

Financial Future of Alabama 9-1-1 at Risk from Industry Attempt to Sidestep Court Ruling

--Alabama's providers of wireless telephone service are attempting to sidestep an Alabama court ruling requiring the state's existing 9-1-1 fee to be collected from all consumers of wireless telephone services by passing legislation that lowers the existing fee and sets up a special fee system for those companies that provide so-called "pre-paid" wireless service to customers without requiring a contract.

--The case is now pending before the Alabama Supreme Court and the providers are attempting to change Alabama law before the Supreme Court rules that they owe the fee – including repayment for periods when the providers have ignored the law and not remitted the fee to Alabama's 9-1-1 districts.

--At the same time, those companies supporting the legislation are protecting a provision of the law that ensures that the companies are paid 20 percent of the current tax proceeds paid by Alabama consumers as reimburse for their costs of doing business. This year the wireless companies will receive more than \$4.5 million in payments from Alabama taxpayers!

--Passage of this legislation would place the financial future of Alabama's 9-1-1 programs in serious jeopardy and would establish an unequal treatment for those persons who purchase their 9-1-1 service on a "pre-paid", or non-contract, basis.

--Specifically, the bill:

REDUCES the current fee on those wireless customers who purchase their service through an on-going contract and monthly-billing system. This change will reduce the operating income of the 9-1-1 districts by more than \$2 million per year at a time when most rural 9-1-1 districts are struggling to keep answering the calls for help.

Sets a SEPARATE and UNEQUAL process for collecting a FLAT fee on customers who purchase wireless service on a "pre-paid" basis. The fee would be 65-cents on each purchase of such service regardless of the amount of service time purchased by the consumer.

Allows those who spend MORE than \$30 per month on "pre-paid" service to escape their fair share of the cost of operating 9-1-1 programs because the fee will be 65-cents per purchase transaction regardless of the amount of service time purchased.

Places a larger share of the burden on those who spend less than \$30 per month on "pre-paid" service because the flat rate of 65-cents will require those customers to bear a larger share of the burden.