Each Primary Rate Interface ISDN system shall be charged a rate equal to 5 times the surcharge. The surcharge shall not be applied to lines provided under wholesale arrangements.

(3) Wireless service. -- The surcharge shall be imposed by each wireless provider on all wireless service customers for each wireless telephone number for which they are billed by such provider.

District of Columbia

DISTRICT OF COLUMBIA OFFICIAL CODE 2001 EDITION

DIVISION V. LOCAL BUSINESS AFFAIRS

TITLE 34. PUBLIC UTILITIES.

SUBTITLE V. TELECOMMUNICATIONS.

CHAPTER 18. EMERGENCY AND NON-EMERGENCY NUMBER TELEPHONE  
SYSTEM ASSESSMENTS FUND.

§ 34-1803. Assessments.

(a)(1) There is imposed upon all local exchange carriers, including wireline and wireless carriers, a tax calculated on the basis of each individual telephone line sold or leased in the District of Columbia as follows:

(A) For wireline local exchange service:

(i) \$0.76 per exchange access line;

(ii) \$0.62 per Centrex line; and

(iii) \$0.62 per private branch exchange ("PBX") station; and

(B) For wireless telephone exchange service, \$0.76 for each telephone number that has a District of Columbia billing address.

Florida

365.172 Wireless emergency telephone number "E911."--

(8) WIRELESS E911 FEE.--

(a) Each home service provider shall collect a monthly fee imposed on each customer whose place of primary use is within this state. The rate of the fee shall be 50 cents per month per each service number, beginning August 1, 1999. The fee shall apply uniformly and be imposed throughout the state.



## Illinois

(50 ILCS 751/17)

(Section scheduled to be repealed on April 1, 2008)

Sec. 17. Wireless carrier surcharge.

(a) Except as provided in Section 45, each wireless carrier shall impose a monthly wireless carrier surcharge per CMRS connection that either has a telephone number within an area code assigned to Illinois by the North American Numbering Plan Administrator or has a billing address in this State. In the case of prepaid wireless telephone service, this surcharge shall be remitted based upon the address associated with the point of purchase, the customer billing address, or the location associated with the MTN for each active prepaid wireless telephone that has a sufficient positive balance as of the last day of each month, if that information is available. No wireless carrier shall impose the surcharge authorized by this Section upon any subscriber who is subject to the surcharge imposed by a unit of local government pursuant to Section 45. The wireless carrier that provides wireless service to the subscriber shall collect the surcharge set by the Wireless Enhanced 911 Board from the subscriber. For mobile telecommunications services provided on and after August 1, 2002, any surcharge imposed under this Act shall be imposed based upon the municipality or county that encompasses the customer's place of primary use as defined in the Mobile Telecommunications Sourcing Conformity Act. The surcharge shall be stated as a separate item on the subscriber's monthly bill. The wireless carrier shall begin collecting the surcharge on bills issued within 90 days after the Wireless Enhanced 911 Board sets the monthly wireless surcharge. State and local taxes shall not apply to the wireless carrier surcharge.

Iowa

911:

34A.7A Wireless communications surcharge - fund established - distribution and permissible expenditures.

1. a. Notwithstanding section [34A.6](#), the administrator shall adopt by rule a monthly surcharge of up to sixty-five cents to be imposed on each wireless communications service number provided in this state. The surcharge shall be imposed uniformly on a statewide basis and simultaneously on all wireless communications service numbers as provided by rule of the administrator.
- b. The program manager shall provide no less than one hundred days' notice of the surcharge to be imposed to each wireless communications service provider. The program manager, subject to the sixty-five cent limit in paragraph "a" , may adjust the amount of the surcharge as necessary, but no more than once in any calendar year.
- c. (1) The surcharge shall be collected as part of the wireless communications service provider's periodic billing to a subscriber. The surcharge shall appear as a single line item on a subscriber's periodic billing indicating that the surcharge is for E911 emergency telephone service. In the case of prepaid wireless telephone service, this surcharge shall be remitted based upon the address associated with the point of purchase, the customer billing address, or the location associated with the mobile telephone number for each active prepaid wireless telephone that has a sufficient positive balance as of the last days of the information, if that information is available. The wireless E911 service surcharge is not subject to sales or use tax.

Iowa Wireless Fee for Funding Relay:

PAG LIN 1 1 Section 1. Section 477C.7, Code 2005, is amended to read as follows:  
477C.7 FUNDING. 1. The board shall impose an annual assessment to fund the programs described in this chapter upon all ~~telephone utilities~~ telecommunications carriers providing service in the state as follows: ~~1.~~ 2. The total assessment shall be allocated ~~one-half to local exchange telephone utilities and one-half to the following telephone utilities~~ as follows: a. Wireless communications service providers shall be assessed three cents per month for each wireless communications service number provided in this state. b. (1) The remainder of the assessment shall be allocated one-half to local exchange telephone utilities and one-half to the following: ~~a. (a) Interexchange carriers. b. (b) Centralized equal access providers. c. (c) Alternative operator services companies.~~ 2. (2) The assessment shall be levied allocated proportionally based upon revenues from all intrastate regulated, deregulated, and exempt telephone services under sections 476.1 and 476.1D. 3. The ~~telephone utilities~~ telecommunications carriers shall remit the assessed amounts quarterly to a special fund, as defined under section 8.2, subsection 9. The moneys in the fund are appropriated solely to plan, establish, administer, and promote the relay service and equipment distribution programs. 4. The ~~telephone utilities~~ telecommunications carriers subject to assessment shall provide the information requested by the board necessary for implementation of the assessment. 5. The local exchange telephone utilities shall not recover from intrastate access charges any portion of such utilities assessment imposed under this section. EXPLANATION This bill

relates to the funding of the dual party relay service through an assessment on telecommunications carriers providing telephone service in this state. Under current law, the dual party relay service is funded through an assessment that is allocated one-half to local exchange telephone utilities and one-half to interexchange carriers, centralized equal access carriers, and alternative operator services companies. The bill reallocates the assessment by providing that wireless communications service providers pay three cents per month per wireless number provided in this state. The remainder of the assessment is allocated proportionately based on revenues, one-half to local exchange service providers and one-half to interexchange carriers, centralized equal access providers, and alternative operator services companies. LSB 1790SV 81

Massachusetts

CHAPTER 6A. EXECUTIVE OFFICES  
EXECUTIVE OFFICE OF PUBLIC SAFETY

Chapter 6A: Section 18H Wireless enhanced 911 service surcharge; Wireless Enhanced 911 Fund; disbursement of funds; quarterly reports; call volume and system performance [ *Text of section added by 2002, 61, Sec. 6 effective until June 30, 2007. Repealed by 2002, 61, Sec. 7. See 2002, 61, Sec. 9. See also, Section 18H added by 2002, 239, Sec. 1, below.*]

Section 18H. (a) There shall be imposed on each paying telecommunication service subscriber, whose telecommunication service is capable of directly accessing and utilizing a 911 emergency telephone system, a surcharge in the amount of 30 cents per month per wireless mobile telephone number, based on the area code chosen by the subscriber. With the approval of the board, a wireless carrier may impose this surcharge based on the subscriber's billing address. Based on the actual expenditures incurred in implementing a wireless enhanced 911 system, the statewide emergency telecommunications board may increase this monthly fee to a maximum of 75 cents per month. Any increase shall be justified in its annual report to the general court. The surcharge shall be collected by the wireless carrier or reseller providing the wireless enhanced 911 service and shall be shown on the subscriber's bill as "Wireless Enhanced 911 Service Surcharge", or the appropriate abbreviation. The surcharge shall not be subject to sales or use tax. The subscriber shall be liable for the surcharge imposed under this section. The wireless carrier or reseller shall have no obligation or authority to enforce the collection of the surcharge.

## New Hampshire

106-H:9 Funding; Fund Established. –

I. The enhanced 911 system shall be funded through a surcharge to be levied upon each residence and business telephone exchange line, including PBX trunks and Centrex lines, each individual commercial mobile radio service number, and each semi-public and public coin and public access line. No such surcharge shall be imposed upon more than 25 business telephone exchange lines, including PBX trunks and Centrex lines, or more than 25 commercial mobile radio service exchange lines per customer billing account. In the case of local exchange telephone companies, the surcharge shall be contained within tariffs or rate schedules filed with the public utilities commission and shall be billed on a monthly basis by each local exchange telephone company. In the case of an entity which provides commercial mobile radio service the surcharge shall be billed to each customer on a monthly basis and shall not be subject to any state or local tax; the surcharge shall be collected by the commercial mobile radio service provider, and may be identified on the customer's bill. Each local exchange telephone company or entity which provides commercial mobile radio service shall remit the surcharge amounts on a monthly basis to the enhanced 911 services bureau, which shall be forwarded to the state treasurer for deposit in the enhanced 911 system fund. The state treasurer shall pay expenses incurred in the administration of the enhanced 911 system from such fund. Such fund shall not lapse. If the expenditure of additional funds over budget estimates is necessary for the proper functioning of the enhanced 911 system, the department of safety may request, with prior approval of the fiscal committee of the general court, the transfer of funds from the enhanced 911 system fund to the department of safety for such purposes. The moneys in the account shall not be used for any purpose other than the development and operation of enhanced 911 services, in accordance with the terms of this chapter. Surcharge amounts shall be reviewed after the budget has been approved or modified, and if appropriate, new tariffs or rate schedules shall be filed with the public utilities commission reflecting the surcharge amount.

II. Imposition of the enhanced 911 services surcharge shall begin not later than 4 months from the approval of the budget, in order to provide adequate funding for the development of the enhanced 911 data base and other operations necessary to the development of the enhanced 911 system.

Source. 1992, 165:1. 1997, 298:17, eff. July 1, 1997. 2003, 319:122, eff. Sept. 4, 2003.

## New Mexico

### 63-9D-3. Definitions. (2001)

As used in the Enhanced 911 Act [ [63-9D-1](#) NMSA 1978]:

- A. "911 emergency surcharge" means the monthly uniform charge assessed on each access line in the state;
- B. "911 service area" means the area within a local governing body's jurisdiction that has been designated by the local governing body or the division to receive enhanced 911 service;
- C. "911 system" means the basic 911 system or the enhanced 911 system;
- D. "access line" means a telecommunications company's line that has the capability to reach local public safety agencies, but does not include a line used for the provision of interexchange services or commercial mobile radio service;
- E. "basic 911 system" means a telephone service that automatically connects a person dialing the single three-digit number 911 to a designated public safety answering point;
- F. "commercial mobile radio service" means service provided by a wireless real-time two-way voice communication device, including:
- (1) radio-telephone communications used in cellular telephone service;
  - (2) the functional or competitive equivalent of radio-telephone communications used in cellular telephone service;
  - (3) a personal communications service; or
  - (4) a network radio access line;
- G. "commercial mobile radio service provider" means a person who provides commercial mobile radio services, including a person who purchases commercial mobile radio service from a provider and resells that service;
- H. "commission" means the public regulation commission;
- I. "department" means the taxation and revenue department;
- J. "division" means the local government division of the department of finance and administration;
- K. "enhanced 911 system" means a system consisting of network, database and on-premises equipment that uses the single three-digit number 911 for reporting police, fire, medical or other emergency situations, thereby enabling a caller to reach a public safety answering point to report emergencies by dialing 911, and includes the capability to:
- (1) selectively route incoming 911 calls to the appropriate public safety answering point operating in a 911 service area; and
  - (2) automatically display the name, address and telephone number of an incoming 911 call on a video monitor at the appropriate public safety answering point;
- L. "enhanced 911 equipment" means the public safety answering point equipment directly related to the operation of an enhanced 911 system, including automatic number identification or automatic location identification controllers and display units, printers, cathode ray tubes and software associated with call detail recording;
- M. "enhanced 911 wireless service" means the relay to a designated public safety answering point of:
- (1) a 911 caller's number and base station or cell site location; and
  - (2) the latitude and longitude of the 911 caller's location in relation to a designated public safety answering point;

N. "equipment supplier" means a person who provides or offers to provide telecommunications equipment necessary for the establishment of enhanced 911 services;

O. "local governing body" means the board of county commissioners of a county or the governing body of a municipality as defined in the Municipal Code [ [3-1-1](#) NMSA 1978];

P. "network" means a system designed to provide one or more access paths for communications between users at different geographic locations; provided that a system may be designed for voice, data or both and may feature limited or open access and may employ appropriate analog, digital switching or transmission technologies;

Q. "network and database surcharge" means the monthly uniform charge assessed on each access line to pay the costs of developing and maintaining a network and database for a 911 emergency system;

R. "proprietary information" means customer lists, customer counts, technology descriptions or trade secrets, including the actual or development costs of individual components of enhanced 911 wireless service; provided that such information is designated as proprietary by the commercial mobile radio service provider; and provided further that "proprietary information" does not include individual payments made by the division or any list of names and identifying information of subscribers who have not paid the surcharge;

S. "public safety answering point" means a twenty-four-hour local jurisdiction communications facility that receives 911 service calls and directly dispatches emergency response services or that relays calls to the appropriate public or private safety agency;

T. "subscriber" means a person who is a retail purchaser of telecommunications services that are capable of originating a 911 call;

U. "telecommunications company" means a person who provides wire telecommunications services that are capable of originating a 911 call; and

V. "wireless enhanced 911 surcharge" means the monthly uniform charge assessed on each active number for a commercial mobile radio service subscriber whose billing address is in New Mexico.

## Ohio

Sec. 4931.61. (A) Beginning on the first day of the third month following the effective date of this section and ending December 31, 2008, there is hereby imposed, on each wireless telephone number of a wireless service subscriber who has a billing address in this state, a wireless 9-1-1 charge of thirty-two cents per month. The subscriber shall pay the wireless 9-1-1 charge for each such wireless telephone number assigned to the subscriber. Each wireless service provider and each reseller of wireless service shall collect the wireless 9-1-1 charge as a specific line item on each subscriber's monthly bill. The line item shall be expressly designated "State/Local Wireless-E911 Costs (\$0.32/billed number)." If a provider bills a subscriber for any wireless enhanced 9-1-1 costs that the provider may incur, the charge or amount is not to appear in the same line item as the state/local line item. If the charge or amount is to appear in its own, separate line item on the bill, the charge or amount shall be expressly designated "[Name of Provider] Federal Wireless-E911 Costs." For any subscriber of prepaid wireless service, a wireless service provider or reseller shall collect the wireless 9-1-1 charge in any of the following manners:

(1) At the point of sale. For purposes of prepaid wireless services, point of sale includes the purchasing of additional minutes by the subscriber along with any necessary activation of those minutes.

(2) If the subscriber has a positive account balance on the last day of the month and has used the service during that month, by reducing that balance not later than the end of the first week of the following month by the amount of the charge or an equivalent number of air time minutes;

(3) By dividing the total earned prepaid wireless telephone revenue from sales within this state received by the wireless service provider or reseller during the month by fifty, multiplying the quotient by thirty-two cents, and remitting this amount pursuant to division (A)(1) of section 4931.62 of the Revised Code.

(B) The wireless 9-1-1 charge shall be exempt from state or local taxation.



## South Carolina

### SECTION 23-47-50. Subscriber billing.

(A) The maximum 911 charge that a subscriber may be billed for an individual local exchange access facility must be in accordance with the following scale:

Tier I - 1,000 to 40,999 access lines - \$1.50 for start-up costs, \$1.00 for on-going costs.

Tier II - 41,000 to 99,999 access lines - \$1.00 for start-up costs, \$.60 for on-going costs.

Tier III - more than 100,000 access lines - \$.75 for start-up costs, \$.50 for on-going costs.

Start-up includes a combination of recurring and nonrecurring costs and up to a maximum of fifty local exchange lines an account.

(B) Every local telephone subscriber served by the 911 system is liable for the 911 charge imposed. A service supplier has no obligation to take any legal action to enforce the collection of the 911 charges for which a subscriber is billed. However, a collection action may be initiated by the local government that imposed the charges. Reasonable costs and attorney's fees associated with that collection action may be awarded to the local government collecting the 911 charges.

(C) The local government subscribing to 911 service is ultimately responsible to the service supplier for all 911 installation, service, equipment, operation, and maintenance charges owed to the service supplier. Upon request by the local government, the service supplier shall provide a list of amounts uncollected along with the names and addresses of telephone subscribers who have identified themselves as refusing to pay the 911 charges. Taxes due on a 911 system service provided by the service supplier must be billed to the local government subscribing to the service. State and local taxes do not apply to the 911 charge billed to the telephone subscriber.

(D) Service suppliers that collect 911 charges on behalf of the local government are entitled to retain two percent of the gross 911 charges remitted to the local government as an administrative fee. The service supplier shall remit the remainder of charges collected during the month to the fiscal offices of the local government. The 911 charges collected by the service supplier must be remitted to the local government within forty-five days of the end of the month during which such charges were collected and must be deposited by and accounted for by the local government in a separate restricted fund known as the "emergency telephone system fund" maintained by the local government. The local government may invest the money in the fund in the same manner that other monies of the local government are invested and income earned from the investment must be deposited into the fund. Monies from this fund are totally restricted to use in the 911 system.

(E) The "emergency telephone system" fund must be included in the annual audit of the local government in accordance with guidelines issued by the state auditor's office. A report of the audit must be forwarded to the state auditor within sixty days of its completion, and a copy sent to DIRM.

(F) Fees collected by the service supplier pursuant to this section are not subject to any tax, fee, or assessment, nor are they considered revenue of the service supplier. A monthly CMRS 911 charge is levied for each CMRS connection for which there is a mobile identification number containing an area code assigned to South Carolina by the North American Numbering Plan Administrator. The amount of the levy must be approved annually by the board at a level not to exceed the average monthly telephone

(local exchange access facility) 911 charges paid in South Carolina. The board and the committee may calculate the CMRS 911 charge based upon a review of one or more months during the year preceding the calculation of telephone (local exchange access facility) charges paid in South Carolina. The CMRS 911 charge must have uniform application and must be imposed throughout the State; however, trunks or service lines used to supply service to CMRS providers shall not be subject to a CMRS 911 levy. On or before the twentieth day of the second month succeeding each monthly collection of the CMRS 911 charges, every CMRS provider shall file with the Department of Revenue a return under oath, in a form prescribed by the department, showing the total amount of fees collected for the month and, at the same time, shall remit to the department the fees collected for that month. The department shall place the collected fees on deposit with the State Treasurer. The funds collected pursuant to this subsection are not general fund revenue of the State and must be kept by the State Treasurer in a fund separate and apart from the general fund to be expended as provided in Section 23-47-65.

(G)(1) Fees collected by the service supplier pursuant to this section are not subject to any tax, fee, or assessment, nor are they considered revenue of the service supplier.

(2) A 911 charge, including a CMRS 911 charge, shall be added to the billing by the service supplier to the service subscriber and may be stated separately.

(3) A billed subscriber shall be liable for any 911 charge, including a CMRS 911 charge, imposed under this chapter until it has been paid to the service supplier.

## Wisconsin

### PSC 173.10 Wireless surcharge.

#### (1) CALCULATION.

(a) Upon the request of the commission, each wireless provider shall file with the commission a report setting forth the number of its wireless telephone numbers with billing addresses in this state that are billed on a recurring basis and the number of its wireless telephone numbers subject to a pre-paid service agreement with a customer with an address in this state or sold within this state, as of the date specified in the commission request.

(b) The commission shall determine the amount of the wireless surcharge by dividing the sum of the total amount of money requested from all grant and supplemental grant applications approved under s. PSC 173.09 and the reasonable administration costs under s. PSC 173.11 (2) by 36, and then dividing that result by the total number of telephone numbers served by wireless providers and reported under par. (a).

(2) ORDER. The commission shall set the amount of the wireless surcharge by an order pursuant to s. 227.47 (1), Stats. An interested party may petition to reopen the proceeding and amend the surcharge order under s. 196.39 (2), Stats., and s. PSC 2.28.

#### (3) COLLECTION.

(a) Each wireless provider shall impose the wireless surcharge for each telephone number of a customer that has a billing address in this state on each bill rendered during the surcharge period.

(b) The wireless surcharge shall be calculated and applied on a monthly basis. The wireless surcharge shall be the same for each wireless telephone number, regardless of the serving wireless provider, except that:

1. For a customer that is billed on a recurring basis other than monthly, the wireless provider shall impose a surcharge equal to the amount of the wireless surcharge times the number of months of service billed in that customer's billing statement times the number of telephone numbers billed or assigned to that customer.

2. For a customer with prepaid wireless telephone service, the wireless provider shall charge to that customer's prepaid account using one of the following methods:

a. The provider shall charge the prepaid account the amount of the monthly surcharge when the telephone becomes an active prepaid wireless telephone, provided the balance of the prepaid account is greater than or equal to the monthly wireless surcharge.

b. The provider shall divide the total prepaid wireless telephone revenue earned and received in the state a calendar month during the surcharge period by \$50, and multiply the quotient by the monthly wireless surcharge.

(c) Each wireless provider shall pay the full amount of the surcharge collected to the commission within 30 days of the end of the month in which the surcharge was collected for deposit in the fund. A wireless provider may not withhold any portion of the surcharge it collects as reimbursement for the cost of billing and collecting the surcharge, or for any other purpose. A wireless provider may include reasonable administrative costs as part of its grant application under s. PSC 173.06.

History: CR 04-026: cr. Register November 2004 No. 587, eff. 1-1-05 except (1) (b) and (2), which are eff. 10-1-05.