



February 23, 2017

Honorable Jill N. Tokuda
Chair, Senate Committee on Ways and Means
Hawaii State Capitol
Room 207
Honolulu, HI 96813

Honorable Donovan M. Dela Cruz
Vice Chair, Senate Committee on Ways and Means
Hawaii State Capitol
Room 202
Honolulu, HI 96813

RE: Support Senate Bill 887 SD1 – 9-1-1 Prepaid Surcharge

Dear Chair Tokuda and Vice Chair Dela Cruz:

On behalf of CTIA, the trade association for the wireless communications industry, I am writing to express our support for Senate Bill 887 SD1, related to the imposition of the 9-1-1 surcharge on prepaid wireless services. We are supportive of the bill as amended with the 9-1-1 prepaid fee at 1.5% at the point-of-sale. CTIA supports a 1.5% assessment, as it is equivalent to the amount that postpaid customers currently pay. This creates equity between postpaid and prepaid wireless customers.

CTIA and the wireless industry are strong supporters of the public safety community and believe a fully-funded and efficient 9-1-1 system is in the best interest of the people of Hawaii. With the proliferation of 9-1-1 calls made from wireless devices, it is that much more imperative that those who benefit from access to the 9-1-1 system are also contributors. As such, CTIA supports the public policy that prepaid wireless consumers should be paying a 9-1-1 surcharge.

Due to the unique business model of prepaid wireless services, the only way to accurately capture the 9-1-1 surcharge is to collect the surcharge at the point-of-sale at the time of the retail transaction. The wireless industry believes that model legislation endorsed by the National Conference of State Legislatures (NCSL) in 2009 is the appropriate method in which to accurately capture this surcharge. This legislation has been adopted in 38 states and the District of Columbia.

In closing, CTIA supports equity amongst prepaid and postpaid wireless consumers. In order to reach that end-result, we are supportive of Senate Bill 887 SD1.

Thank you for the opportunity to submit testimony.

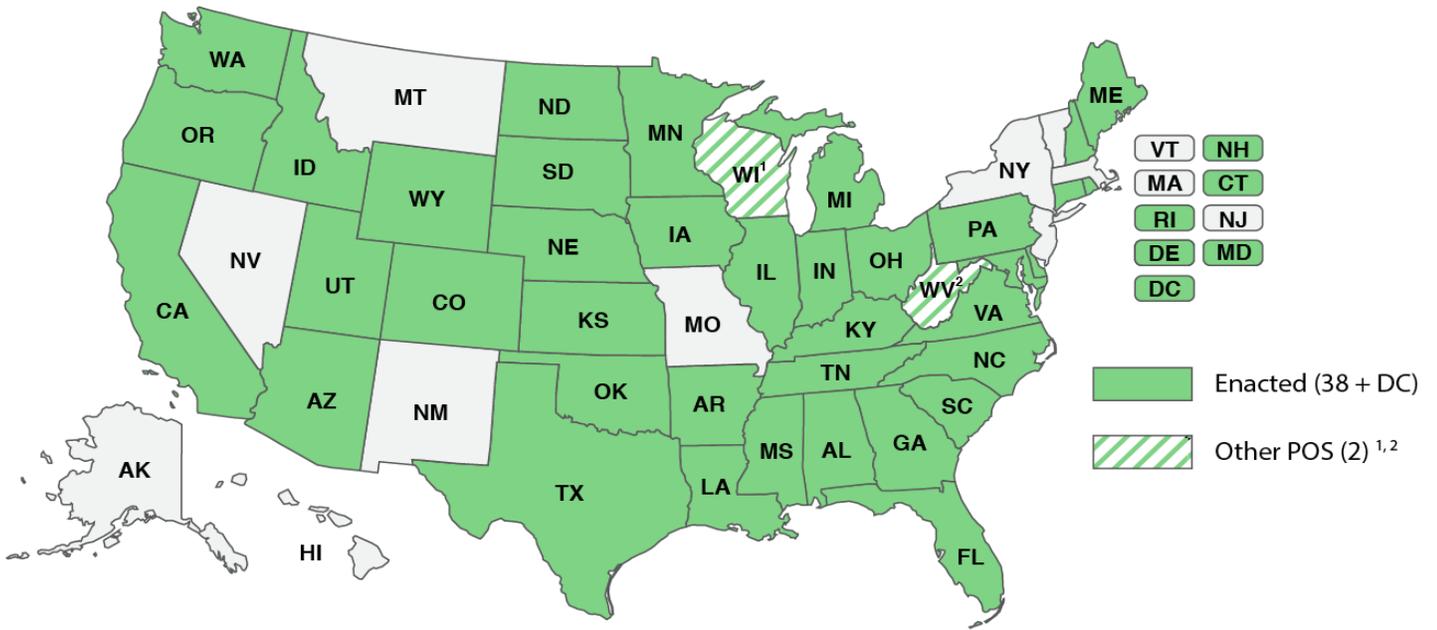
Sincerely,

A handwritten signature in black ink that reads "Bethanne Cooley". The signature is written in a cursive, flowing style.

Bethanne Cooley
Director, State Legislative Affairs
CTIA

States Trending Toward Point-of-Sale Collection of E911 Taxes and Fees on Prepaid

Prepaid Point of Sale Status



¹ Wisconsin: Police and fire protection fee at POS

² West Virginia: Sales tax in lieu of 911 fee