

SUBJECT: 911 fees for wireless service

COMMITTEE: State Affairs — committee substitute recommended

VOTE: 8 ayes — Wolens, S. Turner, Carter, Counts, Hilbert, Hunter, Jones, Ramsay
1 nay — McCall
6 absent — Alvarado, Brimer, Craddick, Danburg, Longoria, Stiles

WITNESSES: For — Bill Munn, Tarrant County 911; Kathy Grant, PrimeCo Personal Communications
Against — Judith Shaw, City of Dallas
On — Carey Spence and James Goerke, Advisory Commission on Emergency Communications

BACKGROUND
:
In 1987, the Advisory Commission on State Emergency Communications (ACSEC) was given the responsibility of setting 911 fees in most areas of the state. The 24 emergency districts and 27 home-rule cities that were already collecting 911 fees in their areas were grandfathered and allowed to continue collecting fees they had imposed. The fee set by the commission is capped at 50 cents per line per month.

In 1995, the commission broadened the definition of access line on which 911 fees are charged to include wireless lines. The 24 emergency districts and 27 home-rule cities also began charging wireless customers in their areas a 911 fee. The 911 fee charged by the grandfathered entities is set by the entity and can be higher than 50 cents per line.

In 1996, the Federal Communications Commission adopted rules requiring wireless providers to offer 911 services similar to those offered by wired lines, if the service was requested by the local government and if a funding mechanism was put in place to fund the cost of implementing the service. The 911 service provided by wired telephone providers gives the emergency center the phone number from which the call is being made and the location of the phone.

DIGEST: CSHB 2129 would require the ACSEC to impose a 50-cent 911 fee on each wireless phone with a Texas area code number and would prohibit local governmental entities from imposing another 911 wireless telephone fee. The commission would be required to distribute the 911 fees within 15 days of collecting them to the 911 administrative entities in the state, based on population.

The bill would require wireless service companies to collect the fee and to remit the fees to the ACSEC within 30 days and allow the providers to retain one percent of the collection for administrative costs. The wireless telephone providers would not be required to collect delinquent fees. The ACSEC could establish procedures for collecting delinquent fees and could initiate legal proceedings to recover the money from individual wireless subscribers. The bill would allow the ACSEC to recover court costs, attorney's fees and interest on the delinquent amount, computed at an annual rate of 12 percent.

The ACSEC, home-rule city or emergency communication district would be required to reimburse wireless telephone companies for reasonable expenses related to providing 911 service.

The bill would take effect September 1, 1997.

SUPPORTERS SAY: CSHB 2129 would provide a standard fee of 50 cents for each wireless phone with a Texas area code number and a single location for wireless providers to send the fee. This would ensure that all mobile telephone users paid the same set fee for 911 service regardless of billing address. Because the very nature of wireless telephone service is mobile, having a standard fee and one collection agency for remitting the fees makes the administration more efficient and effective. The funds would be distributed based on population to assure that localities received their fair share of the funds.

Although the 50-cent fee may be lower than the 911 fee charged by some home-rule cities and emergency communications districts, the total amount of money remitted to them would be no less than they receive today, and in many cases considerably more. For example, the City of Dallas would receive about \$800,000 more than it does now, and the Austin emergency district would get more than twice its current 911 wireless fee revenue. The

50 cent fee, increased from 35 cents in the original version of the bill, would be more than adequate to cover all necessary costs associated with providing the 911 wireless service.

This bill would require home-rule cities and emergency districts to pay wireless providers for reasonable expenses associated with making the mobile 911 service similar to the wired 911 service. This would assure persons with wireless phones that when they dial 911, they too would be routed to the closest emergency center and that the emergency provider would be able to locate them using new location technology.

OPPONENTS
SAY:

CSHB 2129 would void an agreement with the cities and districts that had independently developed 911 service well in advance of the state's efforts. In 1987, the Legislature exempted these entities from ACSEC jurisdiction precisely because they had demonstrated capability to develop and administer an emergency communications system. The ACSEC was developed to address needs in other areas of the state that needed guidance and direction.

These entities should retain the ability to set and collect their own 911 fees in order to respond appropriately to the needs of their citizens. In Dallas, for example, the 911 fee is assessed at 62 cents per landline. When wireless services were brought under the Dallas-area 911 system, those services, too, were assessed a 62-cent fee. CSHB 2129, however, would allow those wireless services to pay a 50-cent fee. This pattern would be repeated throughout Texas. CSHB 2129 would promote, not redress, inequities.

Lowering the fee for wireless services could jeopardize 911 operations within the grandfathered entities. Dallas already is trying to cope with a \$5 million deficit in its 911 program, and the 12-cent per line rate reduction proposed by CSHB 2129 would only increase that red ink. Emergency services could suffer just to provide a little more change for the big operators of wireless services.

CSHB 2129 would go against the grain of allowing local entities to control local programs. With 911 services, local entities have shown they are ahead of the state, yet the bill would cut the funding discretion local entities need to provide superior 911 service.

NOTES: The original version of the bill would have set the 911 wireless fee at 35 cents, included a requirement for a cost of service study, allowed providers to retain one percent for administrative costs and specified that no governmental entity would be liable for any claim arising from 911 service.