



Interested Party Testimony of Ohio Telecom Association Regarding SB 50

Senate Financial Institutions & Technology Committee

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By: Frank Darr, Counsel, Ohio Telecom Association

Chairman Wilson and members of the Financial Institutions and Technology Committee:

Thank you for the opportunity to submit written testimony on behalf of the Ohio Telecom Association as an interested party.

OTA members provide much of the backbone for the current provision of 9-1-1 services in Ohio. The industry is well aware of the need to constantly improve the 9-1-1 system as technology changes. To that end, OTA members have been involved closely in the multi-year efforts to expand the capabilities of the 9-1-1 system.

Senate Bill 50 would make several changes to Ohio law to promote a more robust 9-1-1 system. It is a complicated bill because of the significant changes that it proposes in the planning, expansion, integration, and funding of 9-1-1 systems. Many of these new provisions raise questions that OTA believes should be clarified before they are enacted.

First, there is a question regarding the manner of funding the initial buildout of the new system. Given the nature of the buildout that is proposed, OTA believes that use of unspent federal money such as American Rescue Plan Act funds would make sense in light of the initial commitment that is needed. If ARPA or similar funding is used, the device or service fees associated with the buildout in the first five years could be reduced to covering operating costs.

Second, there is a question as to the basis for the 70-cent fee. It is not clear why the fee, currently set at 25 cents for wireless customers, would need to be expanded to 70 cents, especially since the number of services subject to the fee will be expanded. The fiscal analysis supports this concern, noting that the revenue from annual fees conceivably will exceed \$100 million if the proposed fee is enacted. I understand that a lower amount is being considered, but as I noted previously there may be other paths available to lower the fee and still accomplish the goals laid out in the bill.

This concern brings me to the third question regarding the scope of the new fee. In the as introduced version of Senate Bill 50, the new 9-1-1 access fee applies to any service or device capable of connecting a user to the 9-1-1 system.¹ While the fiscal analysis seems to assume that a device would be covered by one fee, the scope of coverage is stated in the alternative: the fee would apply to any device or service. While the scoping language in Senate Bill 50 is a substantial improvement to the approach of a prior version, the new definition of device or service could be applied to assess a customer two or more fees for what amounts to the same call path.

Fourth, there is a question regarding the expansion of locally adopted fees. Under current law, some political jurisdictions can adopt with voter approval surcharges for the support of 9-1-1 systems. Currently, those surcharges are limited to access lines. Senate Bill 50 would permit an expansion of surcharges to services and devices. This change could present substantial accounting and collection problems.

Again, thank for the opportunity to address the Committee, and OTA looks forward to working through issues raised by the bill as it moves forward.

The OTA is a statewide trade association that promotes the common interests of telecommunications companies serving and employing Ohioans. The OTA currently represents 41 telecommunications providers, 2 wireless providers and more than 100 associate member companies that supply goods and services to the telecommunications industry. In total, the OTA member companies employ more than 16,000 Ohioans. The OTA is the first established telecommunications association in the United States. The association represents the telecommunications industry, before the Ohio General Assembly and the Public Utilities Commission of Ohio. The OTA plays an active role in the formulation of telecommunications policy and seeks to ensure that its members have the opportunity to provide the best telecommunications services possible. It collects and disseminates information relative to the industry and provides a forum for the discussion and resolution of issues of mutual concern. By supporting the common interests of the telecommunications industry in Ohio, the OTA helps ensure that Ohio residential consumers, business and other customers have ready access to the most modern telecommunications services available.

¹ The concerns raised here would apply equally to any county fee that might be imposed since the county fee could be extended to a device or service.