

Colorado 9-1-1 Resource Center

(866) 332-3082 ♦ fax: 970-744-2254 ♦ director@co9-1-1resourcecenter.org



March 23, 2010

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Purpose: The purpose of this document is to provide information requested by the Federal Communications Commission (the FCC) as required by the NET 911 Act of 2008. The purpose of that request, per the letter, is to fulfill the Commission's obligations under section 6(f)(2) of the NET 911 Act.

Preparation: This report was prepared by the Colorado 9-1-1 Resource Center at the request of the Colorado Public Utilities Commission and the Governor's Office. Contact information for the Colorado 9-1-1 Resource Center is found in the letterhead of this document.

Response:

1. *A statement as to whether or not your State, or any political subdivision, Indian tribe, village or regional corporation therein as defined by Section 6(f)(1) of the NET 911 Act, has established a funding mechanism designated for or imposed for the purposes of 911 or E911 support or implementation (including a citation to the legal authority for such mechanism).*

Yes. Colorado has an established funding mechanism pursuant to C.R.S. 29-11 Part I which authorizes local governing bodies to impose a charge to support 911 services. Specifically the following statutory language allows for such charge:

C.R.S. 29-11-102 (1) (a) – In addition to any other posers for the protection of the public health, a governing body may incur any equipment, installation, and other directly related costs for the continued operation of an emergency telephone service as further described in section 29-11-2104, and may pay such costs by imposing an emergency telephone charge for such service in those portions of the governing body's jurisdiction for which emergency telephone service will be provided.

C.R.S. 29-11-102 (2) (a) – The governing body is hereby authorized, by ordinance in the case of cities and by resolution in the case of counties or special districts, to impose such charge in an amount not to exceed seventy cents per month per exchange access facility, per wireless communications access, and per interconnected voice-over-internet-protocol service in those portions of the governing body's jurisdiction for which emergency telephone service will be provided.

2. *The amount of the fees or charges imposed for the implementation and support of 911 and E911 services, and the total amount collected pursuant to the assessed fees or charges, for the annual period ending December 31, 2009. A statement describing how the funds collected are made available to the localities, and whether your state has established written criteria regarding the allowable uses of the collected funds, including the legal citation to such criteria.*

Amount of Surcharge:

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C.R.S. 29-11-102 authorizes by ordinance or resolution as applicable, cities, counties, or special districts to impose a surcharge of up to 70¢ per month on each of these services in those portions of the governing bodies jurisdiction in which emergency services are provided. If a governing body believes an amount greater than 70¢ is necessary, they are required to obtain approval from the Colorado Public Utilities Commission. A document detailing the surcharges currently imposed by each local 9-1-1 governing body is attached.

Amount Collected for Period Ending 12-31-2009:

The estimated total of surcharge funds collected by all local 9-1-1 Authorities is \$45,000,000. This estimate is derived from revenues reported by 9-1-1 Authorities for 2008 in their annual budgets as submitted to the Colorado Department of Local Affairs, Division of Local Government.

Fund Availability and Use Criteria:

Funds are collected by the telephone service provider, as outlined in C.R.S. 29-11-102 (7) and C.R.S. remitted directly to the appropriate local governing authority. Criteria for the expenditure of funds are defined in C.R.S. 29-11-104 (2a) (I) (A)-(E).

3. *A statement identifying any entity in your State that has the authority to approve the expenditure of funds collected for 911 or E911 purposes, and a description of any oversight procedures established to determine that collected funds have been made available or used for the purposes designated by the mechanism, or otherwise used to implement or support 911 or E911.*

Authority to Approve Expenditure:

Local governing bodies retain the authority to approve the expenditures of 911 surcharge revenue as defined in C.R.S. 29-11-104 (2) (a) – (c).

Oversight Procedures:

- a. C.R.S. 29-11-104 (5) – states that, “Each governing body shall include as a part of the audit required by part 6 of article 1 of this title an audit on the use of the funds collected from the charges imposed pursuant to this article for compliance with paragraph (a) of subsection (2) of this section.”
 - b. All 9-1-1 Authorities are required to submit annual budgets to the Colorado Department of Local Affairs, Division of Local Government.
 - c. The budgets of all 9-1-1 governing bodies are public record and may be requested and reviewed by interested parties.
4. *A statement whether all the funds collected for 911 or E911 purposes have been made available or used for the purposes designated by the funding mechanism, or otherwise used for the implementation or support of 911 or E911.*

Local governing bodies retain the authority to approve the expenditures of 911 surcharge revenue as defined in C.R.S. 29-11-104 (2) (a) – (c). The Governor’s office is not aware of

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any funds that are being used for other than the purposes set forth within, and that have been used or set aside for other than the purposes set forth within.

5. *A statement identifying what amount of funds collected for 911 or E911 purposes were made available or used for any purposes otherwise unrelated to 911 or E911 implementation or support, including a statement identifying the unrelated purposes for which the funds collected for 911 or E911 purposes were made available or used.*

See response to #4 above.

6. *Any other comments you may wish to provide regarding the applicable funding mechanism for 911 and E911.*
 - a. The cost of providing emergency telephone service is not perfectly scalable in that a per-line charge provides better funding for PSAPs in highly populated areas where the surcharge is assessed against a greater concentration of telephone lines. PSAPs in these areas receive a larger remittance from surcharges and also benefit from economies of scale in terms of equipment, facilities, personnel and training. PSAPs serving lower density areas tend to have higher surcharges to pay for the same basic services.
 - b. In certain situations, surcharge revenues have decreased due to individuals “cutting the cord” on their wireline connection and only using a wireless connection. This, coupled with the increased load of wireless calls by wireless users whose surcharge is tied to another jurisdiction, causes emergency expenses to remain or increase while revenues decrease.
 - c. While some prepaid cell phone service providers are remitting 9-1-1 surcharges, others are not. To clarify the applicability of current statute and to provide a dedicated mechanism for remittance of prepaid 9-1-1 surcharges, legislation is currently being considered by the Colorado General Assembly that would establish a point-of-sale collection point for 9-1-1 surcharges from the purchase of prepaid cell phone minutes. It is anticipated that the number of pre-paid wireless use of 911 will increase over the coming years causing further erosion of surcharge revenue without an associated reduction in 911 call load unless the current situation is rectified.
 - d. While VoIP providers are currently required by statute in Colorado to impose a surcharge and remit collected surcharge revenue to the local governing authority, it is difficult if not impossible to know which VoIP providers are currently providing service in Colorado. This make it very difficult to know to what degree VoIP service providers are complying with state statute and remitting surcharge funds.