

**Testimony of  
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CTIA – The Wireless Association®  
January 8, 2014  
Regarding The Rewrite of the 911 Emergency Telephone Act**

**Before The Pennsylvania House Veterans Affairs & Emergency Preparedness Committee**

Chairman Barrar and members of the Committee, thank you for the opportunity to testify before you today. I am here on behalf of CTIA-The Wireless Association®, the trade association for the wireless communications industry. I am here to address what the wireless industry thinks is a very important issue – the Commonwealth’s rewrite of the 911 Emergency Telephone Act.

Over the past year, industry has been pleased to work alongside the public safety community in drafting language to update the Commonwealth’s existing 9-1-1 statute. We are pleased with the progress that has been made. As such, on behalf of the wireless industry, we are happy to support the draft language that is before you today.

As I testified to at prior Committee hearings, this draft language encompasses fundamental policy principles of import to the wireless industry: a uniform, statewide competitively neutral 9-1-1 fee and encouragement of Public Safety Answering Point (“PSAP”) efficiencies through consolidation and regionalization.

Wireless 9-1-1 fees should be established and collected on a statewide basis, with a single centralized collection agent and a uniform statewide 9-1-1 fee rate. Collection of a single, statewide fee reduces administrative burdens imposed upon communication service providers related to sourcing 9-1-1 fees to the proper local jurisdictions. Collecting fees at different rates which can change with little notice, and remitting multiple tax returns to local jurisdictions, is onerous and time-consuming for providers. The wireless industry is supportive of this component in the draft legislation.

The wireless industry is also supportive of PSAP regionalization and encouragement of consolidation. State-level coordination is practical from a technical and financial perspective, as the range of technologies envisioned for Next Generation 9-1-1 (“NG911”) may impose higher costs and

administrative complexities that are better addressed at a state or regional level than by an individual PSAP. The wireless industry encourages the consolidation of PSAPs into regional PSAPs covering as large a number of counties as can be efficiently served on a regional basis.

CTIA is cognizant of the fact that the rate of the uniform 9-1-1 fee has yet to be set. It is important to note Pennsylvania wireless consumers already bear one of the nation's highest 9-1-1 rates at \$1.00, the 5<sup>th</sup> highest in the country.<sup>1</sup> Furthermore, wireless subscriber growth has more than offset any perceived loss of revenue from consumers "cutting the cord" and eliminating landlines. In fact, comparison of wireless subscriber growth to the consumer price index (CPI) portrays more than a 250% increase from 2000-2012 in wireless subscribers, compared to a 45% CPI increase during the same period.<sup>2</sup> As such, we would respectfully request that the single 9-1-1 "replacement rate" be initially set at an amount that generates the same amount of revenues that are being collected today under both the local and statewide fee mechanism. We strongly believe it is premature to consider increases in the fee until the costs of NG911, as well as any cost reductions that may be generated from new technologies, are known.

In closing, thank you for the opportunity to testify today on this very important issue. The wireless industry greatly appreciates public safety's willingness to work with us in developing the draft language before you today. We are supportive of the fundamental policy principles contained within the draft language, notably the uniform, statewide competitively neutral 9-1-1 fee and encouragement of PSAP efficiencies through consolidation and regionalization. The wireless industry looks forward to continuing its work with public safety and the Commonwealth as they seek to continue to provide efficient emergency communications services in a way that does not exacerbate further the current burden on Pennsylvanians.<sup>3</sup>

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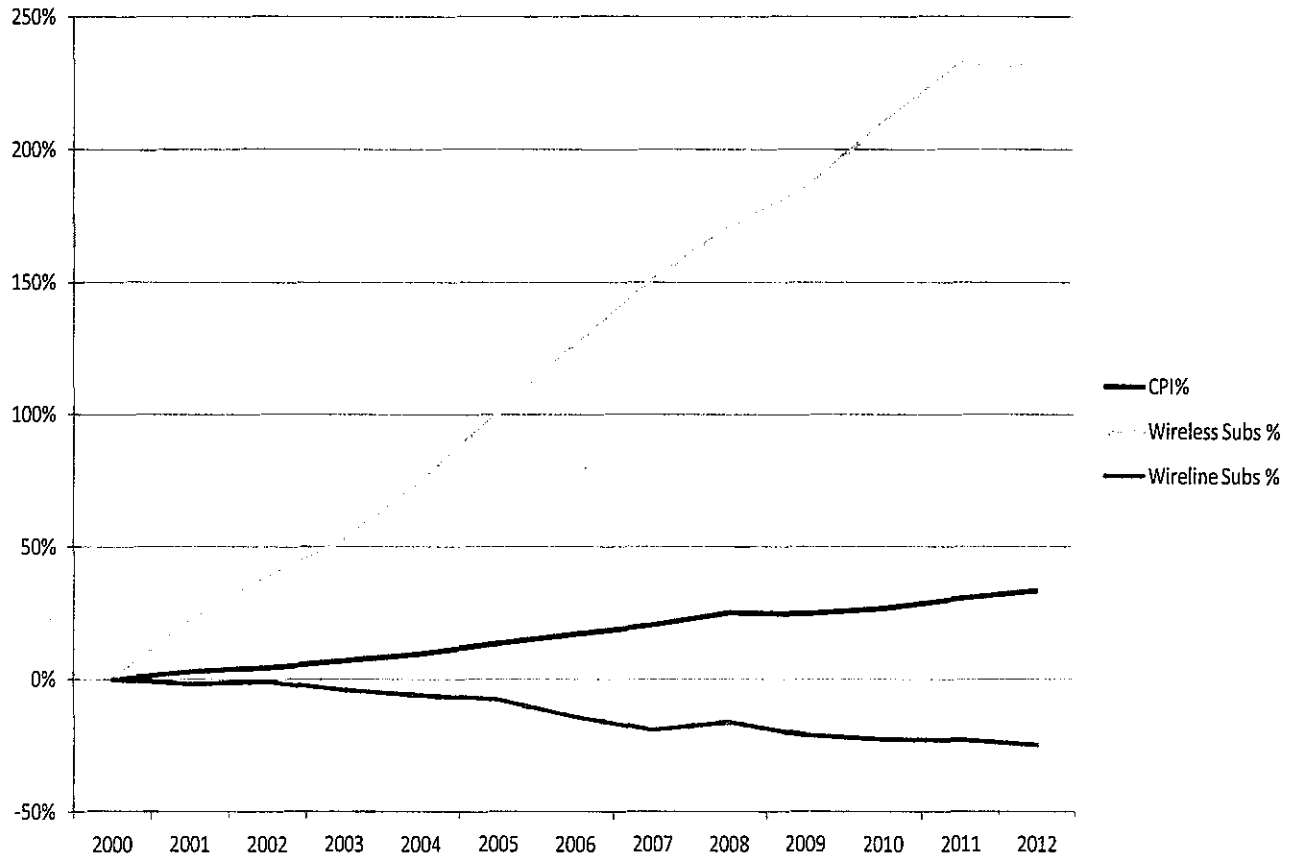
<sup>1</sup> The National Emergency Number Association, "9-1-1 Surcharge - User Fees by State," <http://www.nena.org/?page=911RateByState>, last accessed 1/6/14.

<sup>2</sup> See attached charts.

<sup>3</sup> The Commonwealth has the 8<sup>th</sup> highest wireless tax burden on consumers through a combined federal, state and local tax rate at 19.95%. This 19.95% compares to the state sales tax on other goods imposed at 6%. In addition, Allegheny County imposes a 7% sales and use tax and Philadelphia imposes an 8% sales and use tax.



# Cumulative Percentage Growth of Pennsylvania Telephone Subscribers vs. CPI, 2000 - 2012



# PA Telephone Subscribers, 2000-2012

Source: FCC Local Competition Reports; CTIA Prepaid Snapshot; 2000 to 2006 VOIP and Prepaid counts are estimates.

