

HOUSE BILL REPORT

HB 2595

As Passed Legislature

Title: An act relating to a state wireless enhanced 911 excise tax.

Brief Description: Providing funding for wireless enhanced 911 services.

Sponsors: By Representatives Morris, Anderson, Gombosky, Cox, Edwards, Nixon, Ogden, Santos, Delvin, Veloria, Conway, Cooper, Ruderman, Wood, Kagi and Sullivan.

Brief History:

Committee Activity:

Finance: 1/30/02, 2/7/02 [DP].

Floor Activity:

Passed House: 2/19/02, 86-11.

Passed Senate: 3/5/02, 42-6.

Passed Legislature.

Brief Summary of Bill

- The county tax for emergency service communications systems is redesignated as the Enhanced 911 (E911) excise tax and is increased from 25 to 50 cents per wireless line per month.
- A state E911 tax of 20 cents per month is imposed on each wireless line per month, to be deposited in the E911 account.
- The purposes for which moneys in the E911 account can be used is expanded to include implementation and operation of wireless E911 statewide.

HOUSE COMMITTEE ON FINANCE

Majority Report: Do pass. Signed by 11 members: Representatives Gombosky, Chair; Berkey, Vice Chair; Cairnes, Ranking Minority Member; Conway, Morris, Nixon, Orcutt, Roach, Santos, Van Luven and Veloria.

Staff: Mark Matteson (786-7145).

Background:

Emergency 911 telephone services allow callers to reach agencies that can dispatch the

appropriate type of response. Enhanced 911 (E911) allows the person answering the emergency call to identify the location of the calling party.

In 1991 the voters of Washington adopted Referendum 42, which imposed a 20 cent maximum per-month tax on each switched access telephone line (wireline) to support statewide coordination and management of the E911 system, and to help supplement county-level operational costs. However, no state funds may be provided to counties that have not imposed the maximum tax for emergency services communication systems. Counties may impose up to a 50 cent tax per switched access line, and impose up to 25 cents per radio access (wireless) line located in the county for these purposes.

The state tax is administered by a state E911 coordinator. The coordinator is assisted by the E911 advisory committee, appointed by the Adjutant General of the state Military Department, and representing fire, safety, utility, telecommunication, and local government officials. There are currently 27 members on the advisory committee, including representatives of large and small local exchange telephone companies.

The legislation in 1994 authorizing counties to impose a wireless 911 tax of 25 cents per month also provided a definition for radio communications service (i.e., wireless) companies and directed these companies to provide Automatic Number Identification (ANI) to Public Safety Answering Points (PSAP) for 911 calls. The Federal Communications Commission (FCC) has since issued regulations that, with respect to E911, have modified its definition of radio communications service company. Several wireless carriers have refused to provide ANI to PSAPs on the grounds that the state law conflicts with FCC orders (see below).

In 1996 the FCC issued an order requiring wireless carriers to provide E911 service in two phases. By April 1998 wireless carriers must provide ANI and cell sector locations for emergency calls (Phase I). By October 2001 wireless carriers must provide Automatic Location Identification (ALI), or actual latitude and longitude coordinates, so that most emergency calls may be pinpointed to within 410 feet of a caller's exact location (Phase II). Wireless carriers must only comply with these FCC requirements if the following conditions are met:

1. A 911 call center must request ANI and cell sector location data (Phase I);
2. the requesting call center must be capable of receiving and using the data; and
3. a funding mechanism must be in place to recover costs of providing these E911 services.

On November 18, 1999, the FCC removed the requirement that a funding mechanism be in place to recover wireless carrier costs of providing these E911 services, but retained the requirement for PSAP cost recovery.

Under the federal Mobile Telecommunications Sourcing Act of 2000, state and local

governments are required to allow mobile telecommunication transactions to be sourced to the customer's primary place of use. The federal law defines primary place of use as "the street address representative of where the customer's use of the mobile telecommunications service primarily occurs."

Summary of Bill:

The county 25 cent tax on each radio access line for basic 911 is redesignated to an E911 tax and increased to 50 cents. The tax base for the county tax is modified to provide that the tax applies to wireless lines whose place of primary use is within the county. The definition of radio communications service company as it applies under the county tax is updated to include the federal definition for commercial mobile radio services as well as facility and non-facility-based service resale companies, but to exclude paging companies.

A state E911 tax of 20 cents per month is imposed on each radio access line. Revenues from the state tax are deposited into the E911 account. The purposes for which the account can be used are expanded to include implementation and operation of wireless E911 statewide, including adequate funding of counties and reimbursement of wireless carriers. None of the 20 cents may be distributed to a county unless the county has imposed the local 50 cent tax on each radio access line at the maximum rate.

Representatives of large and small wireless companies are added to the E911 advisory committee. With the advice of the committee, the state E911 coordinator is required to set uniform standards for the transmission of 911 calls from wireless companies to E911 systems. The standards must not exceed standards of the FCC.

The purposes for which the state E911 funds may be used are changed.

The state ANI law is repealed.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect January 1, 2003.

Testimony For: Use of wireless phones has skyrocketed, while landline use has leveled off. New Federal Communications Commission requirements have posed burdens to counties, and so we need to enact funding to help the counties solve this situation.

All 39 counties have enhanced 911 (E911) funding associated with wireline phones. Wireless phone calls to 911 create problems. In central Washington, a 911 call might be

answered by a dispatcher in Okanogan, Grant, or Chelan County. There are instances where emergency assistance has been dispatched to Long Beach when the incident is really in Ocean Park. Technology is available to pin down the location of the caller. Side benefits to the implementation of this technology including finding lost hikers. Citizens expect this service, and an additional 45 cents per month is insignificant to most people.

Cellular calls to 911 centers take three times as long to process to determine the location of the caller under our current systems. But cellular use is increasing; 36 percent of 911 calls come from cell phones. As the number of these calls increase, and as the number of wireline calls decrease, revenues are declining.

The cellular industry generally supports this bill. The cost of service is now very low and it is important to have parity between services for wireline and wireless.

(With concerns) We support tax parity between wireless and wireline but are concerned that wireline funds may be used to subsidize wireless services, if the two taxes are combined in a single fund. Wireless services have different costs and so accounting should be kept separate.

Testimony Against: None.

Testified: Dan La Roche, Douglas County Sheriff; Jon Kaino, Pacific County Commissioner; Jim Quackenbush, Thurston County; Steve Gano, Cingular Wireless; Art Butler, Tracer; and Mark Greenberg, Tracer.