

# **Exhibit 3**

SIXTH ANNUAL REPORT TO CONGRESS  
ON STATE COLLECTION AND DISTRIBUTION OF  
911 AND ENHANCED 911 FEES AND CHARGES  
FOR THE PERIOD JANUARY 1, 2013 TO DECEMBER 31, 2013

Submitted Pursuant to  
Public Law No. 110-283

FEDERAL COMMUNICATIONS COMMISSION  
Thomas Wheeler, Chairman

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## I. INTRODUCTION

1. The Chairman, Federal Communications Commission (Commission),<sup>1</sup> hereby submits this Report to Congress on State Collection and Distribution of 911 and Enhanced 911 Fees and Charges as mandated by 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 sixth 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, 2013.

## II. KEY FINDINGS

2. Forty-nine states, the District of Columbia, Puerto Rico, and three Bureau of Indian Affairs (BIA) offices responded to the Commission’s data request. The following is a compilation of key findings based on the responses.

- In the calendar year 2013, states and other reporting jurisdictions collected 911/E911 fees or charges totaling approximately \$2,404,510,787.64.
- Estimates of funds collected ranged from a low of \$4,628,027.00 by Vermont to a high of \$213,215,483.00 by Texas.
- Nineteen jurisdictions report collecting 911/E911 fees at the state level, ten report collecting

<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).

fees at the local level, and twenty-two states collected fees at both the state and local levels.<sup>4</sup>

- In calendar year 2013, six states (California, Illinois, New Jersey, New York, Rhode Island, and Washington) and Puerto Rico reported diverting or transferring 911/E911 fee collections for purposes other than 911/E911.
  - Three states used a portion of 911/E911 funds to support other public safety or emergency response-related programs. California transferred funds to support activities related to the California Department of Forestry and Fire Protection. New Jersey directed funds to state homeland security and state police activities. Washington diverted funds to support computer system upgrades for the criminal history section and radio equipment for the Washington State Patrol.
  - Three states and Puerto Rico diverted a portion of 911/E911 funds for non-public safety purposes. New York and Rhode Island diverted funds to the state's general fund. Illinois diverted funds to its state public utility fund. Puerto Rico diverted funds to retire unspecified government debt.
  - The total amount of 911/E911 funds diverted by all reporting jurisdictions in calendar year 2013 is \$183,271,000.00, or approximately 8 percent of total 911/E911 fees collected.
- Thirty-two states, the District of Columbia, and Puerto Rico reported spending 911/E911 funds on Next Generation 911 (NG911) programs in calendar year 2013. The total amount of reported NG911 expenditures from 911/E911 fees is \$108,080,908.24, or approximately 4.5 percent of total 911/E911 fees collected.
- One state (Louisiana) and four territories (American Samoa, Guam, Northern Mariana Islands and United States Virgin Islands) did not respond to the Commission's data request. The Bureau also did not receive reports or statements from the following BIA Regional Offices: Alaska, Eastern, Eastern Oklahoma, Great Plains, Midwest, Navajo, Rocky Mountain, Southwest, and Western.
- The Navajo Nation Division of Public Safety filed a letter outlining the difficulties that some Indian tribes face in recovering 911 fees collected from adjoining states to fund the provision of emergency services on Indian lands.

### III. BACKGROUND

3. *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

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<sup>4</sup> The three reporting BIA regional offices (Northwest, Pacific, and Southern Plains) indicated that they do not collect 911/E911 fees.

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>

4. *Information Request.* In July 2014, the Bureau sent letters to the Governor of each state and territory, the Mayor of the District of Columbia, and the BIA Regional Directors requesting information on 911 fee collection and expenditure for calendar year 2013.<sup>6</sup> The letters requested submission of information to the Bureau by July 31, 2014. Bureau staff also met with representative of the Navajo Nation and encouraged participation by the Navajo Nation and other tribes in providing the Commission with detailed information about their access to 911 fees.

5. *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 Louisiana, American Samoa, Guam, Northern Mariana Islands, and Virgin Islands. Additionally, the Bureau received responses from three of twelve regional BIA offices regarding the status of 911/E911 funding for Indian tribes in their regions.

#### IV. DISCUSSION

6. 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 2013, how much they collected, and how they oversaw the expenditure of these funds.<sup>7</sup> The Report describes the extent to which states diverted or transferred collected 911/E911 funds to funds or 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

7. 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>8</sup> Section 6(f)(2) further requires the Commission to

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

<sup>6</sup> In April 2013, pursuant to the Next Generation 911 Advancement Act of 2012, the GAO issued a report on states’ collection and use of 911 funds. See 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). The GAO Report recommended that the Commission 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.” *Id.* at 29. In response to the GAO’s recommendations, and beginning with the 2013 Report, the Bureau took several steps to improve the collection and analysis of data in its NET 911 Reports. Consistent with GAO’s recommendation to use more closed-ended questions to obtain information from responding states, the Bureau 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 in Section IV.A. 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.

<sup>7</sup> We note that some states collect and distribute fees over the course of a fiscal year as opposed to the calendar year covered by our reports.

<sup>8</sup> NET 911 Act at §6(f)(1).

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>9</sup>

8. 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. The Bureau’s information collection form asks 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. Although some state statutes expressly authorize the diversion or transfer of some part of collected 911/E911 fees, the Bureau considers such diversions or transfers to be reportable under the NET911 Act as expenditures that are not “in support of 9-1-1 and enhanced 9-1-1 services, or enhancements of such services,” within the meaning of the Act. The report on 911/E911 fee diversion in Section D below is consistent with this interpretation.

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

9. 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. Nineteen states report that they collect E911 fees on a statewide basis. The funds are distributed to counties directly or administered directly by the state.<sup>10</sup>

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

<b>Type of Collection</b>	<b>Number of States</b>
State Collection	19
Local Authority	9
Hybrid	23
No Response	3

10. In nine states, counties and other local jurisdictions establish funding mechanisms for 911 and E911 purposes, albeit in some cases subject to state statutory requirements.<sup>11</sup> Arkansas states that the Quorum Court of each of the state’s seventy-five counties maintains oversight of and has the authority to approve the expenditure of funds collected for 911/E911 services.<sup>12</sup> In Idaho, “all of the funds collected are mandated for use by counties in accordance with Idaho Code.”<sup>13</sup> Several of the

<sup>9</sup> *Id.* at §6(f)(2). Emphasis added.

<sup>10</sup> This category includes Arizona, California, Connecticut, District of Columbia, Hawaii, Indiana, Maine, Massachusetts, Minnesota, Montana, New Hampshire, New Jersey, North Carolina, Oregon, Puerto Rico, Rhode Island, South Dakota, Virginia, and Vermont.

<sup>11</sup> This category includes Alaska, Idaho, Mississippi, Missouri, Nevada, North Dakota, Oklahoma, Wisconsin, and Wyoming.

<sup>12</sup> Arkansas Response at 3.

<sup>13</sup> Idaho Response at 3.

states that allow rates to be set at the county level were unable to provide the total amount of surcharge collection for 2012.<sup>14</sup>

11. Twenty-three states employ a hybrid approach, which allows two or more governing bodies or providers to collect surcharges from customers.<sup>15</sup> For example, in Ohio, all E911 funds are distributed to each of the 88 county 911 boards on a monthly basis, but Ohio has established a “Steering Committee and a 9-1-1 Program Office [that] has the sole authority to approve the expenditure of funds collected for E911.”<sup>16</sup> The three BIA offices did not provide a response to this question with their statement.<sup>17</sup> Michigan collects 911 fees at the state and local level, but at the local level there are additional funding mechanisms, such as county-based millages and general fund taxes, from which funds are devoted to support local 911 service provision.<sup>18</sup>

12. 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. 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 No for local collection
Alaska	No
American Samoa	DNP <sup>19</sup>
Arizona	Yes
Arkansas	No
BIA - Northwest	DNP
BIA - Pacific	DNP
BIA – Southern Plains	DNP
California	Yes
Colorado	No for local collection Yes for prepaid collection
Connecticut	Yes
Delaware	Yes

<sup>14</sup> See, e.g., Responses of Arkansas, Missouri, and Nevada.

<sup>15</sup> This category includes Alabama, Colorado, Delaware, Florida, Georgia, Illinois, Iowa, Kansas, Kentucky, Maryland, Michigan, Nebraska, New Mexico, New York, North Dakota, Ohio, Pennsylvania, South Carolina, Tennessee, Texas, Utah, Washington, and West Virginia.

<sup>16</sup> Ohio Response at 5.

<sup>17</sup> This category includes American Samoa, Bureau of Indian Affairs (BIA) –Northwest Regional Office, BIA – Pacific Regional Office, BIA – Southern Plains, Guam, Louisiana, Northern Mariana Islands, and United States Virgin Islands.

<sup>18</sup> Michigan Response at 3.

<sup>19</sup> In this and subsequent charts, states and territories that did not file a report or provide a response are indicated by “DNP.”

<b>State</b>	<b>State Approval Of Expenditures?</b>
District of Columbia	Yes
Florida	Yes
Georgia	No for local collection Yes for prepaid collection
Guam	DNP
Hawaii	Yes
Idaho	No
Illinois	No for wireline fees Yes for wireless and prepaid fees
Indiana	Yes
Iowa	Yes for wireless and prepaid
Kansas	Yes
Kentucky	No for wireline fees Yes for wireless fees
Louisiana	DNP
Maine	Yes
Maryland	Yes
Massachusetts	Yes
Michigan	Yes
Minnesota	Yes
Mississippi	Yes
Missouri	No
Montana	Yes
Nebraska	No for wireline fees Yes for wireless and prepaid fees
Nevada	No
New Hampshire	Yes
New Jersey	Yes
New Mexico	Yes
New York	Yes
North Carolina	Yes
North Dakota	No for wireline/wireless Yes for prepaid
Northern Mariana Islands	DNP
Ohio	Yes
Oklahoma	No
Oregon	Yes
Pennsylvania	Yes
Puerto Rico	Yes
Rhode Island	Yes
South Carolina	No for landline fees Yes for wireless fees
South Dakota	Yes
Tennessee	Yes
Texas	Yes



State	State Approval Of Expenditures?			
Utah	No for local collection Yes for state collection			
Vermont	Yes			
Virgin Islands	DNP			
Virginia	Yes			
Washington	Yes			
West Virginia	Yes			
Wisconsin	No			
Wyoming	No			
Totals	Yes	No	Combination	DNP
	32	8	10	8

### C. State Estimates of Collected 911/E911 Funds for 2013

13. 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, 2013. 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 that states reported collecting ranged from an estimated low of \$4,628,027.00 by Vermont to an estimated high of \$213,215,483.00 by Texas.<sup>20</sup> In total, states and territories reported collecting approximately \$2,397,321,692.88 in 911/E911 fees for calendar year 2013.

**Table 3 – Total 911/E911 Funds Collected Year End 2013**

State/Territory	Total Funds Collected (Year End 2013)
Alabama	\$41,974,723.93
Alaska	\$12,448,651.46
American Samoa	DNP
Arizona	\$16,628,695.00
Arkansas	DNP
California	\$75,714,948.00

<sup>20</sup> We note that, although the state of Nevada filed a report stating it could not provide a state total for collected 911 fees, three Nevada counties filed individual reports, which totaled approximately \$1,944,446.69. See Appendix D.

<b>State/Territory</b>	<b>Total Funds Collected (Year End 2013)</b>
Colorado	\$42,900,000.00
Connecticut	\$35,755,787.70
Delaware	\$7,786,658.53
District of Columbia	\$13,700,000.00
Florida	\$107,884,715.00
Georgia	\$18,462,645.22
Guam	DNP
Hawaii	\$9,599,983.00
Idaho	\$20,768,995.00
Illinois	\$71,200,000.00 (wireless only)
Indiana	\$73,114,655.69
Iowa	\$20,657,733.45
Kansas	\$20,573,217.00
Kentucky	\$53,506,843.30
Louisiana	DNP
Maine	\$8,034,327.32
Maryland	\$51,716,231.56
Massachusetts	\$74,561,727.61

<b>State/Territory</b>	<b>Total Funds Collected (Year End 2013)</b>
Michigan	\$178,224,825.56 <sup>21</sup>
Minnesota	\$62,056,115.98
Mississippi	\$58,175,490.31
Missouri	Does not track
Montana	\$13,099,542.00
Nebraska	\$15,663,631.18
Nevada	\$1,944,446.69 <sup>22</sup>
New Hampshire	\$10,467,786.57
New Jersey	\$121,000,000.00
New Mexico	\$11,970,079.32
New York	\$183,219,891.00
North Carolina	\$71,688,784.47
North Dakota	\$9,998,322.00
Northern Mariana Islands	DNP
Ohio	\$25,689,296.16 (wireless only)
Oklahoma	Does not track
Oregon	\$39,115,990.00

<sup>21</sup> Michigan reports that the state and local 911 specific fees totaled \$86,135,395.00. Michigan also reports several other sources of funds used to support 911 services. First, sixty-two of Michigan's 83 counties collected a county-based 911 surcharge totaling \$57,635,395.69. Second, twenty-one Michigan counties collected millages totaling \$30,522,349.63. Third, through general fund taxes, twenty-five counties collected \$60,377,985.48. Lastly, Michigan reports that the Michigan Department of Treasury reimbursed landline providers a total of \$1,189,094.76 for wireless 911 delivery pursuant to Michigan statute.

<sup>22</sup> Total amount collected by three Nevada counties – Carson, Douglas, and Washoe.

<b>State/Territory</b>	<b>Total Funds Collected (Year End 2013)</b>
Pennsylvania	\$192,779,782.15
Puerto Rico	\$19,507,889.00
Rhode Island	\$17,454,000.00 (fiscal year 2014: July 1, 2013 - June 30, 2014)
South Carolina	\$27,690,958.32 (wireless only)
South Dakota	\$13,275,031.00
Tennessee	\$98,199,801.31
Texas	\$213,215,483.00
Utah	\$29,354,710.30
Vermont	\$4,628,027.00
Virginia	\$55,212,203.72
Virgin Islands	DNP
Washington	\$95,887,087.00
West Virginia	\$58,001,074.83
Wisconsin	Does not track
Wyoming	Does not track
<b>TOTAL</b>	<b>\$2,404,510,787.64</b>

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

14. 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 – 42 states plus the District of Columbia – indicate that during calendar year 2013, or fiscal year 2013, they collected 911/E911 funds only for 911/E911 purposes.

15. Six states – California, Illinois, New Jersey, New York, Rhode Island, and Washington – and Puerto Rico report that they used collected funds, at least in part, to support programs other than 911 and E911 service in 2013. As noted below, some states have diverted or transferred funds for public safety or emergency response programs other than 911/E911, while others have diverted funds to the state general revenue fund or have used them for debt reduction. Table 5 below summarizes the estimated total fees that the six states and Puerto Rico reported diverting from 911/E911 uses. The aggregate amount of diverted funds reported by these jurisdictions is \$183,271,000.00, or eight (8) percent of all 911/E911 funds reported to have been collected by all responding states and jurisdictions in 2013.

**Table 5 – Total Funds Diverted from 911/E911 Uses in 2013**

<b>State/Territory</b>	<b>Total Funds Collected (Year End 2013)</b>	<b>Total Funds Used for Purposes Other than 911/E911</b>	<b>Percentage Diverted</b>
California	\$75,714,948.00	\$6,878,000.00	9%
Illinois	\$71,200,000.00	\$9,000,000.00	13%
New Jersey	\$121,000,000.00	\$107,000,000.00	88%
New York	\$183,219,891.00	\$20,000,000.00	11%
Puerto Rico	\$19,507,889.00	\$12,000,000.00	62%
Rhode Island	\$17,454,000.00 (fiscal year 2013)	\$12,093,000.00 (fiscal year 2013)	69%
Washington	\$95,887,087.00	\$16,300,000.00	17%
<b>Total</b>	<b>\$583,983,815.00</b>	<b>\$183,271,000.00</b>	<b>31%</b>
<b>Percent Diverted From Total Funds Collected by All States</b>			
<b>Total</b>	<b>\$2,404,510,787.64</b>	<b>8%</b>	

16. California states that although “all funds collected have been used exclusively for the purposes designated by the funding mechanism in support of 911,” some funds were appropriated by the California Department of Forestry and Fire Protection (CAL FIRE).<sup>23</sup> According to California, although “CAL FIRE’s use of the [State Emergency Telephone Number Account] was not specific to the intent for 911 related expenditures, the equipment purchased is for use at emergency dispatch centers in response to 911 call activity.”<sup>24</sup>

<sup>23</sup> California Response at 3.

<sup>24</sup> *Id.* According to California, “in FY12/13 CAL FIRE’s appropriation was \$6.878 million with various appropriations in previous fiscal years from the State Emergency Telephone Number. The appropriations were to purchase and install new hardware and computer aided dispatch (CAD) software at CAL FIRE’s Emergency (continued....)

17. Illinois reported that \$9 million was “legislatively transferred out of the Wireless Services Emergency Fund to Public Utility Fund for costs associated with the oversight of public utilities and the 911 program.”<sup>25</sup>

18. According to New Jersey, “the funds collected from the 9-1-1 System and Emergency Response Fee are deposited in the 9-1-1 System and Emergency Trust Fund Account and applied to offset the costs of the specific departmental programs and activities.”<sup>26</sup> Although New Jersey indicated in its report that all collected funds were made available or used solely for purposes designated by the funding mechanism designated for or imposed for the purposes of 911 or E911 support or implementation, it states that, “as allowed by the enabling legislation [Public Law 2004, c.48] . . . [n]early 11% of the fees collected support the State’s cost of the Statewide 911 Emergency Telephone System (~\$12M) and the operating budget of the Office of Emergency Telecommunications Services (~\$1M). Beyond the amounts provided to E9-1-1 programs, the remaining funds (~\$107M) are used to support emergency response activities, including Homeland Security and State Police, consistent with the fee’s enabling legislation.”<sup>27</sup>

19. New York states that during its fiscal year 2013-2014, “\$20 million was transferred from the balance of the State Wireless Telephone Emergency Account, to the state’s General Fund [and] the transfer of these funds was authorized by statute and did not affect the ability of the State to reimburse municipalities for approved E-911 expenditures or otherwise support its several E-911 programs.”<sup>28</sup>

20. Puerto Rico reports that during the 2013-2014 fiscal year, Puerto Rico amended its 9-1-1 Calls Act (25 L.P.R.A 1911) with a statute ordering the 9-1-1 Service Government Board “to contribute to the Government debt by donating \$12 million dollars to the ‘Legal Responsibility Fund’.”<sup>29</sup> According to Puerto Rico, this fund has “the purpose of obtaining funds from different government agencies to pay off government old debt. The Act was approve [sic] and the 911 Board was obligated to transfer the \$12 million dollars to this fund, five (5) days after the Act approval.”<sup>30</sup>

21. Rhode Island states that of a total of \$17,454,000.00 that the state collected for E911 surcharges, “E911 expended approximately \$5,361,000.00 from state appropriations [and] the remainder, approximately \$12,093,000.00, went to the State’s General Fund and was used for purposes other than for E911’s operation. Additionally, the agency is supported by the Department of Administration for many administrative services that it is not charged for [including] payroll processing, accounts payable processing, and financial reporting.”

22. Washington states that in 2013, “the Washington State Legislature allocated \$10.8 million dollars from the state enhanced 911 account to the Washington State Military Department for operating expenses, and \$3.5 million dollars were allocated to fund computer system upgrades for the criminal history section of the Washington State Patrol.”<sup>31</sup> Further, Washington reports that in 2012,

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Command Centers. In addition redundant hardware and a CAD system were purchased and installed at their Fire Academy, which is used for training.” *Id.*

<sup>25</sup> See Illinois Response at 7.

<sup>26</sup> New Jersey Response at 5.

<sup>27</sup> *Id.* at 4-5.

<sup>28</sup> New York Response at 3.

<sup>29</sup> Puerto Rico Response at 6.

<sup>30</sup> *Id.*

<sup>31</sup> Washington Response at 4.

“the Washington State Legislature allocated \$2 million dollars from the state enhanced 911 account to fund radio equipment for the Washington State Patrol -- however, those funds were not expended until 2013 so were not included in last year’s submission.”<sup>32</sup> According to Washington, “changes were made simultaneously to state statutes to allow these specific purchases/needs as an authorized use of 911 funds under state law [but] all other 2013 E911 excise taxes collected at the state and local level were used for the expressed support, implementation, and operation of the 911 system.”<sup>33</sup>

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

<sup>33</sup> *Id.*

23. During the six 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 purposes other than 911/E911 technology, services, and operations. Table 6 identifies the states that have diverted 911 fees as reported in the Commission’s annual reports for each of the past six years. As indicated, the number of states reporting fee diversions has fluctuated from year to year. In addition, in 2013, the Commission modified and improved its information collection process to obtain more detailed information from states regarding their use of funds for non-911/E911 purposes.<sup>34</sup> Although the general trend with respect to fee diversion over the past six years has been downward, the number of states/jurisdictions that diverted funds increased to seven in 2013 compared to four states in 2012.

**Table 6 – States Reporting Diversion of 911/E911 Funds (2009-2014)**

<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>2014 Report</b>
<b>States</b>	Illinois Maine Montana New York Oregon Rhode Island Tennessee Wisconsin	Arizona Delaware Georgia Hawaii Illinois Nebraska New York Oregon Rhode Island Wisconsin	Arizona Georgia Illinois Maine New York Oregon Rhode Island	Arizona Georgia Illinois Maine New York Rhode Island	Illinois Kansas New York Rhode Island	California Illinois New Jersey New York Puerto Rico Rhode Island Washington
<b>Total</b>	<b>8</b>	<b>10</b>	<b>7</b>	<b>6</b>	<b>4</b>	<b>7</b>

#### **E. Next Generation 911**

24. 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 they expended funds on NG911 in 2013. With respect to classifying NG911 as within the scope of permissible expenditures, forty-six respondents indicated that their 911 funding mechanism allows for distribution of 911 funds for the implementation of NG911. Four respondents (Montana, Nebraska, Ohio, and Wyoming)

<sup>34</sup> See note 6, *supra*. As recommended by the GAO, the Bureau’s revised information collection form requires states to provide specific information on the nature of expenditures for purposes other than 911/E911, even when such purposes are deemed permissible under the state’s 911 funding statute. The improved information collection may have caused more states to report this year than in previous years that they diverted 911 funds to non-911 public safety programs. Thus, while prior reports have generally identified states that have diverted funds for non-public safety purposes, such as transfer of funds to the state general fund, they may not have fully captured public safety-related diversions for those reporting years.



reported that their funding mechanism does not allow for the use of 911 funds for NG911 implementation.

25. Of the states that indicated that their funding mechanism allows for NG911 funding, thirty-two states, the District of Columbia, and Puerto Rico indicated that they used 911 funds for NG911 programs in 2013. Table 7 shows the general categories of NG911 expenditures that respondents reported supporting with 911/E911 funds, although most respondents did not specify NG911 expenditures by category.

**Table 7 – Number of States Indicating One or More Areas of NG911 Investment**

General Project or Not Specified	Planning or Consulting Services	Hardware or Software Purchases/Upgrades	GIS Mapping	ESInet Construction	Training	NG Security Planning
17	6	7	1	3	1	1

26. Table 8 shows the NG911-related expenditures reported by thirty-two states, the District of Columbia, and Puerto Rico. Collectively, these jurisdictions spent approximately \$108,080,908.24 on NG911 programs, or approximately 4.5 percent of total 911/E911 fees collected. Fourteen states reported that 911/E911 fees may be used for NG911 purposes, but did not report any state expenditure on NG911-related programs.<sup>35</sup>

**Table 8 – Funds Spent on Next Generation 911 Programs**

State	Amount Spent	State Description of Projects
AL	\$711,299.97	“During the annual period ending December 31, 2013, our state has expended a total of \$711,299.97 on the Alabama Next Generation Emergency Network (ANGEN) project.” <sup>36</sup>
CA	\$4,028,717.00	“For the annual period ending on December 31, 2013, California has expended a total of \$4,028,717 on Next Generation 911 pilot projects.” <sup>37</sup>
CT	\$1,440,000.00	“Connecticut expended \$1.44 Million in the annual period ending December 31, 2013 on Next Generation 911 programs and implementation.” <sup>38</sup>

<sup>35</sup> The fourteen states that reported being authorized to spend 911/E911 funds on NG911 but did not make such expenditures in 2013 are Alaska, Colorado, Georgia, Idaho, Illinois, Mississippi, Missouri, New Hampshire, New Jersey, New York, South Carolina, Utah, Wisconsin, and West Virginia.

<sup>36</sup> Alabama Response at 7.

<sup>37</sup> California Response at 4.

<sup>38</sup> Connecticut Response at 5.

State	Amount Spent	State Description of Projects
DC	\$8,000.00	“The Office of Unified Communications has expended less than \$8000.00 developing Next Generation 911 during the calendar year ending December 31, 2012.” <sup>39</sup>
DE	\$4,000,000.00	“Through the course of 2013 the State of Delaware has invested over \$4 million on Next Generation 911 technology.” <sup>40</sup>
FL	\$15,231,611.00	Not specified
HI	\$162,450.00	“Hawaii [has] implemented a statewide NG 9-1-1 network as of January 28, 2014, with expenditures for NG 9-1-1 beginning in November 2013 and totaling \$162,450.” <sup>41</sup>
IA	\$13,313,259.59	“The State of Iowa has expended at total of \$12,463,022.16 for network costs and PSAP distribution, along with \$850,237.43 from the carryover grant program to assist in equipment upgrades to the PSAPs.” <sup>42</sup>
KS	\$66,010.81	“911 fees generated on prepaid wireless fees are deposited into a state grant fund pursuant to K.S.A. 12-5374. \$66,010.81 of these funds were utilized during the 2013 annual period for consultation services for statewide Next Generation 911 planning purposes.” <sup>43</sup>
KY	\$2,900,000.00	“CMRS grant funds awarded in 2013 were used for NG911 like “interim” solutions including the acquisition of NG enabled CPE and the provisioning of host/remote 911 telephony (eliminating stand alone operations) in 38 PSAPs. Grant funds were awarded on the basis of being compliant with our NG911 State Plan. Awards totaled \$2.9 million. Additional grant funds are reserved for GIS mapping projects that will be using new NG911 mapping data standards.” <sup>44</sup>

<sup>39</sup> District of Columbia Response at 4.

<sup>40</sup> Delaware Response at 4.

<sup>41</sup> Hawaii Response at 7.

<sup>42</sup> Iowa Response at 4.

<sup>43</sup> Kansas Response at 4-5.

<sup>44</sup> Kentucky Response at 6-7.

State	Amount Spent	State Description of Projects
MA	\$90,581.00	<p>“Funds have been expended for Next Generation 911 programs, and funds in the amount of \$90,581 have been expended in the annual period ending December 31, 2013 on Next Generation 911 programs. The expenditures . . . relate to funding for the [Massachusetts State 911] Department’s Next Generation 911 consultant to assist with the implementation of the Next Generation 911 project. The Department is also coordinating in the efforts to develop, design, and implement a high speed fiber optic network in Western and parts of Central Massachusetts to ensure that the needs of the State 911 Department and its PSAPs are addressed and incorporated in the overall development and design of the fiber optic network. This network will prepare the PSAPs for transition to Next Generation 911 and will allow for more effective and efficient management of system updates, recordings, and overall system maintenance and monitoring. The Department is also funding additional dedicated resources for MassGIS, a department within the Commonwealth’s 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>45</sup></p>
MD	\$8,625,642.37	<p>“The Emergency Number Systems Board continues to examine and monitor national standards surrounding the development of Next Generation 9-1-1 (NG911) system elements that would capture the benefits of expanding mobile and data communications technologies, as well as continuing to provide or enhance existing 9-1-1 functionality. The 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. During 2013 the Board obligated or expended \$8,625,642.37 on NG911 enabled or ready phone systems and NG911 enhanced logging recorders for Maryland Primary and Secondary PSAPs.”<sup>46</sup></p>

<sup>45</sup> Massachusetts Response at 6.

<sup>46</sup> Maryland Response at 5-6.

State	Amount Spent	State Description of Projects
ME	\$1,734,054.00	“The State of Maine expended \$1,734,054.00 on Next Generation 911 programs during this time period. This expenditure was a General Fund Appropriation, not E911 Surcharge Funds.” <sup>47</sup>
MI	\$37,053.92	<p>“In the annual period ending December 31, 2013, the State of Michigan spent approximately \$37,053.92 on NG911 programs. (This figure does not include the services, programs, and opportunities provided directly by the State 911 Committee and its administrative staff in the process of preparing Michigan’s migration to NG911.) Other activity to move Michigan towards NG911:</p> <ul style="list-style-type: none"> <li>• In 2013, approximately \$37,053.92 was expended by the State 911 Office in consulting services to review a migration path for Michigan. This included the development, issuance, and preliminary evaluation of responses to an RFI for a state-managed NG911 network backbone.</li> <li>• Legislation for NG911 governance is still in development and legislative introduction is still pending.</li> <li>• Work by the State 911 Committee and its subcommittees included the initial development of a model Best Practices document for text-to-911 for Michigan PSAPs.</li> <li>• The State 911 Committee and its staff’s activity included educational sessions throughout the state on 911 technical and operational issues regarding NG911 and 911 funding compliance.”<sup>48</sup></li> </ul>
MN	\$5,231,299.75	Not specified
NC	\$567,380.00	Not specified
NJ	\$62,467.60	“\$62,467.60 in consultant costs to develop a report titled “Current Next Generation 9-1-1 Activities, Trends and Recommendations.” <sup>49</sup>
NM	\$845.43	“During the annual period ending December 31, 2013, the New Mexico E911 Program expended a total of \$845.43 on Next Generation for completion of a Next

<sup>47</sup> Maine Response at 4.

<sup>48</sup> Michigan Response at 6.

<sup>49</sup> New Jersey Response at 7.

State	Amount Spent	State Description of Projects
		Generation Security (NG-SEC) compliant security plan.” <sup>50</sup>
NV	\$1,056,860.41	“Washoe County's actual expenditures from January 1, 2013 through December 31, 2013 were \$1,056,860.41 for Next Generation 911 implementation and maintenance through the vendor Intrado Inc. Additional costs are incurred to keep Washoe County's three primary Public Safety Answering Points (PSAPs) - Washoe County and the cities Reno and Sparks call recording systems and dispatch software up to date.” <sup>51</sup> (Washoe County only)
OR	\$195,734.07	“The State of Oregon 9-1-1 Program has the authority to expend funds for the initiation and pre-planning phases of NG 9-1-1 and as such has expended \$195,734.07 for consultation services to develop an RFI, RFP and Project Management documents for future migration to NG9-1-1, during the annual period ending December, 31, 2013.” <sup>52</sup>
PA	\$780,189.20	“For State Fiscal Year 2013-14, the Commonwealth of Pennsylvania approved \$475,000 in wireless surcharge revenue for PSAPs to conduct Next Generation 9-1-1 needs assessments. The Commonwealth itself expended \$305,189.20 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. These networks will make up part of the backbone of the statewide Next Generation 9-1-1 system in Pennsylvania.” <sup>53</sup>
PR	\$2,384,912.12	“The Next Generation 911 system is of \$3836993.61 over a three year period. For the period ending December 31, 2013 the amount invested was \$2,384,912.12. The Board obtained the approval for the disbursement of funds from the National Highway Traffic Safety Administration (NHTSA) to receive

<sup>50</sup> New Mexico Response at 4.

<sup>51</sup> Nevada Response at 4.

<sup>52</sup> Oregon Response at 7.

<sup>53</sup> Pennsylvania Response at 12.

State	Amount Spent	State Description of Projects
		funds granted by the E911 Grant in the amount of \$500,000.” <sup>54</sup>
RI	\$16,000.00	“RI E 9-1-1 has expended approximately \$16,000.00 on our annual maintenance and updates for our Solacom Selective Router, which is piece of hardware that supports our NG911 initiative.” <sup>55</sup>
SD	\$152,190.00	Not specified
TN	\$16,012,818.00	Not specified
TX	\$15,033,162.00	<p>“For the 2013 calendar year, the amounts expended on NG9-1-1 are as follows:</p> <p>State 9-1-1 Program: Six RPCs spent a total of \$6,705,240 in allocated 9-1-1 funds on NG9-1-1 related to implementation of regional Emergency Services Internet Protocol Networks (ESInets).</p> <p>772 ECDs: \$8,211,754 in 9-1-1 funds on NG9-1-1 related to implementation of regional ESInets.</p> <p>Municipal ECDs: \$116,168.”<sup>56</sup></p>
VA	\$260,000.00	“For the annual period ending December 31, 2013, the Commonwealth has expended \$260,000 on Next Generation 911 programs. The Commonwealth has also appropriated funding for a NG9-1-1 Feasibility study, which will be completed in calendar year 2014.” <sup>57</sup>
VT	\$4,628,027.00	Not specified
WA	\$9,350,343.00	“Washington State expended funding in 2013 on both the continued 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. The state expended

<sup>54</sup> Puerto Rico Response at 6.

<sup>55</sup> Rhode Island Response at 4.

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

<sup>57</sup> Virginia Response at 6.

State	Amount Spent	State Description of Projects
		\$9,350,343 on Next Generation 911 programs in the annual period ending December 31, 2013.” <sup>58</sup>
<b>Total</b>	<b>\$108,080,908.24</b>	

## F. Indian Tribes

27. 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.

28. The Navajo Nation Telecommunications Regulatory Commission (NNTRC) filed comments in response to the release of the Fifth Annual Report, and the Navajo Division of Public Safety (NDPS) filed a supplemental letter detailing recent challenges the Navajo Nation is experiencing as it attempts to implement a 911 program on tribal lands.<sup>61</sup> Because the Navajo Nation spans portions of three states - Arizona, New Mexico and Utah - its members are subject to one of three separate 911 assessments.<sup>62</sup> The NDPS asserts that historically none of the revenue raised by these fees has been shared with the Navajo Nation and, in the case of Arizona, revenue raised in excess of the needs of other local jurisdictions in the state has been diverted to the state general fund.<sup>63</sup> According to NDPS, members living on tribal lands do not have access to 911 service but the fees they pay on their service subsidize the general fund of the state of Arizona.<sup>64</sup>

29. NDPS states that the Navajo Nation has embarked on a comprehensive effort to establish a 911 system within the Nation, working with Arizona, New Mexico, and Utah. Nevertheless, NDPS suggests that the states that have collected 911 fees from Nation members should reimburse them.<sup>65</sup> NDPS further recommends that “until telephone penetration and E911 Services in Indian Country are on par with the rest of the United States, the Navajo Nation and all recognized tribes will need full support of the USF fund and a funding mechanism from the Bureau of Indian Affairs and [the Commission] for effective telecommunications and 911 services.”<sup>66</sup> In addition to continuing to review

<sup>58</sup> Washington Response at 5.

<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> BIA – Northwest Regional, Pacific Regional, and Southern Plains Offices replied to the information request.

<sup>61</sup> NNTRC Comments; *See in Appendix D* Letter from John H. Billison, Director, Division of Public Safety, Navajo Nation to David Simpson, Federal Communications Commission (delivered Dec. 12, 2014) (*NDPS Letter*).

<sup>62</sup> NNTRC Comments at 1.

<sup>63</sup> *NDPS Letter* at 2. We note that Arizona’s filing in response to this year’s data collection does not report any transfer or diversion of collected fees or surpluses stemming from previously collected but unused fees into the state’s general fund.

<sup>64</sup> *Id.*

<sup>65</sup> *Id.*

<sup>66</sup> *Id.* at 3.

the diversion of 911 fees for non-911 system related expenditures, NDPS also requests that “the Commission review and work to eliminate barriers that have prevented Tribal Nations from implementing 911 service plans that require approval by States – which NDPS notes is a condition precedent for access to the revenues from excise taxes that tribal members pay while receiving no benefit.”<sup>67</sup> Lastly, NDPS requests that the Commission study the feasibility of establishing “Special Federal Districts under the jurisdiction of the FCC to oversee the providing and funding of 911 services in Indian Country.”<sup>68</sup>

30. As indicated below, upon release of this report to the public, we will seek comment on the findings and will seek specific comment on the issues raised by the Navajo Nation.

#### **G. Public Comments on 2013 Fifth Annual Report**

31. On January 24, 2014 the Commission issued a Public Notice seeking Comment on the 2013 Fifth Annual Report.<sup>69</sup> The Commission received input from five commenters.<sup>70</sup> According to iCERT, the annual reports to Congress are widely disseminated and relied upon by the emergency communications industry.<sup>71</sup> Nevertheless, commenters express concern that some states are not properly describing the allocation of collected fees. iCERT, for example, is concerned with perceived discrepancies in the data provided by some states.<sup>72</sup> According to the New Jersey Wireless Association (NJWA), the “vast majority of the \$1 billion of collected 911 fees [between 2006 and 2013] have been appropriated to offset the operating budget of the NJ State Police.”<sup>73</sup> NJWA argues that “Congress, with its adoption of the NET911 Act of 2008, had not intended for 911 Fees to be used for funding of First Responder Operating Expenses” but instead is “geared toward the implementation and operation of 911 networks and call processing.”<sup>74</sup> NJWA recommends that the Commission and Congress clarify the definitions within or related to the NET911 Act and, more specifically, the definition of “expenditures” under the Act and the intended use of those expenditures.<sup>75</sup> Lastly, MCP recommends that the Commission develop an automated or online entry system through which states could submit their data and provide built-in auditing and validation tools.<sup>76</sup>

32. Commenters believe that revisions to FCC’s collection questionnaire would address these perceived shortfalls in the clarity of the data that states submit. Mission Critical Partners (MCP) states that, “although the data collected by the Commission provides some baseline that was unavailable

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

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

<sup>69</sup> FCC Seeks Public Comment on Fifth Annual Report to Congress on State Collection and Distribution of 911 and Enhanced 911 Fees and Charges, Public Notice, 29 FCC Rcd 493 (Jan.24, 2014), available at <http://apps.fcc.gov/ecfs/document/view?id=7521067727>.

<sup>70</sup> The Commission received comments from Mission Critical Partners, the New Jersey Wireless Association, TracFone, the Navajo Nation Telecommunications Regulatory Commission, iCERT, and Robert Daniel.

<sup>71</sup> iCERT Comments at 2.

<sup>72</sup> *Id.* at 3-4 (addressing the filings of Alabama, Illinois, Michigan, and Maine). *See also* TracFone Comments at 3 (generally objecting that while the Fifth Report contained detailed information regarding the distribution of 911 fees, it contained limited information regarding the amount of fees from different classes of service providers).

<sup>73</sup> NJWA Comments at 2, Appendix A.

<sup>74</sup> *Id.* at 2. *See also* Robert Daniel at 1.

<sup>75</sup> NJWA Comments at 2-3.

<sup>76</sup> MCP Comments at 2;



prior to the NET 911 Act, the data remains inadequate to provide anything more than a macro perspective of 9-1-1 funding across the states.”<sup>77</sup> MCP suggests that the Commission consider collecting additional data elements including the total number of PSAPs in the state or jurisdiction, the revenue and remittance models in place, the eligible uses of funds, total “calltaking” positions; the volume of 911 calls in the state or jurisdiction, and funding issues endemic to each state or jurisdiction.<sup>78</sup> Similarly, TracFone urges the Commission to collect information from states regarding how 911 service is funded, particularly with respect to non-billed services such as pre-paid wireless service and include such information in future reports.<sup>79</sup>

33. Regarding the collection of information related to Next Generation 911 services, MCP states that NG911 systems “are clearly not being deployed consistently across the nation” and “9-1-1 funding levels are not keeping pace with the rising costs of the legacy networks, let alone providing additional funds for the deployment of NG9-1-1 networks and equipment.”<sup>80</sup> MCP encourages the Commission to seek funding for regional and statewide planning of NG911 networks, as well as efforts to coordinate the interconnection of locally controlled networks.<sup>81</sup> NJWA highlights several issues with the prioritization and the administration of expenditures from the NJ 911 Trust Fund, including that the “State of New Jersey has allocated no funds to the planning or implementation of a Statewide NG911 network, impacting the deployment of networks enhancements to support services such as text-to-911.”<sup>82</sup> iCERT and TracFone state that the Commission should seek to gather information regarding the collection of fees (particularly with regard to non-billed services such as pre-paid wireless service).<sup>83</sup>

34. *Discussion.* Commenters provide a number of useful suggestions for improving the Commission’s annual information collection and reporting. Although the NET911 Act requires this annual report to be prepared for Congress, the Commission must seek authority from the Office of Management and Budget (OMB) to conduct the information collection associated with the report, consistent with the requirements of the Paperwork Reduction Act.<sup>84</sup> The Commission’s current OMB information collection authorization expires on May 31, 2015, and the Bureau will be seeking renewal of that authority from OMB prior to next year’s information collection. As part of the renewal application to OMB, the Bureau intends to submit a revised questionnaire that will seek more detailed information from states about how they collect and allocate fees and about the expenditure of funds, including diversion of fees to general fund, public safety or other uses. The Bureau also intends to include more detailed questions regarding text-to-911 and NG911 implementation and funding. The Commission believes that these substantive revisions to future information collections will enhance the Bureau’s ability to analyze the state of 911 and NG911 funding. In addition, they will provide Congress with additional resources and data by which to judge the efficiency, transparency and

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<sup>77</sup> *Id.* See also iCERT at 2 (asserting that the information states submit is “not complete and accurate” and recommending that the Commission modify its information collection form to gather additional underlying data).

<sup>78</sup> MCP Comments at 3-4. See also iCERT Comments at 5.

<sup>79</sup> TracFone Comments at 3. See also iCERT Comments at 5.

<sup>80</sup> MCP Comments at 5.

<sup>81</sup> *Id.*

<sup>82</sup> NJWA Comments at 3.

<sup>83</sup> iCERT Comments at 3; TracFone Comments at 3.

<sup>84</sup> 44 U.S.C. 3501-3520.

accountability in the collection and expenditure of 911 fees and charges, and to correlate state 911 investments with actions to address identified 911 shortfalls.

**V. PUBLIC COMMENTS REGARDING THE 2014 SIXTH ANNUAL REPORT**

35. 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.

**VI. CONCLUSION**

36. The Commission is pleased to have the opportunity to report to Congress on the state of 911 fee collection and distribution. Generally, the states report that in 2013, most of the 911/E911 fees collected by the states were in fact used to fund 911/E911 services. However, seven states that responded to the Commission's data collection reported using, or potentially using, 911 fees to support general fund, public safety-related, or other activities. This year, the Commission received substantive information from the Navajo Nation detailing the special challenges that Indian Tribes face in obtaining a proportionate allocation of fees collected by states. As per past practice, the Commission intends to release this report to the public.

## 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.



Federal Communications Commission  
Washington, D.C. 20554

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

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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.

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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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Washington, D.C. 20554

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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.

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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.*

**I**

YES	NO

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

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



Federal Communications Commission  
Washington, D.C. 20554

YES	NO

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

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

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## Appendix B

### Summary of State Responses Regarding 2013 Collections

State/Territory	Type of Fund Collection	State Approval of Expenditures Required	Total Funds Collected (Year End 2013)	Total Funds Used for Other Purposes	Funding of NG911 Permissible under 911/E911 Funding Authority	Total Funds Used for NG911
Alabama	Hybrid	Yes for state collection No for local collections	\$41,974,723.93	None	DNP	\$711,299.97
Alaska	Local	No	\$12,448,651.46	None	Yes	None
American Samoa	DNP	DNP	DNP	DNP	DNP	DNP
Arizona	State	Yes	\$16,628,695.00	None	Yes	None
Arkansas	Local	No	DNP	None	Yes	None
California	State	Yes	\$75,714,948.00	\$6,878,000.00	Yes	\$4,028,717.00
Colorado	Hybrid	No	\$42,900,000.00 (est.)	None	Yes	The state does not expend 9-1-1 surcharge funds. Some local 9-1-1 Authorities have spent 911 surcharge funds on NG911 projects, but the total spent on such projects is not known.



<b>State/Territory</b>	<b>Type of Fund Collection</b>	<b>State Approval of Expenditures Required</b>	<b>Total Funds Collected (Year End 2013)</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>
Connecticut	State	Yes	\$35,755,787.00	None	Yes	\$1,440,000.00
Delaware	Hybrid	Yes	\$7,786,658.53	None	Yes	\$4,000,000.00
District of Columbia	State	Yes	\$13,700,000.00	None	Yes	\$8,000
Florida	Hybrid	Yes	\$107,884,715.00	None	Yes	County-based Expenditures: \$15,231,611.00
Georgia	Hybrid	No	\$18,462,645.22	None	Yes	None
Guam	DNP	DNP	DNP	DNP	DNP	DNP
Hawaii	State	Yes	\$9,599,983.00	None	Yes	\$162,450.00
Idaho	Local	No	\$20,768,995.00	None	Yes	None

State/Territory	Type of Fund Collection	State Approval of Expenditures Required	Total Funds Collected (Year End 2013)	Total Funds Used for Other Purposes	Funding of NG911 Permissible under 911/E911 Funding Authority	Total Funds Used for NG911
Illinois	Hybrid	No	\$71,200,000.00 (wireless only)	During state fiscal year 2014, \$9 million was legislatively transferred out of the Wireless Services Emergency Fund to the Public Utility Fund for costs associated with the oversight of public utilities and the 911 program..	Yes	None
Indiana	State	Yes	\$73,114,655.69	None	Yes	None
Iowa	Hybrid	Yes for wireless	\$20,657,733.45 (wireless and prepaid only)	None	Yes	\$13,313,259.59
Kansas	Hybrid	Yes	\$20,573,217.00	None	Yes	\$66,010.81

State/Territory	Type of Fund Collection	State Approval of Expenditures Required	Total Funds Collected (Year End 2013)	Total Funds Used for Other Purposes	Funding of NG911 Permissible under 911/E911 Funding Authority	Total Funds Used for NG911
Kentucky	Hybrid	Yes for wireless No for wireline	\$53,506,843.30 <sup>85</sup>	None	Yes	\$2,900,000.00
Louisiana	DNP	DNP	DNP	DNP	DNP	DNP
Maine	State	Yes	\$8,034,327.32	None	Yes	\$1,734,054.00
Maryland	Hybrid	Yes	\$51,716,231.56	None	Yes	\$8,625,642.37
Massachusetts	State	Yes	\$74,561,727.61	None	Yes	\$90,581.00
Michigan	Hybrid	Yes	\$178,224,825.56	None	Yes	\$37,053.92
Minnesota	State	Yes	\$62,056,115.98	None	Yes	\$5,231,299.75
Mississippi	Local	No	\$58,175,490.31	None	Yes	None
Missouri	Local	No	Does not track	None	Yes	None
Montana	State	Yes	\$13,099,542.00	None	No	None

<sup>85</sup> This total is based on Kentucky's estimate that, on a statewide basis, local authorities collected approximately \$28,000,000.00 and the state's 911 fee per wireless service connection, which generated approximately \$25,506, 843.30.

State/Territory	Type of Fund Collection	State Approval of Expenditures Required	Total Funds Collected (Year End 2013)	Total Funds Used for Other Purposes	Funding of NG911 Permissible under 911/E911 Funding Authority	Total Funds Used for NG911
Nebraska	Hybrid	No for wireline Yes for wireless	\$15,663,631.18	None	No	None
Nevada	Local	No	<u>Carson City:</u> \$221,576.09  <u>Washoe County:</u> \$1,573,181.76  <u>Douglas County:</u> \$149,688.84  <u>Total:</u> \$1,944,446.69	None	Yes	\$1,056,860.41
New Hampshire	State	Yes	\$10,467,786.57	None	Yes	None
New Jersey	State	Yes	\$121,000,000.00	\$107,000,000.00	Yes	\$62,467.60
New Mexico	Hybrid	Yes	\$11,970,079.32	None	Yes	\$845.43
New York	Hybrid	Yes	\$183,219,891.00	\$20,000,000.00	Yes	None
North Carolina	State	Yes	\$71,688,784.47	None	Yes	\$567,380.00.

<b>State/Territory</b>	<b>Type of Fund Collection</b>	<b>State Approval of Expenditures Required</b>	<b>Total Funds Collected (Year End 2013)</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>
North Dakota	Local	Yes	\$9,998,322.00	None	Yes	None
Northern Mariana Islands	DNP	DNP	DNP	DNP	DNP	DNP
Ohio	Hybrid	Yes	\$25,689,296.16	None	No	None
Oklahoma	Local	No	Does not track	DNP	DNP	DNP
Oregon	State	Yes	\$39,115,990.00	None	Yes	\$195,734.07
Pennsylvania	Hybrid	Yes	\$192,779,782.15	None	Yes	\$780,189.20 (fiscal year 2013-2014)
Puerto Rico	State	Yes	\$19,507,889.00	\$12,000,000.00	Yes	\$2,384,912.12
Rhode Island	State	Yes	\$17,454,000.00 (fiscal year 07/12 - 06/13)	\$12,093,000.00 (as of fiscal year ended June 30, 2013)	Yes	\$16,000.00
South Carolina	Hybrid	Yes	\$27,690,958.32 (wireless only)	None	Yes	Unknown
South Dakota	State	Yes	\$13,275,031.00	None	Yes	\$152,190.00

State/Territory	Type of Fund Collection	State Approval of Expenditures Required	Total Funds Collected (Year End 2013)	Total Funds Used for Other Purposes	Funding of NG911 Permissible under 911/E911 Funding Authority	Total Funds Used for NG911
Tennessee	Hybrid	Yes	\$98,199,801.31	None	Yes	\$16,012,818.00
Texas	Hybrid	Yes	\$213,215,483.00	None	Yes	\$15,033,162.00
Utah	Hybrid	No for local Yes for state	\$29,354,710.30 <sup>86</sup>	None	Yes	None
Vermont	State	Yes	\$4,628,027.00	None	Yes	\$4,628,027.00
Virginia	State	Yes	\$55,212,203.72	None	Yes	\$260,000.00
Virgin Islands	DNP	DNP	DNP	DNP	DNP	DNP
Washington	Hybrid	Yes	\$95,887,087.00	\$16,300,000.00	Yes	\$9,350,343.00
West Virginia	Hybrid	Yes	\$58,001,074.83	None	Yes	None

<sup>86</sup> Utah's filed report states that it collected \$2,935,471.03. *See* Utah Response in Appendix D. After filing its report, Utah verbally corrected its filing with Bureau staff, reporting that the state had collected approximately \$29,354,710.30.

<b>State/Territory</b>	<b>Type of Fund Collection</b>	<b>State Approval of Expenditures Required</b>	<b>Total Funds Collected (Year End 2013)</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>
Wisconsin	Local	Yes	Does not track	None	Yes	DNP
Wyoming	Local	No	Does not track	Does not track	No	Does not track

## Appendix C

### Overview of Total State 911 Fees - 2009 to 2014 Reports

State/Territory	2009 Report	2010 Report	2011 Report	2012 Report	2013 Report	2014 Report
Alabama	\$60,465,103.67	\$29,857,571.09	\$28,680,846.00	\$28,401,585.00	\$28,401,585.00	\$41,974,723.93
Alaska	DNP	\$8,199,046.36	\$8,649,083.00	\$12,320,888.00	\$12,256,620.07	\$12,448,651.46
American Samoa	DNP	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	\$16,628,695.00
Arkansas	\$24,799,338.00	DNP	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	\$75,714,948.00
Colorado	\$45,000,000.00	\$45,000,000.00	\$45,000,000.00	\$1,907,087.00	\$42,900,000.00 (est.)	\$42,900,000.00 (est.)
Connecticut	\$20,116,090.61	\$21,397,572.52	\$20,723,228.00	\$22,413,228.00	\$24,001,890.00	\$35,755,787.70
Delaware	DNP	\$2,259,727.83	\$8,044,859.00	\$8,775,757.00	\$7,623,391.53	\$7,786,658.53
District of Columbia	\$12,744,103.00	\$12,714,347.00	\$12,700,000.00	DNP	\$12,064,842.00	\$13,700,000.00
Florida	\$130,962,053.00	\$125,531,674.00	\$45,888,321.00	\$122,550,767.00	\$108,896,142.00	\$107,884,715.00
Georgia	DNP	\$8,537,319.00	\$8,950,569.00	\$13,700,097.00	DNP	\$18,462,645.22
Guam	\$1,468,363.00	DNP	DNP	\$1,779,710.00	DNP	DNP
Hawaii	\$8,842,841.49	\$9,578,764.44	\$9,544,397.00	\$9,755,031.00	\$10,020,045.00	\$9,599,983.00
Idaho	\$19,191,409.99	\$18,673,808.67	\$18,013,902.00	\$17,013,000.00	\$19,313,000.00	\$20,768,995.00
Illinois	DNP	\$67,000,000.00	\$69,700,000.00	\$71,900,000.00	\$69,200,000.00	\$71,200,000.00
Indiana	\$71,000,000.00	\$39,600,000.00	\$30,000,000.00	DNP	\$69,515,799.65	\$73,114,655.69
Iowa	\$29,054,622.00	\$31,458,531.00	\$31,304,377.00	\$30,664,253.00	\$30,297,168.00	\$20,657,733.45
Kansas	DNP	\$6,705,538.67	DNP	\$22,125,937.00	\$20,477,020.47	\$20,573,217.00
Kentucky	\$23,569,921.00	\$22,979,827.96	\$54,900,000.00	\$56,500,000.00	\$55,700,000.00	\$53,506,843.30
Louisiana	DNP	DNP	\$3,017,672.00	DNP	\$4,912,926.00	DNP
Maine	\$6,664,062.00	\$6,108,985.00	\$7,786,855.00	\$8,416,235.00	\$8,342,459.00	\$8,034,327.32



State/Territory	2009 Report	2010 Report	2011 Report	2012 Report	2013 Report	2014 Report
Maryland	\$57,176,923.16	\$55,556,616.37	\$54,560,255.00	\$52,099,601.00	\$52,240,760.76	\$51,716,231.56
Massachusetts	DNP	\$69,694,702.00	\$75,125,185.00	\$73,408,835.00	\$73,677,263.00	\$74,561,727.61
Michigan	\$69,835,671.59	\$93,000,132.24	\$87,673,893.00	\$196,215,849.00	\$181,204,130.55	\$178,224,825.56
Minnesota	\$51,281,641.00	\$51,269,514.00	\$58,821,937.00	\$58,654,182.00	\$62,353,897.17	\$62,056,115.98
Mississippi	\$11,758,733.12	DNP	\$56,335,986.00	\$60,813,014.00	\$65,290,042.40	\$58,175,490.31
Missouri	DNP	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	\$13,099,542.00
Nebraska	\$13,278,907.19	\$5,507,239.80	\$8,128,042.00	\$14,808,421.00	\$15,555,733.76	\$15,663,631.18
Nevada	DNP	DNP	DNP	DNP	\$2,010,341.58	\$1,944,446.69
New Hampshire	\$10,854,202.82	DNP	\$9,832,831.00	DNP	\$10,493,486.32	\$10,467,786.57
New Jersey	\$130,000,000.00	\$128,900,000.00	DNP	\$125,000,000.00	\$126,000,000.00	\$121,000,000.00
New Mexico	\$12,786,327.64	\$12,073,923.31	\$13,081,062.00	\$13,424,002.00	\$12,028,770.41	\$11,970,079.32
New York	\$83,700,000.00	DNP	\$193,194,759.00	\$194,787,113.00	\$190,281,716.00	\$183,219,891.00
North Carolina	\$84,613,672.00	\$87,367,015.00	\$80,001,662.00	DNP	\$69,424,896.51	\$71,688,784.47
North Dakota	DNP	\$8,369,366.00	DNP	\$9,506,000.00	\$9,506,000.00	\$9,998,322.00
Northern Marianas Islands	NA	NA	NA	NA	DNP	DNP
Ohio	\$28,544,923.91	\$28,164,049.54	\$29,175,929.00	DNP	\$28,837,121.12	\$25,689,296.16
Oklahoma	DNP	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	\$39,115,990.00
Pennsylvania	\$190,239,804.99	\$116,656,192.90	\$194,554,260.00	\$192,297,459.00	\$184,044,508.00	\$192,779,782.15
Puerto Rico	\$20,952,458.73	\$21,876,276.72	DNP	\$21,367,260.00	\$20,323,323.95	\$19,507,889.00
Rhode Island	\$19,400,000.00	\$18,200,000.00	\$15,488,729.00	DNP	\$16,500,000.00	\$17,454,000.00
South Carolina	\$22,000,000.00	DNP	\$21,988,052.00	\$22,215,748.00	\$28,948,882.35	\$27,690,958.32
South Dakota	DNP	DNP	\$8,100,000.00	\$8,200,000.00	\$9,111,476.00	\$13,275,031.00
Tennessee	\$51,536,089.00	\$55,965,000.00	\$58,500,000.00	\$94,497,881.00	\$60,852,139.96	\$98,199,801.31
Texas	\$197,228,795.88	\$203,547,359.97	\$199,025,787.00	\$209,202,098.00	\$212,788,623.00	\$213,215,483.00

<b>State/Territory</b>	<b>2009 Report</b>	<b>2010 Report</b>	<b>2011 Report</b>	<b>2012 Report</b>	<b>2013 Report</b>	<b>2014 Report</b>
Utah	\$23,366,301.00	\$2,724,374.00	\$23,909,566.00	\$23,070,307.00	\$26,188,051.00	\$29,354,710.30
Vermont	\$4,832,374.02	\$5,487,046.00	\$4,605,803.00	\$4,993,132.00	\$5,416,336.00	\$4,628,027.00
Virgin Islands	NA	\$590,812.00	\$554,245.00	DNP	DNP	DNP
Virginia	DNP	\$52,022,170.24	\$53,217,635.00	\$54,079,487.00	\$51,658,842.97	\$55,212,203.72
Washington	\$69,523,163.00	\$71,036,718.00	\$71,244,435.00	\$100,952,115.00	\$95,417,113.85	\$95,887,087.00
West Virginia	\$32,278,728.00	\$33,760,563.00	\$35,375,580.00	\$36,176,377.00	\$37,928,204.37	\$58,001,074.83
Wisconsin	\$9,602,745.46	DNP	DNP	DNP	DNP	DNP
Wyoming	\$6,700,000.00	DNP	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>	<b>\$2,404,510,787.64</b>