



**Testimony of
JAKE LESTOCK
CTIA**

Pennsylvania Chapter 53 of Title 35 - 911 Reauthorization

Before the Pennsylvania Senate Veterans Affairs & Emergency Preparedness Committee

September 11, 2023

Chairman Mastriano, Minority Chair Muth, and members of the committee, on behalf of CTIA®, the trade association for the wireless communications industry, I submit this testimony in opposition to the Pennsylvania Emergency Management Agency's (PEMA) proposed 911 reauthorization language. Rather than increasing the burden on wireless consumers, CTIA respectfully recommends a one-year extension of the sunset on the current 911 statute to help provide further time for all stakeholders to craft reauthorization language that does not further increase overall wireless taxes on Pennsylvanians.

As you know, bipartisan legislation to repeal the gross receipts tax and the sales tax on wireless service is pending in the Senate. In addition, there is legislation pending that would impose a new 988 fee on wireless consumers to fund the suicide prevention hotline. Until these issues are resolved and there is more clarity in the taxation of wireless consumers, we believe that preserving the status quo for one year would be the most prudent course of action.



CTIA and its members appreciate and work closely with our public safety partners to provide communities with reliable emergency services networks and support the transition to Next Generation (NG911) as it offers significant benefits to the public and emergency responders. Wireless providers are actively engaged in facilitating the transition to NG911. NG911 is intended to expand E911's current circuit-switch voice capability to a broadband Internet Protocol-based (IP) system.

These one-time system upgrades will accommodate voice, data, and video transmission. As you continue to make changes to Pennsylvania's 911 statute to implement NG911, the goal should be to provide citizens with efficient emergency communications services, but to do so in a way that does not further exacerbate the current tax and fee burden on Pennsylvania's wireless consumers. This statute is particularly important to our industry as wireless consumers currently pay more than two-thirds of all 911 fees in the Commonwealth. Therefore, CTIA and its members are committed to ensuring that fees are kept as low as possible during and after this transition.

As currently proposed, the reauthorization language looks to increase the 911 fee from \$1.65 per month to \$1.97 per month. If enacted, wireless consumers in Pennsylvania would pay the second highest state 911 fee in the country and the highest of any of the most populated states. With the current rate of \$1.65 per month, the Commonwealth already raises \$325 million annually. This is nearly \$100 million more than any other state – more than California, Texas, Florida, New York, and Ohio. Wireless 911 fees are 30 cents per month in



California, 50 cents per month in Texas, 40 cents per month in Florida, 25 cents per month in Ohio, and \$1.50 per month (state and local) in New York, except for a few small counties that have received legislative approval for higher rates.

Furthermore, the proposed increase is intended to fund the buildout of NG911 service throughout the Commonwealth. However, the 2015 legislation that raised the fee by 65 percent – from \$1.00 per month to \$1.65 per month – was intended to pay for NG911 upgrades. That increase has generated over \$125 million each year in new revenue since 2016. Yet, in 2021 PEMA reported to the FCC that only \$34 million was spent on NG911. Before raising the fee again, we respectfully request that the General Assembly research and understand what happened to the nearly \$750 million in new revenues generated since 2016 from the last 911 fee increase.

In the House Committee testimony, PEMA pointed out that Pennsylvania has fewer Public Safety Answering Points than many other states. Nonetheless, the state reported to the FCC in 2022 that the total cost for providing 911 service is \$411 million. Again, this is more than \$100 million higher than every other state reporting such information to the FCC with the exception of New York.

Additionally, recent federal funding packages made available significant funding that can be utilized by states for the NG911 efforts. The Commonwealth can and should look to any unappropriated “Infrastructure Investment and Jobs Act” and “American Rescue Plan Act” funds that have been distributed to Pennsylvania by the federal government, rather than to



an increase in wireless consumer taxes, to fund what should be one-time expenses to upgrade to the NG911 system. Additional federal funding could also be coming as Congress continues to prioritize this important issue. Congress recently introduced bipartisan legislation that would provide \$15 billion in federal funding to support 911 centers nationwide as they make the transition to NG911.

The proposed legislation also makes several changes to definitions that could expand the types of services subject to the 911 fee while simultaneously creating a lack of uniformity in the application of the 911 fee to similarly situated users. For example, the definition of “911 communications service” appears broad enough to include any data-only wireless device that has the ability to connect to the Internet. Many “machine to machine” and other data-only wireless devices have the ability to connect to the Internet but are not provisioned to dial “911.” We recommend that the definition of “911 communications service” be restored to the current definition by retaining the “two-way” transmission qualifier and striking “or addressing the ESInet.” We also recommend that the definition of “call” be restored to its current definition. A one-year extension of the 911 fee, including the current definitions, would allow ample time for stakeholders to provide input on any updates to the definitions.

Given that there are only a few months left in the year, and that some of the changes in definitions need further discussion, wireless providers are concerned that there may not be sufficient lead time to implement billing system changes that might be necessary should this



bill become law in its current form. This is especially true if legislation is approved later in the year with a January 1, 2024 effective date.

Finally, the proposed language includes an “inflation adjustment” that would automatically increase the fee each year based on the Consumer Price Index. CTIA opposes provisions that automatically increase taxes and fees on wireless consumers without legislative oversight and approval. Since technological improvements inherent in NG911 upgrades are expected to reduce costs, not increase them, it is perplexing why automatic fee increases are necessary. We respectfully request that this provision be removed by the Committee.

CTIA and its member companies have been actively involved with and have supported the development and deployment of 911 services, including NG911, through collaborations with the public safety community and federal and state officials. For the aforementioned reasons, CTIA and its members respectfully urge you to pass a one-year extension of the sunset on the current 911 statute and continue this collaboration in determining a more appropriate path forward that more accurately determines NG911 funding needs and does so in a way that does not increase wireless taxes on consumers in the Commonwealth. Thank you for your consideration and we look forward to working with you further on this important issue.