

## APPENDIX C

2013

ESINet Steering Committee Report to the 130<sup>th</sup> General  
Assembly

### **ESINet Steering Committee FUNDING MODELS**

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Definitions and Examples of State Implementations

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## APPENDIX C - FUNDING MODELS

**Fixed amount surcharge on all calling services.** This model is based on a fixed monthly surcharge is assessed on calling services (wireline, wireless and VoIP). Every time a new technology emerges that provides – or is required by the FCC to provide – access to 9-1-1, legislation is needed or existing legislation must be modified to extend the surcharge obligation to each new service provider.

**General fund tax revenues.** This model funds 9-1-1 the same way police fire and emergency medical services (EMS) are funded, from general tax revenues. At the sub-state level, the current 9-1-1 funding model (fixed amount surcharge on all calling services) is augmented by general funds almost universally.

**Surcharge on access infrastructure provider (AIP).** This model applies the surcharge to the access infrastructure provider. The AIP is the entity that provides the physical interconnection capability to the end user. For infrastructure such as legacy wireline and wireless, not much would change as they already assess 9-1-1 surcharges on their subscribers. In the AIP model, the surcharge would also be assessed on broadband service providers such as cable or digital subscriber line (DSL) providers.

**Uniform 9-1-1 Access Fee (UAF) –** This is a funding model in which uniform fees based on the number of subscribers capable of accessing 9-1-1 through services (including, but not limited to, voice over IP and other services and applications provided through wireline, cable, wireless, and satellite facilities and any other facility that may be provided in the future through platforms that may not be deployable at present) which are capable of connecting users, dialing or entering the digits 911, to public safety answering points.

**Universal Federal communications surcharge.** This is a national funding model in which uniform fees are assessed on all communication services nationally. The Federal government would collect and distribute to funds to the states, which would in turn distribute the funds to the appropriate 9-1-1 authority(ies). The model is a variation of the universal statewide communications surcharge model, but applied at the Federal level.

**Universal statewide communications surcharge.** This model assesses a statewide universal communications surcharge as a flat-rate fee on all communications services, including wireline and wireless telephony, internet access, cable and satellite communications and entertainment services. In such a model, the revenues thereby generated may be shared by a number of programs, including, but not limited to, 9-1-1.

**User (incident) fee.** This model assesses a fee directly upon the user making a 9-1-1 call. Billing and collection would be difficult to implement; it would be likely to discourage people from calling 9-1-1 and would be unlikely to generate enough revenue to pay for the service.

While the term “Uniform 9-1-1- Accessibility Fee” is not utilized in other states, below are some examples of states that have updated their funding statutes to collect a standard fee on all devices and then remit to a state authority.

**Alabama Definition:**

Alabama made significant changes to their funding statute in 2012. Alabama reworked its funding structure, which had previously been a combination of landline fees collected locally and wireless fees collected at the state level, to a statewide 9-1-1 charge that is assessed on all voice communications and remitted to the state. The new statute reads:

“A single, monthly statewide 9-1-1 charge shall be imposed on each active voice communications service connection in Alabama that is technically capable of accessing a 9-1-1 system. For CMRS providers, the statewide 9-1-1 charge shall be levied on each CMRS connection with a primary place of use in the State of Alabama. The statewide 9-1-1 charge is payable by the subscriber to the voice communications service provider.

Voice Communications Service - Any of the following:

"a. The transmission, conveyance, or routing of real-time, two-way voice communications to a point or between or among points by or through any electronic, radio, satellite, cable, optical, microwave, wireline, wireless, or other medium or method, regardless of the protocol used.

"b. The ability to receive and terminate voice calls to and from the public switched telephone network.

"c. Interconnected VoIP service, as that term is defined by 47 C.F.R. § 9.3.

"d. Such other services to which the statewide 9-1-1 charge is applied pursuant to Section 11-98-4.1(e)(8).”

**North Carolina Definition:**

North Carolina updated the statute to include all “voice communication services...capable of accessing the 9-1-1 system. The statute defines “voice communication services” as:

Any of the following:

a. The transmission, conveyance, or routing of real-time, two-way voice communications to a point or between or among points by or through any electronic, radio, satellite, cable, optical, microwave, wireline, wireless, or other medium or method, regardless of the protocol used.

b. The ability to receive and terminate voice calls to and from the public switched telephone network.

c. Interconnected VoIP service.

**Indiana Definition:**

Indiana updated the statute in 2012 to include the term “Communications service” which allows for future methods of accessing 9-1-1 in addition to voice communications. Per the statute “communications service” is defined below.

Sec. 7. (a) As used in this chapter, "communications service" means any service that:

(1) uses telephone numbers or IP addresses or their functional equivalents or successors;

(2) allows access to, or a connection or interface with, a 9-1-1 system through the activation or enabling of a device, transmission medium, or technology that is used by a customer to dial, initialize, or otherwise activate the 9-1-1 system, regardless of the particular device, transmission medium, or technology employed;

(3) provides or enables real time or interactive communications, other than machine to machine communications; and

(4) is available to a prepaid user or a standard user.

(b) The term includes the following:

- (1) Internet protocol enabled services and applications that are provided through wireline, cable, wireless, or satellite facilities, or any other facility or platform that is capable of connecting a 9-1-1 communication to a PSAP.
- (2) A multiline telephone system.
- (3) CMRS.
- (4) Interconnected VOIP service and voice over power lines.
- (5) Integrated telecommunications service (as defined in 47 CFR 400.2).

**Kansas Definition:**

Kansas also updated the funding statute in 2012 to include a “uniform fee” that includes any service capable of contacting 9-1-1. Per the Kansas statute passed in 2012, the term “uniform fee” is defined below:

There is hereby imposed a 9-1-1 fee in the amount of \$.53 per month per subscriber account of any exchange telecommunications service, wireless telecommunications service, VoIP service, or other service capable of contacting a PSAP.

**Additional information:**

In 2007 the National Emergency Number Next Generation Partner Program (NENA NGPP) created a document on possible funding solutions for 9-1-1. The document titled “*Funding 9-1-1 Into the Next Generation: An Overview of NG9-1-1 Funding Model Options for Consideration*” might provide additional background information for the steering committee to consider while deciding what type of funding model would be best suited for Ohio. One of them – surcharge on access infrastructure provider – remains purely theoretical, because no state has attempted to implement it.