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To: Orchard, Julie
CC: Auman, Randy; bdee@co.weber.ut.us; deanc@washeriff.net; Harry, William; Jensen, Bill; Saeva, Samuel
Subject: Prepay Wireless Telephone Public Comment

Julie thanks for returning my call and advising how I may provide public comment regarding docket 09-2511-01 for pre-paid wireless telephones.

I am the current chairman of the Utah State 911 Committee.

I have concerns with the manner and application of the Utah Statewide Unified E-911 Emergency Services Fund as it relates to pre-paid wireless telephone service.

The funding for the development and maintenance of 911 services for the entire state of Utah is predicated on the surcharge mechanism created by the Utah State Legislature. The methodology of charging a monthly fee for each and every active telephone and having a portion of the fee returned to the 911 public safety answering point and a portion returned to the State 911 Committee for development and maintenance of a state 911 system is crucial. This method for charging the carriers this fee and monitored by the State Tax Commission has proven to be the best method for funding this valuable public safety service.

A few years ago this law was amended giving the responsibility to the state tax commission for purposes of collection of these fees from all the telephone company carriers. This was because local 911 centers were not in a position to monitor the number of telephone lines that existed to ensure they were receiving the appropriate surcharge fees for the telephones in their areas.

Pre-paid wireless telephones present unique challenges.

#1 How does the Statewide Unified E-911 Emergency Service Fund apply to these telephones?

#2 It is important that the similar surcharge fee system be applied to any telephones to ensure all users of the system are being treated fairly and similarly. Surcharge fees for all telephones whether wire-line, wireless, (postpaid—prepaid), VOIP are treated similarly. They all impact the 911 system in the same fashion.

#3 I believe it is important that carriers/providers maintain the responsibility to remit the 911 surcharges to the tax commission as one of their fundamental business responsibilities for being in the business practice they are in. The playing field should be the same.

#4 Adding an additional layer of responsibility to “retail sales” as third party participants is very problematic regarding the monitoring by the tax commission and a rule application of a fee structure that makes similar sense to all other telephone providers. Just because the method has gone to pre-pay should not nullify the need to work within an established surcharge fee system other businesses are legally obligated to. Other business operations for telephone services incur costs related to this fee assessment and remittance to the state tax commission. It would be an unfair playing field if prepaid providers don’t collect these fees similarly.

#5 Just because they are prepaid and it may be difficult to come up with a similarly situated formula does not mean that the fee system should not apply to pre pay telephones. They will impact the 911 infrastructures and public safety answering points the same way any other telephone will and does.

#6 As a suggestion setting a 911 surcharge fee for pre-paid telephones based on a set number of minutes/per telephone to be assessed by the provider of telephone not the retail outlet would provide a fair environment to treat pre-paid telephones as similarly as can be projected as the post paid telephone providers. The tax commission could better track the numbers from the providers and the providers could incorporate a 911 fee surcharge into the charges the retailers collect. A possible cross reference system between pre-paid providers and retailers could be used to monitor the activity.

#7 Another idea might be setting standards for which prepay telephone minutes are eligible to be used over time such as a 3 month/6 month/9 month/12 month time frame. For each period of time that minutes are eligible to use then an appropriate surcharge for 911 services is charged for the eligible months the minutes can be utilized. If I purchase a prepay telephone that the minutes are limited to a 6 month period then $$.61 \times 6 = \3.66 would be charged upon the pre pay purchase and remitted to the tax commission regardless of minute use.

Thank you for the opportunity to give comment, suggestion, and concern regarding this matter of importance to the State 911 Committee and the people they serve within the state of Utah.