



**Testimony of
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CTIA**

Ohio Senate Bill 50

**Before the
Ohio Senate Financial Institutions and Technology Committee**

April 18, 2023

Chair Wilson, Vice-Chair Hackett, Ranking Member Smith, and members of the committee, on behalf of CTIA, the trade association for the wireless communications industry, I write to raise concerns with Senate Bill 50, which looks to make dramatic changes to Ohio's 911 statute. CTIA and its members appreciate and work closely with our public safety partners in order to provide communities with reliable emergency services networks and supports the transition to Next Generation 911 (NG911) as it offers significant benefits for the public and emergency responders. Wireless providers are actively engaged in facilitating the transition to NG911. However, SB 50 contains certain provisions that would be extremely burdensome for wireless carriers and consumers, including raising taxes, expanding the tax base to create uncertainty, and changing state law to allow multiple impositions of new taxes.

NG911 is intended to expand E911's current circuit-switch voice capability to a broadband Internet Protocol-base (IP) system. This system will accommodate voice, data, and video transmission. As you examine your 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 exacerbate further the current tax and fee burden on wireless consumers.

It is critically important to note that Governor DeWine has appropriately recognized the need to transition Public Safety Answering Points across the state of Ohio to NG911 and has accounted for the necessary additional funding for this upgrade in the budget legislation, HB 33. This bill includes an appropriation of nearly \$47 million over the next biennium toward that goal. Our industry is fully supportive that HB 33 retains this important funding. This dedicated funding should be directed toward the significant one-time costs associated with this transition before determining the need for a tax increase on wireless consumers.

Additionally, recent federal funding packages made available significant state funding that can be utilized for the NG911 efforts. The Infrastructure Investment and Jobs Act and the American Rescue Plan Act funds that have been distributed to Ohio by the federal government are particularly well-suited for the largely one-time expenses that will be incurred 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 NG911.¹ These federal resources and other surpluses currently available to

¹ Jackson, Donny. 2023. "House Members Introduce \$15 Billion NG911 Funding Bill." Urgent Comms. March 25, 2023. <https://urgentcomm.com/2023/03/25/house-members-introduce-15-billion-ng911-funding-bill/>.



the state should be utilized before a determination is made to burden consumers with a large tax increase.

Amendments to SB 50 are being discussed that would increase the 911 tax to 70 cents per month, nearly three times higher than the current 911 fee on wireless. This increase seems to ignore other available funding measures. The fiscal analysis prepared by the Ohio Legislative Service Commission concluded that counties may incur costs totaling “a few hundred thousand dollars” to upgrade and maintain hardware and software to comply with NG911 standards and that the Department of Administrative Services will also incur new costs that may reach “slightly more than \$10.0 million per year” to develop and implement statewide NG911 core services. That same analysis concluded that an expanded NG911 access fee set at 70 cents could conceivably raise revenues exceeding **\$100.0 million per year**. With the Governor’s budget proposing to use one-time surplus funds toward non-recurring costs, the proposed fee increase is well in excess of the documented need. Wireless phones are the gateway to the internet for many people in Ohio. These types of taxes are regressive and overburdening these consumers with more taxes and fees may detrimentally affect their continued connectivity.

Secondly, one provision of particular concern relates to the definitional changes that would expand what would be subject to the increased tax. Under existing Ohio law, a 911 tax is currently imposed on wireless services that enable calls to the 911 system. The language in SB 50 seeks to expand these taxes to a device or service that is “capable of initiating a direct



connection to 911.” Personal computers, tablets, remote sensing devices, and any other devices capable of connecting to a wireless network, but are typically used solely to access or transmit data on the internet would likely be encompassed by that definition. This would be a dramatic expansion over current law and will create uncertainty and confusion for consumers, providers, and administrators and could lead to multiple 911 charges being imposed on the same customer’s bill. Therefore, references to “devices” should be removed from the definition so that the base for the tax imposition remains consistent with current law.

Finally, current law imposes a statewide 911 fee on wireless service, but does not permit local 911 fees on wireless. SB 50 would allow local governments to impose an additional local 911 tax on consumers. This would add significant administrative complexity for wireless services, which are not provided at a fixed address and would likely result in a patchwork of different fee amounts throughout the state and would place additional financial burdens on wireless consumers. This is why it is appropriate for any wireless fee to continue to be imposed statewide and not locally. This will also ensure effective statewide NG911 coordination and prevent localities from shifting programs currently funded from general revenues to new fees on wireless consumers.

The wireless industry remains committed to working with state policymakers and public safety officials to help ensure that 911 service is a coordinated and collaborative operation between the private and public sector to provide quality 911 service at a reasonable



cost. For the aforementioned reasons, we ask that you postpone advancement of SB 50 and continue to work with the wireless industry to ensure that Ohio benefits from transition to an NG911 system in a way that does not create undue burdens on carriers or consumers. We look forward to working with you all to address these concerns. Thank you for your consideration.