



NATIONAL CONFERENCE *of* STATE LEGISLATURES

The Forum for America's Ideas

January 27, 2016

Commissioner Philip B. Jones
Washington Utilities and Transportation Commission
1300 South Evergreen Park Dr. SW
Olympia, WA 78504

Curtis Bramble
Senate President Pro Tempore
Utah
President, NCSL

Karl Aro
Director of Administration
Department of Legislative Services
Maryland
Staff Chair, NCSL

William T. Pound
Executive Director

Dear Commissioner Jones:

On behalf of the NCSL Executive Committee Task Force on State and Local Taxation, we write to you in your capacity as Chair of the FCC Task Force on Optimal PSAP Architecture (TFOPA) Working Group 3 to express concern about the September 28, 2015 Draft "Final Report of TFOPA Working Group 3", specifically the recommendation that state legislatures enact a new fee on broadband Internet service to fund state and local 911 programs.

The Task Force, comprised of prominent legislative leaders and legislators in the area of tax and communications from across the country, plays an important role in helping state legislatures understand the policy choices they face. Our success is due to our ability to regularly educate state legislators about these issues through meetings, seminars and technical assistance to legislatures. The Task Force identifies the issues that legislatures will need to address and provides guidance to the states by developing model principles and information on emerging issues related to taxation and fees.

Over the years, the Task Force has played an important and active role in helping develop recommendations for state policymakers to ensure sufficient funds are available for state 911 programs. For example, in 2010 and 2011, the Task Force developed and endorsed model state legislation to impose 911 fees on prepaid wireless service at the point-of-sale (POS). In just five years since the Task Force endorsed the model legislation, 38 states have adopted it. The FCC reported in its 7th annual report to Congress on December 31st, 2015 that the POS approach has resulted in the collection of over \$100 million in 911 fees in 2014 from prepaid wireless users in those 38 states.

As noted in the Draft Working Group report, state legislation would be required to implement a "connection based fee" on broadband service. Therefore, the Task Force is concerned that there has been no consultation with state legislatures on the development of this recommendation for a new fee on broadband Internet access. At its January 8 meeting in Salt Lake City, the Task Force discussed this issue and although the Task Force extended an invitation to you or your designee to discuss the draft report and recommendations, unfortunately our invitation was not answered.

Task Force members raised many questions about the appropriateness and economic impact of a new broadband Internet connection fee to fund state and local 911 programs. However, since there were no

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representatives of the Working Group at the meeting to address these issues, the Task Force agreed not to take a formal position on the draft report. **Instead, the Task Force voted unanimously to request that prior to adopting any report that recommends to state legislatures the adoption of a new 911 fee on broadband connections, the Working Group brief the Task Force on its report and recommendations and solicit Task Force input.**

On behalf of the Task Force, we hope you will accept our invitation to attend the next Task Force meeting to discuss this issue further and refrain from taking final action on this report until after discussing the report with members of the Task Force.

Sincerely,



Senator Pamela Althoff
Chair, Republican Caucus
Illinois Senate
Co-Chair, NCSL Task Force on State & Local Taxation



Delegate Sheila Hixson
Chair, Ways & Means Committee
Maryland House of Delegates
Co-Chair, NCSL Task Force on State & Local Taxation



Representative Chris Perone
Chair, Commerce Committee
Connecticut House of Representatives
Co-Chair, NCSL Task Force on State & Local Taxation

CC: Steve Souder, Chair, Task Force on Optimal PSAP Architecture
All TFOPA Working Group 3 Members