



**Testimony of
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CTIA**

In Opposition to Colorado SB24-139

Before the Senate Finance Committee

March 5, 2024

Chairman Mullica, Vice Chair Kolker, and members of the Senate Finance Committee, on behalf of CTIA®, the trade association for the wireless communications industry, I submit this testimony in opposition to Senate Bill 139 which would increase 911 fees, likely exponentially, for Colorado wireless customers.

The wireless industry fully supports and partners with Colorado public safety providers, including providing interoperable services in furtherance of public safety efforts. While we support the legislation's goals of supporting public safety, we feel it is important to share with you our concerns on behalf of our wireless customers who will bear the brunt of the tax increases in the proposed legislation.

SB 139 would create a state "enterprise authority" that would provide additional authority for the state to levy a fee for additional purposes. Wireless carriers are concerned that this new fee would add to the already very high burdens on wireless consumers to pay for redundant expenditures. Under current law, both the state of Colorado and Colorado counties levy 911 fees to support the 911 system. The state currently imposes a fee of 9 cents per line



per month, while counties impose fees ranging from 70 cents per line per month to \$4.00 per line per month. According to the Colorado Public Utilities Commission (PUC), the average local 911 fee is \$1.91 per line per month. When added to the 9 cents per line per month state fee, the average Colorado consumer is currently paying \$2.00 per line per month. A family with a 4-line family plan is paying nearly \$100 per year just in 911 fees. If SB 139 is passed, that average fee could increase to \$2.41 per line per month. Additionally, while SB 139 clarifies that the added fee would be to fund statewide training initiatives and programs for 911 center personnel, public education campaigns and materials, and other 911-related training and support, there is limited information currently available regarding the actual funding needs. Furthermore, if additional funding is needed, most 911 agencies can already raise their fee through a simple majority vote of the board that requires no PUC permission.

Any 911 tax should be kept as low as possible and justified by data showing exactly what the tax will fund. These types of taxes are highly regressive, imposing a proportionately higher burden on lower-income people. Wireless phones are the gateway to the internet for many Coloradans, so overburdening these consumers with more taxes and fees may detrimentally affect their continued connectivity. The average 911 tax in states is about \$1.00 per line per month. If this proposed increase were to become law, the Colorado 911 tax would jump from a tie for 4th to the 2nd highest 911 fee in the country.¹ Furthermore, for the few

¹ See Figure 1 on Pg. 3



counties in the state that have \$4.00 local fees, residents could have the highest 911 tax in the country. For example, for a family in Phillips County, 911 fees could reach \$4.50 per line per month or \$216 per year for a family of four. This increase would be in addition to state, county, municipal, and special district sales taxes, the state Universal Service Fund surcharge, and a 988 fee of 14 cents per line per month.

The wireless industry remains committed to working with public safety officials to help ensure that 911 service is a coordinated and collaborative operation between the private and public sectors to provide quality 911 service at a reasonable cost. However, this increase seems excessive at a time when Coloradans can least afford it. Thank you for the opportunity to share our concerns and for your consideration.

State & Local 911 Fees Currently

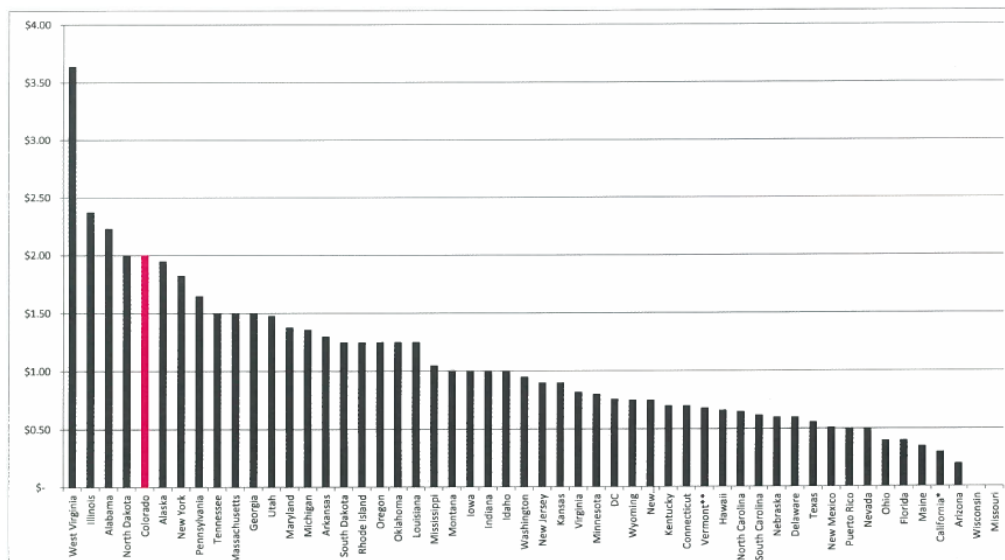


Figure 1



NATIONAL ASSOCIATION OF STATE 911 ADMINISTRATORS

Statement Regarding Colorado SB24-139

The Legislative Committee of the National Association of State 9-1-1 Administrators submits this written testimony in support of Colorado Senate Bill 24-139.

Colorado is currently one of only five states nationally that has no state-level mechanism for the procurement of 9-1-1 systems or services, to provide matching funds for federal grants, or to provide grants to local 9-1-1 agencies.¹ This has resulted in a situation in which it is not clear how statewide expenses related to 9-1-1 service can be funded as Colorado attempts to deploy Next Generation 9-1-1 systems and implement advanced 9-1-1 services. This has also created a growing disparity between local 9-1-1 agencies that have sufficient population density to fund their 9-1-1 systems and services and those that don't, both in terms of what residents and businesses pay for 9-1-1 service and in terms of the level of service provided. It also leaves Colorado with no readily accessible funds to provide matching funding for future federal grant programs.

The state-level purchasing mechanism created by this bill, the 9-1-1 Services Enterprise, resolves these issues by allowing a portion of existing state 9-1-1 surcharge authority that is not currently being used to be retained by the Enterprise and to be spent on 9-1-1 expenses for the benefit to the entire state.² It does this without creating any new line items on customer phone bills, without reducing the scope of control and autonomy of local 9-1-1 agencies, and without increasing the existing 50 cent authority for the state 9-1-1 surcharge. It also keeps the use of the funding in the hands of local agencies by requiring that the Enterprise board be appointed with representatives of Colorado's local 9-1-1 governing bodies.

There is a reason why the vast majority of states have enacted either state-based or state and local hybrid spending authority models. The economies of scale in providing 9-1-1 services, not to mention replacing legacy technology with Next Generation 9-1-1 systems, is an obstacle to the adoption of advanced 9-1-1 services. As a result, residents in some areas of Colorado pay five times as much for 9-1-1 services as residents in other areas of the state and may experience levels of service that are lower

¹ The other states with no state-level 9-1-1 purchasing mechanism are Alaska, Louisiana, Nevada, and Wyoming. Source: FCC. Fifteenth Annual Report to Congress on State Collection and Distribution of 911 Fees and Charges. Dec 21, 2023. <https://www.fcc.gov/sites/default/files/15th-annual-911-fee-report-2023.pdf>. Appendix A.

² § 29-11-102.3, C.R.S., authorizes the Colorado Public Utilities Commission to establish a state 9-1-1 surcharge of up to 50 cents per line per month. Currently, the rate established by the Commission is only 9 cents. SB24-139 would allow some of the unused authority for this surcharge to be directed to the 9-1-1 Services Enterprise.

than can be found in better funded service areas.³ The highest rates in Colorado are also higher than the 9-1-1 surcharge rates in any of Colorado's surrounding states.⁴ The Enterprise created by this bill could help alleviate this pressure through the provision of local grants.

Finally, on February 21, 2024, *nine* former Federal Communications Commissioners signed a letter petitioning Congress to fund the ongoing implementation of Next Generation 9-1-1 systems in the states.⁵ If Congress approved such funding, however, it is unlikely that Colorado would be able to access it due to a lack of identifiable matching funds. The creation of this Enterprise would resolve this gap by creating a fund that could be used to meet federal matching requirements.

It is for the reasons expressed above that the Legislative Committee of the National Association of State 9-1-1 Administrators urges the Colorado General Assembly to pass Senate Bill 24-139.

Sincerely,

A handwritten signature in black ink that reads "Leah Minsildene". The signature is written in a cursive, flowing style.

NASNA President

³ Currently, the lowest local emergency telephone charge rate in Colorado is 70 cents per line per month, and the highest is \$4.00 per line per month.

⁴ Highest rates by state bordering Colorado: Wyoming \$0.75; Nebraska \$1.00; Kansas \$0.90; Oklahoma has a percentage based surcharge for landlines ranging from 3-15%, and wireless rate of \$0.75; New Mexico \$0.51; Utah \$0.80. Source: <https://www.nena.org/page/911RateByState>

⁵ https://drive.google.com/file/d/1fTu_OHwm9RNW-50wDiy7hkAGzNliUV1k/view