

REPORT TO CONGRESS  
ON STATE COLLECTION AND DISTRIBUTION OF  
911 AND ENHANCED 911 FEES AND CHARGES

Submitted Pursuant to  
Public Law No. 110-283

FEDERAL COMMUNICATIONS COMMISSION  
Thomas Wheeler, Chairman

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**I. INTRODUCTION**

1. This Report to Congress on State Collection and Distribution of 911 and Enhanced 911 Fees and Charges is submitted by the Chairman, Federal Communications Commission (Commission),<sup>1</sup> pursuant to the New and Emerging Technologies 911 Improvement Act of 2008 (NET 911 Act)<sup>2</sup>, and as prepared by Commission staff in the Public Safety and Homeland Security Bureau (Bureau).<sup>3</sup> This is the Commission’s fifth such annual report on the collection and distribution of 911 and Enhanced 911 (E911) fees and charges by the states, the District of Columbia, U.S. territories, and tribal authorities, and covers the period January 1 to December 31, 2012.

**II. KEY FINDINGS**

2. The Commission received a total of 54 responses to its questionnaire. This year’s report finds that in calendar year 2012, 19 jurisdictions collected 911/E911 fees at the state level, 10 collected fees at the local level, and 22 states collected fees at both the state and local levels.<sup>4</sup> Estimates of funds collected ranged from a low of \$2,010,341.58 by Nevada to a high of \$212,788,623 by Texas. This year’s report also finds that 44 states, the District of Columbia, and Puerto Rico used the funds exclusively for 911/E911 purposes, while four states used some portion of their funds to support other programs or programs not specifically described in state statute or code. States’ uses of funds for expenditures other than 911/E911 services ranged from depositing them into the state’s general fund

<sup>1</sup> See 47 U.S.C. § 155(a) (stating, *inter alia*, that “[i]t shall be [the Chairman’s] duty . . . to represent the Commission in all matters relating to legislation and legislative reports”).

<sup>2</sup> New and Emerging Technologies 911 Improvement Act of 2008, Pub. L. No. 110-283, 122 Stat. 2620 (2008) (NET 911 Act).

<sup>3</sup> See 47 C.F.R. § 0.191(k) (providing delegated authority to the Public Safety and Homeland Security Bureau to develop responses to legislative inquiries).

<sup>4</sup> Three respondents report they did not collect fees.

(Illinois, New York, Rhode Island) to support of ancillary services requiring an auditing review (Kansas).

3. This report marks the fifth year that the Commission has released the annual Net 911 Report. This year, the Commission performed a review of reports collected in the past five years to ensure accountability in accordance with the Net 911 Act, and to provide a cumulative overview of state collections data. As detailed below, we note the impact of the 2013 Government Accountability Office (GAO) recommendations that required the Commission to improve data collection and our analytical processes. Key sections of our five-year review include analysis of 911 fee collection methodologies and amounts, Next Generation 911 (NG911) expenditures, and diversion of funds collected for uses not directly related to the provision of 911/E911 services. Our findings reveal that a small number of states continue to divert funds, and since we began reporting, that number has significantly decreased. Additionally, we note the inclusion of NG911 reporting beginning with the 2012 Report. Overall, the Commission believes that the five year review will help improve future data collection and reporting efforts on the part of the states and the Commission.

### III. BACKGROUND

4. *NET 911 Act.* Section 101 of the NET 911 Act added a new section 6(f)(2) to the Wireless Communications and Public Safety Act of 1999 (Wireless 911 Act), which provides:

To ensure efficiency, transparency, and accountability in the collection and expenditure of a fee or charge for the support or implementation of 9-1-1 or enhanced 9-1-1 services, the Commission shall submit a report within 1 year after the date of enactment of the New and Emerging Technologies 911 Improvement Act of 2008, and annually thereafter, to the Committee on Commerce, Science and Transportation of the Senate and the Committee on Energy and Commerce of the House of Representatives detailing the status in each State of the collection and distribution of such fees or charges, and including findings on the amount of revenues obligated or expended by each State or political subdivision thereof for any purpose other than the purpose for which any such fees or charges are specified.<sup>5</sup>

5. *Information Request.* In July 2013, the Bureau sent letters to the Governor of each state and territory, the Mayor of the District of Columbia, and the Regional Directors of the Bureau of Indian Affairs (BIA) requesting information on 911 fee collection and expenditure for calendar year 2012. The letters requested submission of information to the Bureau by August 30, 2013. On September 18, 2013, the Bureau sent second notice letters to those states and territories that had not yet replied to the initial request for information. Thereafter, Bureau staff placed telephone calls to non-responding states and territories.

6. *GAO Report.* In April 2013, pursuant to the Next Generation 911 Advancement Act of 2012,<sup>6</sup> the GAO issued a report on states' collection and use of 911 funds.<sup>7</sup> The GAO Report determined that, for the year 2011, "[s]ix states – Arizona, Georgia, Illinois, Maine, New York and Rhode Island – reported using a total of almost \$77 million of funds collected for 911 implementation for other purposes."<sup>8</sup> This finding is consistent with data reported to the Commission for calendar year 2011 and presented in the 2012 Fourth Annual Report. The GAO Report also recommended that the Commission

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<sup>5</sup> NET 911 Act at Section 101 (*NET 911 Act*).

<sup>6</sup> Pub. L. No. 112-96, 126 Stat. 156 (2012).

<sup>7</sup> Government Accountability Office, "Most States Used 911 Funds for Intended Purposes, but FCC Could Improve Its Reporting on States' Use of Funds," GAO-13-376, (Apr. 2013) (GAO Report).

<sup>8</sup> *Id.* at 15.

improve its reporting on state use of collected funds by “using close-ended questions when possible, developing written internal guidance for analyzing data, and fully describing the methodology for its report.”<sup>9</sup>

7. *Bureau Response to GAO Recommendations.* In response to the GAO’s recommendations, the Bureau has taken several steps to improve the collection and analysis of data in this and future NET 911 Reports. Consistent with GAO’s recommendation to use more closed-ended questions to obtain information from responding states, the Bureau has modified its information collection authorization under the Paperwork Reduction Act to include closed-ended questions in the annual information request. Additionally, the Bureau provided responders with electronic forms that can be filled out and returned by e-mail to ease the information collection burden. Finally, consistent with GAO’s recommendation, this report includes a summary of reporting methodology that explains the Commission’s interpretation of the NET 911 Act, and how the NET 911 Act determines whether or not a state is considered to be diverting 911/E911 fees.

8. *Information Request Responses.* The Bureau received responsive information from 49 states; the District of Columbia; and Puerto Rico. The Bureau did not receive responses from Arkansas, American Samoa, Guam, Northern Mariana Islands, and Virgin Islands. Additionally, the Bureau received responses from three of twelve regional Bureau of Indian Affairs (BIA) offices regarding the status of 911/E911 for Indian tribes in their regions.

#### IV. DISCUSSION

9. Based upon the information gathered from the responding states and territories, this Report describes how states and other entities collected 911/E911 funds in calendar year 2012, how much they collected, and how they oversaw the expenditure of these funds. The Report then describes the extent to which states spent the collected 911/E911 funds on programs other than those that support or implement 911/E911 services. The report also examines the collection and expenditure of funds on NG911 programs.

##### A. Summary of Reporting Methodology

10. Section 6(f)(1) of the Act affirms the ability of “[a] State, political subdivision thereof, Indian tribe, or village or regional corporation serving a region established pursuant to the Alaska Native Claims Settlement Act, as amended . . .” to collect fees or charges “[applicable] to commercial mobile services or IP-enabled voice services . . . for the support or implementation of 9-1-1 or enhanced 9-1-1 services, provided that the fee or charge is obligated or expended only in support of 9-1-1 and enhanced 9-1-1 services, or enhancements of such services, *as specified in the provision of State or local law adopting the fee or charge.*”<sup>10</sup> Section 6(f)(2) further requires the Commission to obtain information “detailing the status in each State of the collection and distribution of such fees or charges, and including findings on the amount of revenues obligated or expended by each State or political subdivision thereof *for any purpose other than the purpose for which any such fees or charges are specified.*”<sup>11</sup>

11. Given the NET 911 Act’s specific reference to State and local 911 fee statutes, the state-by-state analysis of 911/E911 fee expenditures in this report is determined by the applicable statute governing the collection and expenditure of 911/E911 fees within each state. Because each state makes its own determination of how 911/E911 fee revenues are to be spent, individual state definitions of what constitute permissible expenditures may vary. Since 2012, the Bureau’s information collection form has

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<sup>9</sup> *Id.* at 29.

<sup>10</sup> *NET 911 Act* at §6(f)(1).

<sup>11</sup> *Id.* at §6(f)(2). Emphasis added.

specifically asked each state to confirm whether it has spent 911/E911 funds solely for purposes permitted under the state’s 911 funding statute, and also requests information on what uses are deemed permissible under the statute and how such uses support 911 or E911 service. This has enabled the Bureau to more precisely determine the specific uses of 911/E911 funds by state and classify those expenditures accordingly.

**B. State Collection and Distribution of 911/E911 Fees and Charges**

12. States use a variety of methods to collect and distribute 911/E911 fees. Table 1 provides an overview of whether 911/E911 funds are collected by the state (or equivalent jurisdiction), by local jurisdictions, or through a combination of the two.

**Table 1 – Authority to Collect 911/E911 Fees**

| Type of Collection | Number of States |
|--------------------|------------------|
| State Collection   | 19               |
| Local Authority    | 10               |
| Hybrid             | 22               |
| No Response        | 8                |

13. Nineteen states report that they collect statewide E911 fees that are then either distributed to counties or administered directly by the state.<sup>12</sup> Massachusetts, for example, reports that it imposes “a statewide surcharge of 75 cents per month per line on each subscriber or end user whose communication services are capable of accessing and utilizing an enhanced 911 system.”<sup>13</sup> Revenue generated from this tax is then remitted to the State.<sup>14</sup>

14. Ten states allow counties and other local jurisdictions to establish funding mechanisms for 911 and E911 purposes, subject to state statutory requirements.<sup>15</sup> Wisconsin is typical of such states. Like many states falling into this category, Wisconsin allows counties to set surcharge amounts; for example, Vernon County has no 911 surcharge, but Clark, Menominee and Taylor Counties have a \$1.00 per month surcharge.<sup>16</sup> Several of the states that allow rates to be set at the county level were unable to provide the total amount of surcharge collection for 2012. Wisconsin states that, although the county rates set by each county are attainable, “the number of billable access lines in each county is not known.”<sup>17</sup>

15. Twenty-two states employ a hybrid approach, which allows two or more governing bodies

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<sup>12</sup> This category includes Arizona, California, Connecticut, DC, Hawaii, Maine, Massachusetts, Minnesota, Montana, New Hampshire, New Jersey, North Carolina, Oklahoma, Oregon, Puerto Rico, Rhode Island, South Dakota, Virginia, and Vermont.

<sup>13</sup> See Massachusetts Response at 1.

<sup>14</sup> *Id.*

<sup>15</sup> This category includes Alaska, Idaho, Louisiana, Mississippi, Missouri, Nevada, North Dakota, Ohio, Wisconsin, and Wyoming.

<sup>16</sup> Wisconsin Response at 1.

<sup>17</sup> *Id.* at 1-2.

or providers to collect surcharges from customers.<sup>18</sup> Michigan is typical of this approach. In Michigan, the state 911 statute provides for funding in three ways.<sup>19</sup> There is a state charge of \$0.19 per communication device, and providers of prepaid communications devices must remit 1.92% per retail transaction.<sup>20</sup> Additionally, each county can assess a county-wide charge on all communications devices billed to an address in a county.<sup>21</sup> Eight states or territories did not provide a response.<sup>22</sup>

16. With respect to distribution, Table 2 indicates whether each state controls the expenditures of funds collected from 911/E911 surcharges. States that responded “no” to this question typically cede control of 911/E911 funds to local jurisdictions. For example, Alaska requires that municipalities “review E911 surcharges on an annual basis to confirm whether the surcharge is meeting enhanced 911 system needs.”<sup>23</sup> In this and the tables that follow, states and other entities that did not provide identified information are listed as “DNP.”

**Table 2 – State Approval of 911/E911 Expenditures**

| State                | State Approval Of Expenditures?                       |
|----------------------|---|
| Alabama              | Yes for state collection<br>No for local collection   |
| Alaska               | No  |
| American Samoa       | DNP <sup>24</sup>                                     |
| Arizona              | Yes   |
| Arkansas             | DNP   |
| California           | Yes   |
| Colorado             | No for local collection<br>Yes for prepaid collection |
| Connecticut          | Yes   |
| Delaware             | Yes   |
| District of Columbia | Yes   |
| Florida              | Yes   |
| Georgia              | Yes   |
| Guam                 | DNP   |
| Hawaii               | Yes   |
| Idaho                | No  |
| Illinois             | No for wireline fees                                  |

<sup>18</sup> This category includes Alabama, Colorado, Delaware, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Maryland, Michigan, Nebraska, New Mexico, New York, Pennsylvania, South Carolina, Tennessee, Texas, Utah, Washington, and West Virginia.

<sup>19</sup> See Michigan Response at 1.

<sup>20</sup> *Id.*

<sup>21</sup> Michigan Response at 2.

<sup>22</sup> This category includes Arkansas, American Samoa, Bureau of Indian Affairs (BIA) – Eastern Regional Office, BIA- Pacific Regional Office, BIA – Rocky Mountain Regional Office, Guam, Northern Marian Islands, and Virgin Islands.

<sup>23</sup> See Alaska Response at 3.

<sup>24</sup> In this and subsequent charts, states and territories that did not provide a response are indicated by “DNP.”

| <b>State</b>                | <b>State Approval<br/>Of Expenditures?</b>          |
|-----------------------------|---|
|                             | Yes for wireless fees                               |
| Indiana                     | Yes   |
| Iowa                        | Yes   |
| Kansas                      | Yes   |
| Kentucky                    | No for wireline fees<br>Yes for wireless fees       |
| Louisiana                   | No  |
| Maine                       | Yes   |
| Maryland                    | Yes   |
| Massachusetts               | Yes   |
| Michigan                    | Yes   |
| Minnesota                   | Yes   |
| Mississippi                 | Yes   |
| Missouri                    | No  |
| Montana                     | Yes   |
| Nebraska                    | No for wireline fees<br>Yes for wireless fees       |
| Nevada <sup>25</sup>        | No  |
| New Hampshire               | Yes   |
| New Jersey                  | Yes   |
| New Mexico                  | Yes   |
| New York                    | Yes   |
| North Carolina              | Yes   |
| North Dakota                | Yes   |
| Northern Mariana<br>Islands | DNP   |
| Ohio                        | No  |
| Oklahoma                    | DNP   |
| Oregon                      | Yes   |
| Pennsylvania                | Yes   |
| Puerto Rico                 | Yes   |
| Rhode Island                | Yes   |
| South Carolina              | Yes   |
| South Dakota                | Yes   |
| Tennessee                   | Yes   |
| Texas                       | Yes   |
| Utah                        | No for local collection<br>Yes for state collection |
| Vermont                     | Yes   |
| Virgin Islands              | DNP   |
| Virginia                    | Yes   |
| Washington                  | Yes   |

<sup>25</sup> Although Nevada did not provide a single state-level response, several Nevada counties provided information. These responses can be found in Appendix C.

| State         | State Approval<br>Of Expenditures? |
|---------------|------------------------------------|
| West Virginia | Yes                                |
| Wisconsin     | Yes                                |
| Wyoming       | No                                 |

**C. State Estimates of Collected 911/E911 Funds for 2011**

17. Table 3 shows the reported amount of 911/E911 funds collected by various states, territories, and, in a few cases, political subdivisions, for the year ending December 31, 2012. Some states did not provide an estimate of the amount collected because they do not track collections. Some states provided separate figures for wireless and wireline services (and, in two cases, for VoIP services as well). Some states that collect funds at the state and local levels provided a full breakdown of all such funds, separately identifying state and local-collected funds. Other states that collect funds at the state and local levels only reported state-collected funds. The funds collected ranged from an estimated low of \$2,010,341.58 by Nevada, albeit only three counties reported total funds collected, to an estimated high of \$212,788,623 by Texas. In total, states and territories reported collecting approximately \$2,322,983,616.36 in 911/E911 fees for calendar year 2012.

**Table 3 – Total 911/E911 Funds Collected Year End 2012**

| State/Territory      | Total Funds Collected<br>(Year End 2012) |
|----------------------|--|
| Alabama              | \$28,401,585.00                          |
| Alaska               | \$12,256,620.07                          |
| American Samoa       | DNP                                      |
| Arizona              | \$16,445,301.00                          |
| Arkansas             | DNP                                      |
| California           | \$82,126,695.00                          |
| Colorado             | \$42,900,000.00                          |
| Connecticut          | \$24,001,890.00                          |
| Delaware             | \$7,623,391.53                           |
| District of Columbia | \$12,064,842.00                          |
| Florida              | \$108,896,142.00                         |



| State/Territory | Total Funds Collected<br>(Year End 2012)  |
|-----------------|---|
| Georgia         | State does not track landline and post-paid wireless fees collected by local governments. |
| Guam            | DNP   |
| Hawaii          | \$10,020,045.00   |
| Idaho           | \$19,313,000.00   |
| Illinois        | \$69,200,000.00<br>(wireless only)  |
| Indiana         | \$69,515,799.65   |
| Iowa            | \$30,297,168.00   |
| Kansas          | \$20,477,020.47   |
| Kentucky        | \$55,700,000.00   |
| Louisiana       | \$4,912,926.00<br>(prepaid only)  |
| Maine           | \$8,342,459.00  |
| Maryland        | \$52,240,760.76   |
| Massachusetts   | \$73,677,263.00   |
| Michigan        | \$181,204,130.55  |
| Minnesota       | \$62,353,897.17   |

| <b>State/Territory</b>   | <b>Total Funds Collected<br/>(Year End 2012)</b> |
|--------------------------|--|
| Mississippi              | \$65,290,042.40                                  |
| Missouri                 | Does not track                                   |
| Montana                  | \$13,177,751.61                                  |
| Nebraska                 | \$15,555,733.76                                  |
| Nevada <sup>26</sup>     | \$2,010,341.58                                   |
| New Hampshire            | \$10,493,486.32                                  |
| New Jersey               | \$126,000,000.00                                 |
| New Mexico               | \$12,028,770.41                                  |
| New York                 | \$190,281,716.00                                 |
| North Carolina           | \$69,424,896.51                                  |
| North Dakota             | \$9,506,000.00                                   |
| Northern Mariana Islands | DNP  |
| Ohio                     | \$28,837,121.12<br>(wireless only)               |
| Oklahoma                 | Does not track                                   |
| Oregon                   | \$39,229,319.00                                  |
| Pennsylvania             | \$184,044,508.00                                 |
| Puerto Rico              | \$20,323,323.95                                  |

<sup>26</sup> Nevada does not provide state level collections; however, four counties – Carson, Clark, Douglas, and Washoe – provided total amounts collected.

| <b>State/Territory</b> | <b>Total Funds Collected<br/>(Year End 2012)</b>          |
|------------------------|---|
| Rhode Island           | \$16,500,000.00<br>(fiscal year 2012 ending<br>June 2012) |
| South Carolina         | \$28,948,882.35<br>(wireless only)                        |
| South Dakota           | \$9,111,476.00  |
| Tennessee              | \$60,852,139.96<br>(wireless and prepaid only)            |
| Texas                  | \$212,788,623.00  |
| Utah                   | \$26,188,051.00   |
| Vermont                | \$5,416,336.00  |
| Virginia               | \$51,658,842.97   |
| Virgin Islands         | DNP   |
| Washington             | State fee: \$25,871,651.96<br>County Fee: \$69,545,461.89 |
| West Virginia          | \$37,928,204.37   |
| Wisconsin              | Does not track  |
| Wyoming                | Does not track  |
| <b>TOTAL</b>           | <b>\$2,322,983,616.36</b>                                 |

**D. Use of 911/E911 Fees and Charges To Fund Programs Other Than 911/E911 Services**

18. As required by the NET 911 Act, the Bureau requested that states and territories identify what amount of funds collected for 911 or E911 purposes were made available or used for any purposes other than the ones designated by the funding mechanism or used for purposes otherwise unrelated to 911 or E911 implementation or support, such as funds transferred, loaned, or otherwise used for the state's general fund. The majority of respondents – 44 states plus the District of Columbia and Puerto

Rico – indicate that during calendar year 2012, or fiscal year 2012, they collected 911/E911 funds only for 911/E911 purposes. Four states – Illinois, Kansas, New York, and Rhode Island – report that they used or are allowed to use collected funds, at least in part, to support programs other than 911 and E911. Table 4 below lists the states and summarizes the estimated total fees those states reported diverting from 911/E911 uses. In total, the states diverted \$48,368,425.39, or two (2) percent of all 911/E911 funds reported to have been collected by all responding states in 2012.

19. States reporting that they use 911/E911 funds for other purposes indicated that they use the collected money for a variety of matters, primarily related to other emergency first responder programs. Two states, New York and Rhode Island, reported diverting collected funds to their state’s General Fund.<sup>27</sup> Illinois reported that \$10 million was legislatively transferred from the Wireless Services Emergency Fund in fiscal year 2013, but did not specify how the transferred money was used.<sup>28</sup> Illinois further indicated that approximately \$6,665,500.00 borrowed from the state’s Wireless Carrier Reimbursement Fund was repaid over the course of 2012.<sup>29</sup>

20. Kansas, which employs a hybrid funding mechanism allowing for state oversight over local 911 fee use, reported enforcement actions undertaken in response to the possible use of funds for purposes other than those designated in the state statute. According to Kansas, of the \$12,621,526.21 expenditures reported, a total of twenty-one expenditures were questioned.<sup>30</sup> Kansas identified ten as legitimate expenditures, eight required reimbursement to the respective public safety answering point’s (“PSAP’s”) 911 Fee Fund, and three were still pending resolution at the time Kansas submitted its report.<sup>31</sup> Kansas states that once the remaining expenditures are finalized and reimbursed, no 911 Fee funds will have been expended outside of the allowable purpose.<sup>32</sup>

21. In short, at the state level for the year ending December 31, 2012, most states report that they used collected 911/E911 fees solely to fund 911/E911 services. Many of the remaining states use some 911/E911 fees for related expenses, such as to cover the administrative costs of collecting the fees, or for other public safety purposes (such as public safety radio communications).

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<sup>27</sup> New York Response at 1, 5; Rhode Island Response at 1, 3.

<sup>28</sup> See Illinois Response at 6.

<sup>29</sup> *Id.*

<sup>30</sup> See Kansas Response at 3.

<sup>31</sup> *Id.*

<sup>32</sup> *Id.*

**Table 4 – Total Funds Diverted from 911/E911 Uses**

| <b>State/Territory</b>   | <b>Total Funds Collected (Year End 2012)</b> | <b>Total Funds Used for Purposes Other than 911/E911</b> | <b>Percentage Diverted</b> |
|--|--|--|----------------------------|
| Illinois   | \$69,200,000.00                              | \$16,665,500.00 <sup>33</sup>                            | 24%                        |
| Kansas   | \$20,477,020.47                              | \$2,925.39   | 0.01%                      |
| New York   | \$190,281,716.00                             | \$20,000,000.00  | 11%                        |
| Rhode Island   | \$16,500,000.00<br>(fiscal year 2012)        | \$11,700,000.00<br>(fiscal year 2012)                    | 71%                        |
| <b>Total</b>   | <b>\$296,458,736.47</b>                      | <b>\$48,368,425.39</b>                                   | <b>16%</b>                 |
| <b>Percent Diverted From<br/>Total Funds Collected by All States</b> |  |  |                            |
| <b>Total</b>   | <b>\$2,322,983,616.36</b>                    |  | <b>2%</b>                  |

**E. Next Generation 911**

22. Next Generation 911 systems promise to bring significant public interest benefits, especially for people with disabilities. For example, these technologies will enable the public to send emergency communications via text, photos, videos, and data, and will provide PSAPs and other first responders with access to enhanced information to assess and respond to emergencies. As part of its ongoing efforts to support the nationwide transition to NG911, the Bureau requested that states provide information on whether they classify expenditures on NG911 as within the scope of permissible expenditures for 911 or E911 purposes, and whether and how much they expended such funds in 2012.

23. With respect to classifying NG911 as within the scope of permissible expenditures, forty-four respondents indicated that their 911 funding mechanism allows for distribution of 911 funds for the implementation of NG911. Five respondents reported that their funding mechanism does not allow for the use of 911 funds for NG911 implementation.<sup>34</sup> Ten did not provide a response.<sup>35</sup>

24. Of the states that indicated that their funding mechanism allows for NG911 funding, twenty-four states, the District of Columbia, and Puerto Rico indicated that they used 911 funds for NG911 programs in 2012. As indicated in Table 5, those twenty-four states, the District of Columbia and Puerto Rico spent approximately \$97,367,543.46 on NG911 programs. Twelve states in which use of funds for

<sup>33</sup> During state fiscal year 2013, by legislative action, the state transferred \$10 million from collected wireless funds out of the Wireless Services Emergency Fund. The state is not required to return those funds. Also, the state borrowed but repaid approximately \$6.6 million dollars from the Wireless Carrier Reimbursement Fund. *See* Illinois Report at 6.

<sup>34</sup> This category includes Illinois, Montana, Nebraska, Ohio, and South Carolina. Although South Carolina reports that NG911 does not fall within the scope of permissible expenditures for 911/E911, it reported that it has expended funds to PSAPs for equipment that is NG911 “ready.” *See* South Carolina Report at 6.

<sup>35</sup> This category includes Alabama, Arkansas, American Samoa, Bureau of Indian Affairs (BIA) – Eastern regional Office, BIA – Pacific Regional Office, BIA – Rocky Mountain Regional Office, Guam, Northern Mariana Islands, Oklahoma, and Virgin Islands.

NG911 purposes is allowed report they did not expend any funds on NG911-related programs.<sup>36</sup> Finally, thirteen states or territories indicated that they did not have, or could not provide, such information.<sup>37</sup>

**Table 5 – Funds Spent on Next Generation 911 Programs**

| <b>State</b> | <b>Amount Spent</b> | <b>State Description of Projects</b>   |
|--------------|---------------------|--|
| CA           | \$2,772,535.00      | “Next Generation 911 pilot projects” <sup>38</sup>   |
| CT           | \$7,400,000.00      | Next Generation 911 programs and “the construction of the Public Safety Data Network on which Next Generation 911 will be carried.” <sup>39</sup>  |
| DC           | \$5,000.00          | “Developing Next Generation 911” <sup>40</sup>   |
| DE           | \$3,200,000.00      | “Next Generation 911 technology” <sup>41</sup>   |
| FL           | \$6,725,945.00      | Next Generation 911 systems and “procurement development for a Statewide NG-911 (i3) routing system.” <sup>42</sup>  |
| HI           | \$3,300,000.00      | Not specified  |
| IA           | \$4,194,330.00      | Not specified  |
| KY           | \$1,500,000.00      | "The Board has spent money on developing a State 911 plan that contemplates migrating to a NG911 delivery system; development of an NG911 ESINetwork, and Applications and Appliances. Requests for Proposals, Proof of Concepts exercises related directly to ‘networking connections,’ hosting and remoting and transferability of 911 calls –all NG911 elements.” <sup>43</sup> |

<sup>36</sup> This category includes Alaska, Colorado, Georgia, Idaho, Kansas, Louisiana, Mississippi, New Jersey, South Dakota, Wisconsin, West Virginia, and Wyoming.

<sup>37</sup> This category includes Alabama, Arkansas, American Samoa, Bureau of Indian Affairs (BIA) – Eastern regional Office, BIA – Pacific Regional Office, BIA – Rocky Mountain Regional Office, Guam, Montana, New York, North Dakota, Northern Mariana Islands, Oklahoma, and Virgin Islands.

<sup>38</sup> California Response at 4.

<sup>39</sup> Connecticut Response at 5.

<sup>40</sup> District of Columbia Response at 4.

<sup>41</sup> Delaware Response at 4.

<sup>42</sup> Florida Response at 5.

<sup>43</sup> Kentucky Response at 5.

| State | Amount Spent   | State Description of Projects   |
|-------|----------------|---|
| MA    | \$1,242,291.00 | "... funding for the [State 911] Department's Next Generation 911 consultant to assist with the implementation of the Next Generation 911 project and expenditures for coordinating in the efforts to develop, design, and implement a high speed fiber optic network in Western and parts of Central Massachusetts . . . to prepare the PSAPS for transition to Next Generation 911 . . . The Department is also funding additional dedicated resources for MassGIS, a department within the Commonwealth' Information Technology Division, to provide updated, synchronized mapping data and information needed to support the Department as it prepares for the implementation of Next Generation 911." <sup>44</sup>  |
| MD    | \$8,495,982.54 | "The [Emergency Number Systems] Board currently provides funding to replace/upgrade public safety answering point (PSAP) E911 phone systems to be IP ready or enabled to receive NG911 related data once national standards have been established . . . [and] on NG911 enabled or ready phone systems and NG911 enhanced logging recorders for Maryland Primary and Secondary PSAPs. As a pilot-project, sponsored by Dorchester County on behalf of all Maryland PSAPs, the Board provided funding to the Maryland State Police (MSP) to implement Next Generation 9-1-1 Systems technologies for the delivery of transferred emergency calls and related data to their Barracks on the Maryland Eastern Shore in the amount of \$1,059,560.52." <sup>45</sup> |
| MI    | \$2,300,000.00 | "Next Generation 911 programs" including establishing a GIS database repository for use by all the 911 centers in the state and consulting services/expenses associated with a review of an NG911 migration path for Michigan. <sup>46</sup>  |
| MN    | \$1,137,825.44 | "The state of Minnesota is in the process of modernizing Minnesota's 911 infrastructure by replacing the aging analog 911 infrastructure with a digital platform that will improve interoperability and allow for PSAPs to transfer 911 calls, maps, photos, caller location information and other pertinent data statewide. The NG911 project began in FY 2010-2011. To date, we provided call transfer capability with ANI and ALI, between all MN PSAPs using two different data base providers. In addition, we have  |

<sup>44</sup> Massachusetts Response at 5-6.

<sup>45</sup> Maryland Response at 5.

<sup>46</sup> Michigan Response at 5-7

| State | Amount Spent    | State Description of Projects  |
|-------|-----------------|--|
|       |                 | migrated 56 of 104 [PSAPs] to a statewide Emergency Services IP Network (ESINet). We anticipate all 104 PSAPs will be migrated over the December 31, 2013 in this phase of our multi-phase NG911 migration.” <sup>47</sup>   |
| NC    | \$867,493.00    | Not specified  |
| NH    | \$100,000.00    | “We did a GIS solution upgrade of our Customer Premise Equipment (CPE) to assist in providing more detailed location data to our Telecommunicators as Next Generation 911 will require . . . We contracted for a customized software upgrade to allow for new formatting of data to provide additional information to our Emergency Medical Dispatchers (EMD’s) in preparation for Next Generation 911.” <sup>48</sup>   |
| NM    | \$18,756.87     | “Completion of a Next Generation Security (NG-SEC) compliant security plan.” <sup>49</sup>   |
| NV    | \$1,184,182.00  | “Next Generation 911 implementation and maintenance” <sup>50</sup> (Washoe County only)  |
| OR    | \$79,500.00     | “Consultants to assist in developing an upcoming RFP for rollout of statewide NG9-1-1.” <sup>51</sup>  |
| PA    | \$10,524,960.49 | “For State Fiscal Year 2012-13, the Commonwealth of Pennsylvania approved \$1,330,000 in wireless surcharge revenue for PSAPs to conduct Next Generation 9-1-1 needs assessments. The Commonwealth itself expended \$1,731,449.49 for Next Generation 9-1-1 strategic planning as well as the development and deployment of Emergency Services IP-based networks (ESInets) in two regions of the state. In addition, these regions contributed \$7,463,511 in different grant funds for these services. These networks will make up part of the backbone of the statewide Next Generation 9-1-1 system in Pennsylvania.” <sup>52</sup> |

<sup>47</sup> Minnesota Response at 5.

<sup>48</sup> New Hampshire Response at 6.

<sup>49</sup> New Mexico Response at 4.

<sup>50</sup> Nevada Response at 5.

<sup>51</sup> Oregon Response at 7.

<sup>52</sup> Pennsylvania Response at 13.



| State | Amount Spent    | State Description of Projects  |
|-------|-----------------|--|
| PR    | \$2,384,912.12  | “The 9-1-1 Service Government Board executed an E911 platform migration project to implement a NG911 system” including updating the main PSAP call taking solution and implementation of a virtual PSAP call center between PSAPs. <sup>53</sup>   |
| RI    | \$16,000.00     | “Annual maintenance and updates for our Solacom Selective Router, which is piece of hardware that supports our NG911 initiative.” <sup>54</sup>  |
| TN    | \$11,346,676.00 | Not specified but related to statewide NG911 project <sup>55</sup>   |
| TX    | \$13,533,285.00 | “Statewide Program: Two [Regional Planning Commissions] spent a total of \$4,776,881 in 9-1-1 funds on NG9-1-1 related to implementation of regional Emergency Services Internet Protocol Networks (ESInets). 772 [Emergency Communications Districts]: Spent \$8,756,404 in 9-1-1 funds on NG9-1-1 related to implementation of regional ESInets.” <sup>56</sup>  |
| UT    | \$656,609.00    | “Expenditures on Next Generation 9-1-1 equipment have been made with regularity since 2005. The Utah 9-1-1 Committee has supported grant requests from several PSAPs on a shared NG-911 technology platform. Though the current cost of Next Generation 9-1-1 technology may seem to negate immediate cost savings, the higher level of interoperability between PSAPs is an immediate advantage, and since multiple PSAPs can share a common platform, cost savings will occur as the number of participating PSAPs connect to the new shared platforms rather than continuing to purchase their own stand-alone systems. In addition, the Utah 9-1-1 Committee is currently in the process of establishing a strategic plan for the roll out of NG9-1-1 throughout Utah. It is expected that by this time next year, a NG9-1-1 implementation in Utah will be well under way. In short, by the end of F/Y 2014, all Utah PSAPs will be NG ready. . . For the calendar year ending December 2012, Utah expended approximately \$656,609 towards the upgrading of CPE in order to be NG9-1-1 ready.” <sup>57</sup> |

<sup>53</sup> Puerto Rico Response at 8.

<sup>54</sup> Rhode Island Response at 4.

<sup>55</sup> Tennessee Response at 4,7.

<sup>56</sup> Texas Response at 10.

<sup>57</sup> Utah Response at 4.

| State        | Amount Spent           | State Description of Projects   |
|--------------|------------------------|---|
| VA           | \$525,000.00           | Not specified   |
| VT           | \$5,416,336.00         | Not specified   |
| WA           | \$8,439,924.00         | “Modernization of the state-wide 911 network to an ESInet, and the procurement and fielding of Next Generation 911 end user equipment, to include digital logging recorders, and upgraded GIS technology and services.” <sup>58</sup> |
| <b>Total</b> | <b>\$97,367,543.46</b> |   |

#### F. Indian Tribes

25. The Commission requested information from the twelve (12) regional BIA offices regarding 911/E911 funding among Indian tribes.<sup>59</sup> Only three offices responded,<sup>60</sup> and none indicated that they had collected information on 911 fees in tribal areas. The BIA Pacific Regional Office reported that it had not established a funding mechanism, but noted that all recognized tribes within the region have the authority to approve 911 expenditures within their respective jurisdictions.<sup>61</sup> It further noted that several tribes in their region use the emergency dispatch systems within their local counties.<sup>62</sup> The BIA Eastern Regional Office reported that no tribe within its jurisdiction has established a funding mechanism for 911/E911.<sup>63</sup>

#### G. Public Comments on 2012 Fourth Annual Report

26. On January 14, 2013, the Commission issued a Public Notice seeking comment on the 2012 Fourth Annual Report.<sup>64</sup> The Commission received four comments.<sup>65</sup> The Steuben County Enhanced 911 Department contends that in its filing New York did not adequately explain its use of 911 funds.<sup>66</sup> It states that, although New York reported collecting \$194,787,113 annually on wireless surcharge fees, “in a publication Titled 2011-2012 New York State Tax Collections Statistical Summaries and Historical

<sup>58</sup> Washington Response at 4.

<sup>59</sup> The BIA has twelve regional offices, organized by geographic location: Alaska Region, Eastern Oklahoma Region, Eastern Region, Southern Plains Region, Great Plains Region, Midwest Region, Navajo Region, Northwest Region, Pacific Region, Rocky Mountain Region, Southwest Region, and Western Region.

<sup>60</sup> Eastern Regional, Pacific Regional, and Rocky Mountain Regional Offices replied to the information request.

<sup>61</sup> See BIA Pacific Regional Office Response at 1.

<sup>62</sup> *Id.*

<sup>63</sup> BIA Eastern Regional Office Response at 1.

<sup>64</sup> FCC Seeks Public Comment on Fourth Annual Report to Congress on State Collection and Distribution of 911 and Enhanced 911 Fees and Charges, Public Notice, 28 FCC Rcd 183 (Jan. 14, 2013), available at [http://fjallfoss.fcc.gov/edocs\\_public/attachmatch/DA-13-45A1\\_Rcd.pdf](http://fjallfoss.fcc.gov/edocs_public/attachmatch/DA-13-45A1_Rcd.pdf).

<sup>65</sup> The Commission received comments from Steuben County Enhanced 9-1-1 Department; the New Jersey Wireless Association; Boulder Regional Emergency Telephone Service Authority; and TracFone.

<sup>66</sup> Letter from David F. Hopkins, Director, Steuben County Enhanced 911 Department, to Julius Genachowski, Chairman, Federal Communications Commission, in PS Docket No. 09-14, Jan. 25, 2013.

Tables, the NYS Dept. of Taxation and Finance reports the figure to be \$194,615,796 annually.”<sup>67</sup> Steuben County notes that, although New York indicates it diverted \$22.8 million into the NYS general fund, the Commission should not assume that the remainder of collected funds (approximately \$171,987,113.00) was expended on 911 services in New York.<sup>68</sup> Steuben County argues that New York provided “skewed information” and has hindered its ability to obtain accurate information on the revenue it is collecting and how it distributes the 911 surcharge fees.<sup>69</sup> However, staff has reviewed the disputed expenditures and has determined that they appear to be within the ambit of New York’s 911 funding statute. Therefore, we do not characterize this as a diversion of funds in our report. However, New York’s reported diversion of other funds to the state general fund is identified as a diversion of funds.

27. The New Jersey Wireless Association (NJWA) submitted information about the New Jersey 911 System and Emergency Response Trust Fund Account. According to NJWA, “both the State of New Jersey and county/local municipalities operate [PSAPs], with the vast majority of 911 calls being handled by county/local PSAPs, [but] after 2009, no funds were granted to New Jersey counties/municipalities [and New Jersey] has allocated 911 Trust Funds to agencies and expense categories that may not be consistent with the 911 Trust Fund’s spirit and intent.”<sup>70</sup> NJWA also states that no funds have been allocated to the planning or implementation of a statewide NG911 network and such lack of funding “will greatly reduce the First Responders’ ability to address calls for help from the public.”<sup>71</sup> NJWA states that it does not see the need for an FCC or Congressional mandate at this time in order to address the issue of “the allocation and distribution of funds from a 911 trust fund among both State and county/local entities” and the inclusion of “input of all stakeholders responsible for servicing the State’s 911 call response and associated networks.”<sup>72</sup>

28. The Boulder Regional Emergency Telephone Service Authority (BRETSA) states that “there is no appropriate federal interest in the collection and expenditure by state or local governments of 9-1-1 fees”<sup>73</sup> and that emergency response services are “a matter of state and local concern.”<sup>74</sup> BRETSA further argues that the state-legislative transfers of 911 fees into state general funds are done “pursuant to state law, and are taken by duly elected state legislators and governors subject to judicial review and recall or non-reelection by their constituents.”<sup>75</sup> Additionally, BRETSA states that concerns regarding misuse of funds are the states’ responsibility because “proper and permitted uses of such proceeds are defined by state law.”<sup>76</sup> BRETSA further notes that activities which constitute an “appropriate use of 9-1-1 funds” are sometimes unclear due to technological developments including NG9-1-1.<sup>77</sup> Specifically,

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<sup>67</sup> *Id.*

<sup>68</sup> *Id.*

<sup>69</sup> *Id.*

<sup>70</sup> New Jersey Wireless Association Reply Comments at 2.

<sup>71</sup> *Id.*

<sup>72</sup> *Id.* at 3.

<sup>73</sup> Comments of the Boulder Regional Emergency Telephone Service Authority, PS Docket No. 09-14 (filed Feb. 13 2013) (BRETSA Comments) at 1.

<sup>74</sup> *Id.* at 2.

<sup>75</sup> *Id.*

<sup>76</sup> *Id.* at 3.

<sup>77</sup> *Id.*

BRETSA highlights one Colorado county’s proposed use of radio systems which BRETSA believes would indisputably fall into the scope of appropriate fund usage.<sup>78</sup>

29. BRETSA states that “Congress and the Commission’s time and effort would best be spent assuring that federal laws, regulation and policy do not preclude or inhibit collection of 9-1-1 Fees,”<sup>79</sup> and further, that the Commission can facilitate 9-1-1 fee collection.<sup>80</sup> BRETSA states that Congress should fund 911 services in areas that its activities burden 911 funding or demand.<sup>81</sup> BRETSA states that providing 911 services to these areas “reduce the tax base to support all public safety services.”<sup>82</sup> More specifically, BRETSA states that prepaid wireless service fee collection is challenging, and proposes that Congress or the Commission “impose a single rate 9-1-1 Fee on prepaid service nationwide that providers would remit upon activation of pre-paid minutes.”<sup>83</sup> In reply, TracFone, a provider of prepaid wireless services, states that BRETSA’s statement that Congress and the Commission impose a single rate 911 fee on pre-paid providers is inconsistent with its statement that “the federal government should not have an interest in the states’ collection and expenditure of 911 fees” arguing that such a course of action is improper and unfair because it “ignores the fact that states already have laws in place to fund 911 services.”<sup>84</sup> Additionally, TracFone states that this proposal “would place prepaid providers at an unfair competitive disadvantage in relation to postpaid providers who would not be required to include 911 fees in their rates.”<sup>85</sup> Finally, TracFone notes that “the Commission has agreed with TracFone’s concerns about ensuring that 911 funding mechanisms be competitively neutral and account for the fact that all citizens benefit from the availability of 911 services.”<sup>86</sup>

## V. FIVE-YEAR REVIEW

30. In this report, we provide an overview of the collection and use of 911/E911 funds for the five years that the Commission has submitted annual reports. In preparing this overview, the Bureau conducted an audit of previous reports to ensure the accuracy and continuity of annual reporting. Table 6 shows the total funds collected by each state and territory since 2008.

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<sup>78</sup> *Id.* at 4.

<sup>79</sup> *Id.* at 8.

<sup>80</sup> *Id.*

<sup>81</sup> *Id.* at 11. Specifically, BRETSA notes that “[t]he federal government does not pay state or local property taxes on federal lands, *such as* lands administered by the U.S. Forest Service, National Parks Service, or Bureau of Land Management” and states that these areas “constitute a substantial portion of property in specific areas.” *Id.* BRETSA states that “[i]n some areas, the number of people traveling through a jurisdiction on an Interstate Highway for whom the local authorities provide 9-1-1 and emergency response services, exceeds the population of the justification available to fund services.” *Id.* at 12.

<sup>82</sup> *Id.* at 11.

<sup>83</sup> *Id.* at 9. Similarly, BRETSA proposes addressing VoIP 9-1-1 fee collection by “assessment of 9-1-1 Fees on underlying broadband connection/service, based upon the speed/bandwidth of the upstream connection, rather than the applications and services riding upon that connection.” *Id.* at 10.

<sup>84</sup> TracFone Reply Comments at 5-6.

<sup>85</sup> *Id.* at 6.

<sup>86</sup> *Id.*

**Table 6 – Year to 911/E911 Collections**

| <b>State/Territory</b> | <b>2009 Report</b> | <b>2010 Report</b> | <b>2011 Report</b> | <b>2012 Report</b> | <b>2013 Report</b> |
|------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Alabama                | \$60,465,103.67    | \$29,857,571.09    | \$28,680,846.00    | \$28,401,585.00    | \$28,401,585.00    |
| Alaska                 | DNP                | \$8,199,046.36     | \$8,649,083.00     | \$12,320,888.00    | \$12,256,620.07    |
| American Samoa         | DNP                | DNP                | DNP                | DNP                | DNP                |
| Arizona                | \$15,056,353.00    | \$17,460,160.00    | \$16,238,766.00    | \$16,747,691.00    | \$16,445,301.00    |
| Arkansas               | \$24,799,338.00    | DNP                | DNP                | DNP                | DNP                |
| California             | \$106,817,446.59   | \$101,450,093.46   | \$100,000,000.00   | \$85,952,018.00    | \$82,126,695.00    |
| Colorado               | \$45,000,000.00    | \$45,000,000.00    | \$45,000,000.00    | \$1,907,087.00     | \$42,900,000.00    |
| Connecticut            | \$20,116,090.61    | \$21,397,572.52    | \$20,723,228.00    | \$22,413,228.00    | \$24,001,890.00    |
| Delaware               | DNP                | \$2,259,727.83     | \$8,044,859.00     | \$8,775,757.00     | \$7,623,391.53     |
| District of Columbia   | \$12,744,103.00    | \$12,714,347.00    | \$12,700,000.00    | DNP                | \$12,064,842.00    |
| Florida                | \$130,962,053.00   | \$125,531,674.00   | \$45,888,321.00    | \$122,550,767.00   | \$108,896,142.00   |
| Georgia                | DNP                | \$8,537,319.00     | \$8,950,569.00     | \$13,700,097.00    | DNP                |
| Guam                   | \$1,468,363.00     | DNP                | DNP                | \$1,779,710.00     | DNP                |
| Hawaii                 | \$8,842,841.49     | \$9,578,764.44     | \$9,544,397.00     | \$9,755,031.00     | \$10,020,045.00    |
| Idaho                  | \$19,191,409.99    | \$18,673,808.67    | \$18,013,902.00    | \$17,013,000.00    | \$19,313,000.00    |
| Illinois               | DNP                | \$67,000,000.00    | \$69,700,000.00    | \$71,900,000.00    | \$69,200,000.00    |
| Indiana                | \$71,000,000.00    | \$39,600,000.00    | \$30,000,000.00    | DNP                | \$69,515,799.65    |
| Iowa                   | \$29,054,622.00    | \$31,458,531.00    | \$31,304,377.00    | \$30,664,253.00    | \$30,297,168.00    |
| Kansas                 | DNP                | \$6,705,538.67     | DNP                | \$22,125,937.00    | \$20,477,020.47    |
| Kentucky               | \$23,569,921.00    | \$22,979,827.96    | \$54,900,000.00    | \$56,500,000.00    | \$55,700,000.00    |
| Louisiana              | DNP                | DNP                | \$3,017,672.00     | DNP                | \$4,912,926.00     |
| Maine                  | \$6,664,062.00     | \$6,108,985.00     | \$7,786,855.00     | \$8,416,235.00     | \$8,342,459.00     |
| Maryland               | \$57,176,923.16    | \$55,556,616.37    | \$54,560,255.00    | \$52,099,601.00    | \$52,240,760.76    |

| <b>State/Territory</b>   | <b>2009 Report</b> | <b>2010 Report</b> | <b>2011 Report</b> | <b>2012 Report</b> | <b>2013 Report</b> |
|--------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Massachusetts            | DNP                | \$69,694,702.00    | \$75,125,185.00    | \$73,408,835.00    | \$73,677,263.00    |
| Michigan                 | \$69,835,671.59    | \$93,000,132.24    | \$87,673,893.00    | \$196,215,849.00   | \$181,204,130.55   |
| Minnesota                | \$51,281,641.00    | \$51,269,514.00    | \$58,821,937.00    | \$58,654,182.00    | \$62,353,897.17    |
| Mississippi              | \$11,758,733.12    | DNP                | \$56,335,986.00    | \$60,813,014.00    | \$65,290,042.40    |
| Missouri                 | DNP                | DNP                | DNP                | DNP                | DNP                |
| Montana                  | \$13,172,462.14    | \$13,172,462.14    | \$13,715,064.00    | \$13,626,940.00    | \$13,177,751.61    |
| Nebraska                 | \$13,278,907.19    | \$5,507,239.80     | \$8,128,042.00     | \$14,808,421.00    | \$15,555,733.76    |
| Nevada                   | DNP                | DNP                | DNP                | DNP                | \$2,010,341.58     |
| New Hampshire            | \$10,854,202.82    | DNP                | \$9,832,831.00     | DNP                | \$10,493,486.32    |
| New Jersey               | \$130,000,000.00   | \$128,900,000.00   | DNP                | \$125,000,000.00   | \$126,000,000.00   |
| New Mexico               | \$12,786,327.64    | \$12,073,923.31    | \$13,081,062.00    | \$13,424,002.00    | \$12,028,770.41    |
| New York                 | \$83,700,000.00    | DNP                | \$193,194,759.00   | \$194,787,113.00   | \$190,281,716.00   |
| North Carolina           | \$84,613,672.00    | \$87,367,015.00    | \$80,001,662.00    | DNP                | \$69,424,896.51    |
| North Dakota             | DNP                | \$8,369,366.00     | DNP                | \$9,506,000.00     | \$9,506,000.00     |
| Northern Mariana Islands | DNP                | DNP                | DNP                | DNP                | DNP                |
| Ohio                     | \$28,544,923.91    | \$28,164,049.54    | \$29,175,929.00    | DNP                | \$28,837,121.12    |
| Oklahoma                 | DNP                | DNP                | DNP                | DNP                | DNP                |
| Oregon                   | \$87,447,639.72    | \$40,155,054.04    | \$39,592,560.00    | \$39,370,086.00    | \$39,229,319.00    |
| Pennsylvania             | \$190,239,804.99   | \$116,656,192.90   | \$194,554,260.00   | \$192,297,459.00   | \$184,044,508.00   |
| Puerto Rico              | \$20,952,458.73    | \$21,876,276.72    | DNP                | \$21,367,260.00    | \$20,323,323.95    |
| Rhode Island             | \$19,400,000.00    | \$18,200,000.00    | \$15,488,729.00    | DNP                | \$16,500,000.00    |
| South Carolina           | \$22,000,000.00    | DNP                | \$21,988,052.00    | \$22,215,748.00    | \$28,948,882.35    |
| South Dakota             | DNP                | DNP                | \$8,100,000.00     | \$8,200,000.00     | \$9,111,476.00     |
| Tennessee                | \$51,536,089.00    | \$55,965,000.00    | \$58,500,000.00    | \$94,497,881.00    | \$60,852,139.96    |
| Texas                    | \$197,228,795.88   | \$203,547,359.97   | \$199,025,787.00   | \$209,202,098.00   | \$212,788,623.00   |
| Utah                     | \$23,366,301.00    | \$2,724,374.00     | \$23,909,566.00    | \$23,070,307.00    | \$26,188,051.00    |
| Vermont                  | \$4,832,374.02     | \$5,487,046.00     | \$4,605,803.00     | \$4,993,132.00     | \$5,416,336.00     |

| <b>State/Territory</b> | <b>2009<br/>Report</b>    | <b>2010<br/>Report</b>    | <b>2011<br/>Report</b>    | <b>2012<br/>Report</b>    | <b>2013<br/>Report</b>    |
|------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Virgin Islands         | DNP                       | \$590,812.00              | \$554,245.00              | DNP                       | DNP                       |
| Virginia               | DNP                       | \$52,022,170.24           | \$53,217,635.00           | \$54,079,487.00           | \$51,658,842.97           |
| Washington             | \$69,523,163.00           | \$71,036,718.00           | \$71,244,435.00           | \$100,952,115.00          | \$95,417,113.85           |
| West Virginia          | \$32,278,728.00           | \$33,760,563.00           | \$35,375,580.00           | \$36,176,377.00           | \$37,928,204.37           |
| Wisconsin              | \$9,602,745.46            | DNP                       | DNP                       | DNP                       | DNP                       |
| Wyoming                | \$6,700,000.00            | DNP                       | DNP                       | DNP                       | DNP                       |
| <b>Total</b>           | <b>\$1,877,863,271.72</b> | <b>\$1,749,609,554.27</b> | <b>\$1,924,946,132.00</b> | <b>\$2,149,689,191.00</b> | <b>\$2,322,983,616.36</b> |

31. During the five years that the Commission has reported on 911/E911 fee usage by states, the majority of states have reported using 911 funds consistent with their funding mechanisms. However, in each reporting year, some states have reported diverting 911/E911 funds towards general revenue funds.

32. As shown in Table 7, information submitted by responding states demonstrates that, while the number of states reporting diverting 911 fees to the general fund has declined in recent years, it nevertheless remains a practice in some states. In 2009, eight states reported using 911 fees for general fund purposes.<sup>87</sup> In 2010, ten states reported using 911 fees for general fund purposes.<sup>88</sup> In 2011, seven states reported using 911 fees for general fund purposes.<sup>89</sup> In 2012, six states reported using 911 fees for general fund purposes.<sup>90</sup> Finally, in 2013, four states reported using 911 fees for general fund or other purposes.

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<sup>87</sup> Illinois, Maine, Montana, New York, Oregon, Rhode Island, Tennessee, Wisconsin. *See* Federal Communications Commission, Report to Congress on State Collection and Distribution of 911 and Enhanced 911 Fees and Charges (July 22, 2009) at Table 4.

<sup>88</sup> Arizona, Delaware, Georgia, Hawaii, Illinois, Nebraska, New York, Oregon, Rhode Island, Wisconsin. *See* Federal Communications Commission, Report to Congress on State Collection and Distribution of 911 and Enhanced 911 Fees and Charges (August 13, 2010) at Table 4.

<sup>89</sup> Arizona, Illinois, Oregon, Rhode Island. *See* Federal Communications Commission, Report to Congress on State Collection and Distribution of 911 and Enhanced 911 Fees and Charges (Nov. 1, 2011) at Table 4. This number also includes Georgia, Maine, and New York, which were inadvertently omitted from the list of diverting states in the 2011 Report.

<sup>90</sup> Arizona, Georgia, Illinois, Maine, New York, and Rhode Island. *See* Federal Communications Commission, Report to Congress on State Collection and Distribution of 911 and Enhanced 911 Fees and Charges (Dec. 21, 2012) at Table 4. In this report, we revise last year's report and include Georgia and Rhode Island. Georgia indicated that it did not allocate any 911/E911 fees collected from pre-paid subscribers to 911/E911 purposes. Although Georgia did not specify that this money was sent to the state's General Fund, we include them on the list for this reason.



**Table 7 – States Reporting Diversion of 911/E911 Funds  
Into State General Funds or to Other Purposes**

| <b>Report Year</b> | <b>2009 Report</b> | <b>2010 Report</b> | <b>2011 Report</b> | <b>2012 Report</b> | <b>2013 Report</b> |
|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>States</b>      | Illinois           | Arizona            | Arizona            | Arizona            | Illinois           |
|                    | Maine              | Delaware           | Georgia            | Georgia            | Kansas             |
|                    | Montana            | Georgia            | Illinois           | Illinois           | New York           |
|                    | New York           | Hawaii             | Maine              | Maine              | Rhode Island       |
|                    | Oregon             | Illinois           | New York           | New York           |                    |
|                    | Rhode Island       | Nebraska           | Oregon             | Rhode Island       |                    |
|                    | Tennessee          | New York           | Rhode Island       |                    |                    |
|                    | Wisconsin          | Oregon             |                    |                    |                    |
|                    | Rhode Island       |                    |                    |                    |                    |
|                    | Wisconsin          |                    |                    |                    |                    |
| <b>Total</b>       | <b>8</b>           | <b>10</b>          | <b>7</b>           | <b>6</b>           | <b>4</b>           |

**VI. PUBLIC COMMENTS REGARDING 2013 REPORT**

33. Following submission of this report to Congress, the Commission will make the report public and will formally seek public comment on it. We will include any pertinent information from public comments in next year’s report.

**VII. CONCLUSION**

34. The Commission once again is pleased to have the opportunity to report on the issue of 911 fee collection and distribution. Reported information indicates that in 2012, most of the 911/E911 fees collected by the states were in fact used to fund 911/E911 services. Only four states that responded to the Commission’s data collection reported using, or potentially using, 911 fees to support other activities. The Commission intends to release this report to the public, as we have done in previous years.

## Appendix A



Federal Communications Commission  
Washington, D.C. 20554

|  
Approved by OMB  
3060-1122  
Expires: May 31, 2015  
Estimated time per response:  
10-50 hours

Pursuant to OMB authorization 3060-1122, the FCC's Public Safety and Homeland Security Bureau seeks the following specific information in order to fulfill the Commission's obligations under Section 6(f)(2) of the NET 911 Act:

1. Has 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, established a funding mechanism designated for or imposed for the purposes of 911 or E911 support or implementation (please include a citation to the legal authority for such mechanism)?

*Please insert an "X" below the appropriate answer.*

| YES | NO |
|-----|----|
|     |    |

If "yes," please include a citation to the legal authority for such mechanism.

2. The amount of the fees or charges imposed for the implementation and support of 911 and E911 services.



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3. The total amount collected pursuant to the assessed fees or charges, for the annual period ending December 31, 2012.

4. A statement describing how the funds collected are made available to localities, and whether your state has established written criteria regarding the allowable uses of the collected funds, including the legal citation to such criteria. In other words, identify whether your state has established a funding mechanism that mandates how collected funds can be used, and identify those allowed uses.

5. A statement identifying any entity in your state that has the authority to approve the expenditure of funds collected for 911 or E911 purposes.



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|  |
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6. A description of any oversight procedures established to determine that collected funds have been made available or used for the purposes designated by the funding mechanism or otherwise used to implement or support 911.

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7. A statement describing enforcement or other corrective actions undertaken in connection with such oversight, for the annual period ending December 31, 2012.

|  |
|--|
|  |
|--|

8. In the annual period ending December 31, 2012, were funds collected for 911 or E911 purposes in your state/jurisdiction made available or used solely for purposes designated by the funding mechanism identified in Question 1?

***Please insert an "X" below the appropriate answer.***

| YES | NO |
|-----|----|
|     |    |

9. A statement identifying what amount of funds collected for 911 or E911 purposes were made available or used for any purposes other than the ones designated by the funding mechanism or used for purposes otherwise unrelated to 911 or E911



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implementation or support (e.g., funds transferred, loaned, or otherwise used for the state's general fund), including a statement identifying the unrelated purposes for which the funds collected for 911 or E911 purposes were made available or used.

10. A statement identifying with specificity all activities, programs, and organizations for whose benefit your state, or political subdivision thereof, has obligated or expended funds collected for 911 or E911 purposes and how these activities, programs, and organizations support 911 and E911 services or enhancements of such services.

11. Does your state classify expenditures on Next Generation 911 as within the scope of permissible expenditures of funds for 911 or E911 purposes?

*Please insert an "X" below the appropriate answer.*

↓

| YES | NO |
|-----|----|
|     |    |

12. Has your state expended such funds on Next Generation 911 programs?

*Please insert an "X" below the appropriate answer.*



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| YES | NO |
|-----|----|
|     |    |

13. If so, how much has your state expended in the annual period ending December 31, 2012 on Next Generation 911 programs?

14. Any other comments you may wish to provide regarding the applicable funding mechanism for 911 and E911.

**Appendix B**

**Summary of State Responses**

| <b>State/Territory</b> | <b>Type of Fund Collection</b> | <b>State Approval of Expenditures</b>                   | <b>Total Funds Collected (Year End 2012)</b> | <b>Total Funds Used for Other Purposes</b> | <b>Funding of NG911 Permissible under 911/E911 Funding Authority</b> | <b>Total Funds Used for NG911</b>  |
|------------------------|--------------------------------|---|--|--|--|--|
| Alabama                | Hybrid                         | Yes for state collection<br>No for local collections    | \$28,401,585.00                              | None                                       | DNP  | DNP  |
| Alaska                 | Local                          | No  | \$12,256,620.07                              | None                                       | Yes  | None   |
| American Samoa         | DNP                            | DNP   | DNP  | DNP  | DNP  | DNP  |
| Arizona                | State                          | Yes   | \$16,445,301.00                              | None                                       | Yes  | None   |
| Arkansas               | DNP                            | DNP   | DNP  | DNP  | DNP  | DNP  |
| California             | State                          | Yes   | \$82,126,695.00                              | None                                       | Yes  | \$2,772,535.00   |
| Colorado               | Hybrid                         | No for local collection.<br>Yes for prepaid collection. | \$42,900,000.00                              | None                                       | Yes  | Locals can determine whether to use 911 funds for NG911. Some localities have done so; however, no estimate on total amount. |
| Connecticut            | State                          | Yes   | \$24,001,890.00                              | None                                       | Yes  | \$7,400,00.00  |

| State/Territory      | Type of Fund Collection | State Approval of Expenditures | Total Funds Collected (Year End 2012)   | Total Funds Used for Other Purposes | Funding of NG911 Permissible under 911/E911 Funding Authority | Total Funds Used for NG911  |
|----------------------|-------------------------|--------------------------------|---|-------------------------------------|---|---|
| Delaware             | Hybrid                  | Yes                            | \$7,623,391.53  | None                                | Yes   | \$3,200,000.00  |
| District of Columbia | State                   | Yes                            | \$12,064,842.00   | None                                | Yes   | \$5,000.00  |
| Florida              | Hybrid                  | Yes                            | \$108,896,142.00  | None                                | Yes   | County-based Expenditures: \$6,371,318.00<br>Statewide Expenditures: \$354,627.00 |
| Georgia              | Hybrid                  | Yes                            | State does not track landline and post-paid wireless fees collected by local governments. | None                                | Yes   | None  |
| Guam                 | DNP                     | DNP                            | DNP   | DNP                                 | DNP   | DNP   |
| Hawaii               | State                   | Yes                            | \$10,020,045.00   | None                                | Yes   | \$3,300,000.00  |
| Idaho                | Local                   | No                             | \$19,313,000.00   | None                                | Yes   | None  |



| State/Territory | Type of Fund Collection | State Approval of Expenditures                             | Total Funds Collected (Year End 2012) | Total Funds Used for Other Purposes   | Funding of NG911 Permissible under 911/E911 Funding Authority | Total Funds Used for NG911 |
|-----------------|-------------------------|--|---------------------------------------|---|---|----------------------------|
| Illinois        | Hybrid                  | No for wireline<br>Yes for wireless (postpaid and prepaid) | \$69,200,000.00 (wireless only)       | No information for wireline.<br><br>For wireless, during state fiscal year 2013, \$10 million was legislatively transferred out of the Wireless Services Emergency Fund. The state is not required to return those funds.<br><br>An additional \$6.7 million was diverted from the Wireless Services Emergency Fund during fiscal year 2011 and repaid during 2012. | No  | None                       |
| Indiana         | Hybrid                  | Yes  | \$69,515,799.65                       | None  | Yes   | None                       |

| State/Territory | Type of Fund Collection | State Approval of Expenditures      | Total Funds Collected (Year End 2012) | Total Funds Used for Other Purposes | Funding of NG911 Permissible under 911/E911 Funding Authority | Total Funds Used for NG911   |
|-----------------|-------------------------|-------------------------------------|---------------------------------------|-------------------------------------|---|------------------------------|
| Iowa            | Hybrid                  | Yes                                 | \$30,297,168.00                       | None                                | Yes   | \$4,194,330.00               |
| Kansas          | Hybrid                  | Yes                                 | \$20,477,020.47                       | \$2,925.39 <sup>91</sup>            | Yes   | None                         |
| Kentucky        | Hybrid                  | Yes for wireless<br>No for wireline | \$55,700,000.00                       | None                                | Yes   | \$1,500,000.00               |
| Louisiana       | Local                   | No                                  | \$4,912,926.00<br>(prepaid only)      | None                                | Yes   | None                         |
| Maine           | State                   | Yes                                 | \$8,342,459.00                        | None                                | Yes   | None                         |
| Maryland        | Hybrid                  | Yes                                 | \$52,240,760.76                       | None                                | Yes   | \$8,495,982.54 <sup>92</sup> |
| Massachusetts   | State                   | Yes                                 | \$73,677,263.00                       | None                                | Yes   | \$1,242,291.00               |
| Michigan        | Hybrid                  | Yes                                 | \$181,204,130.55                      | None                                | Yes   | \$2,300,000.00               |

<sup>91</sup> Total diverted expenditures pending state review. *See* Kansas Report at 3.

<sup>92</sup> Maryland notes that as a pilot project, the Emergency Number Systems Board provided funding to the Maryland State Police (MSP) to implement NG911 systems to deliver emergency calls and related data to the MSP Barracks in the amount of \$1,059,560.52. Maryland does not specify if the expenditures took place during 2012, therefore, this amount is not included in the total 2012 NG911 expenditures. *See* Maryland Report at 5.

| State/Territory | Type of Fund Collection | State Approval of Expenditures      | Total Funds Collected (Year End 2012)   | Total Funds Used for Other Purposes | Funding of NG911 Permissible under 911/E911 Funding Authority | Total Funds Used for NG911 |
|-----------------|-------------------------|-------------------------------------|---|-------------------------------------|---|----------------------------|
| Minnesota       | State                   | Yes                                 | \$62,353,897.17   | None                                | Yes   | \$1,137,825.44             |
| Mississippi     | Local                   | Yes                                 | \$65,290,042.40   | None                                | Yes   | None                       |
| Missouri        | Local                   | No                                  | Does not track  | None                                | Yes   | Does not track             |
| Montana         | State                   | Yes                                 | \$13,177,751.61   | None                                | No  | None                       |
| Nebraska        | Hybrid                  | No for wireline<br>Yes for wireless | \$15,555,733.76   | None                                | No  | None                       |
| Nevada          | Local                   | No                                  | <u>Carson City:</u><br>\$229,739.88<br><u>Washoe County:</u><br>\$1,618,486.24<br><u>Douglas County:</u><br>\$162,115.46<br><u>Total:</u><br>\$2,010,341.58 | None                                | Yes   | \$1,184,182.00             |
| New Hampshire   | State                   | Yes                                 | \$10,493,486.32   | None                                | Yes   | \$100,000.00               |
| New Jersey      | State                   | Yes                                 | \$126,000,000.00  | None                                | Yes   | None                       |
| New Mexico      | Hybrid                  | Yes                                 | \$12,028,770.41   | None                                | Yes   | \$18,756.87                |

| <b>State/Territory</b>   | <b>Type of Fund Collection</b> | <b>State Approval of Expenditures</b> | <b>Total Funds Collected (Year End 2012)</b> | <b>Total Funds Used for Other Purposes</b>        | <b>Funding of NG911 Permissible under 911/E911 Funding Authority</b> | <b>Total Funds Used for NG911</b>       |
|--------------------------|--------------------------------|---------------------------------------|--|---|--|---|
| New York                 | Hybrid                         | Yes                                   | \$190,281,716.00                             | \$20,000,000.00                                   | Yes  | DNP                                     |
| North Carolina           | State                          | Yes                                   | \$69,424,896.51                              | None  | Yes  | \$867,493.00.                           |
| North Dakota             | Local                          | Yes                                   | \$9,506,000.00                               | None  | Yes  | None                                    |
| Northern Mariana Islands | DNP                            | DNP                                   | DNP  | DNP   | DNP  | DNP                                     |
| Ohio                     | Local                          | No                                    | \$28,837,121.12 (wireless only)              | None  | No   | None                                    |
| Oklahoma                 | Local                          | No                                    | DNP  | DNP   | DNP  | DNP                                     |
| Oregon                   | State                          | Yes                                   | \$39,229,319.00                              | None  | Yes  | \$79,500.00                             |
| Pennsylvania             | Hybrid                         | Yes                                   | \$184,044,508                                | None  | Yes  | \$10,524,960.49 (fiscal year 2012-2013) |
| Puerto Rico              | State                          | Yes                                   | \$20,323,323.95                              | None  | Yes  | \$2,384,912.12                          |
| Rhode Island             | State                          | Yes                                   | \$16,500,000.00 (fiscal year 07/11 - 06/12)  | \$11,700,000.00 (as of fiscal year ended June 30, | Yes  | \$16,000.00                             |

| <b>State/Territory</b> | <b>Type of Fund Collection</b> | <b>State Approval of Expenditures</b> | <b>Total Funds Collected (Year End 2012)</b> | <b>Total Funds Used for Other Purposes</b> | <b>Funding of NG911 Permissible under 911/E911 Funding Authority</b> | <b>Total Funds Used for NG911</b> |
|------------------------|--------------------------------|---------------------------------------|--|--|--|-----------------------------------|
|                        |                                |                                       |  | 2012)                                      |  |                                   |
| South Carolina         | Hybrid                         | Yes                                   | \$28,948,882.35 (wireless only)              | None                                       | Yes  | Unknown                           |
| South Dakota           | Hybrid                         | Yes                                   | \$9,111,476.00                               | None                                       | Yes  | None                              |
| Tennessee              | Hybrid                         | Yes                                   | \$60,852,139.96                              | None                                       | Yes  | \$11,346,676.00                   |
| Texas                  | Hybrid                         | Yes                                   | \$212,788,623.00                             | None                                       | Yes  | \$13,533,285.00                   |
| Utah                   | Hybrid                         | No for local<br>Yes for state         | \$26,188,051.00                              | None                                       | Yes  | \$656,609.00                      |
| Vermont                | State                          | Yes                                   | \$5,416,336.00                               | None                                       | Yes  | \$5,416,336.00                    |
| Virginia               | State                          | Yes                                   | \$51,416,336.00                              | \$8,000,000.00                             | Yes  | \$525,000.00                      |
| Virgin Islands         | DNP                            | DNP                                   | DNP  | DNP  | DNP  | DNP                               |
| Washington             | Hybrid                         | Yes                                   | \$95,417,113.85                              | None                                       | Yes  | \$8,439,924.00                    |

| <b>State/Territory</b> | <b>Type of Fund Collection</b> | <b>State Approval of Expenditures</b> | <b>Total Funds Collected (Year End 2012)</b> | <b>Total Funds Used for Other Purposes</b> | <b>Funding of NG911 Permissible under 911/E911 Funding Authority</b> | <b>Total Funds Used for NG911</b> |
|------------------------|--------------------------------|---------------------------------------|--|--|--|-----------------------------------|
| West Virginia          | Hybrid                         | Yes                                   | \$37,928,204.37                              | None                                       | Yes  | None                              |
| Wisconsin              | Local                          | Yes                                   | DNP  | None                                       | Yes  | DNP                               |
| Wyoming                | Local                          | No                                    | Does not track                               | Does not track                             | Yes  | Does not track                    |