

State of Illinois



Received & Inspected

APR - 1 2009

ILLINOIS COMMERCE COMMISSION FCC Mail Room

March 23, 2009

Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street, SW
Washington, D.C. 20554

VIA ELECTRONIC AND U.S. MAIL

Re: Initial Information Collection Mandated By the New and Emerging Technologies Improvement Act of 2008;
PS Docket No. 09-14

Dear Secretary Dortch,

The Illinois Commerce Commission has been requested by Governor Pat Quinn to respond on behalf of the State to the FCC's Information collection request pursuant to the New and Emerging Technologies 911 Improvement Act of 2008 (NET 911 Act), Section 6(f)(2).

Attached please find a signed verification and the response to the survey as requested. If any additional information is needed please feel free to contact me at (217) 782-4911.

Sincerely,

A handwritten signature in cursive script that reads "Marci Schroll".

Marci Schroll
9-1-1 Program Manager
Illinois Commerce Commission

Cc: Governor Pat Quinn

No. of Copies rec'd 0
List ABCDE



ILLINOIS COMMERCE COMMISSION

Received & Inspected

APR - 1 2009
FCC Mail Room

State of Illinois
March 23, 2009

**FCC's Information Collection Mandated by the
New and Emerging Technologies Improvement
Act of 2008**

- 1) A statement as to whether or not 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, has established a funding mechanism designated for or imposed for the purposes of 911 or E911 support or implementation (including a citation to the legal authority for such mechanism).**

The State of Illinois has enacted two separate statutes which establish different funding mechanisms for wireline and wireless 911/E911 service.

The Emergency Telephone System Act, 50 ILCS 750/1 et seq., (hereafter "ETSA") authorizes units of local government (counties or municipalities) to hold referenda to establish emergency telephone system boards (hereafter "ETSBs") and wireline surcharges to fund the creation of 911 systems. In the event a county or municipal referendum is passed, the ETSB sets up its own 911 system, either alone or pursuant to an intergovernmental agreement with one or more other ETSBs. Each ETSB jurisdiction imposes and manages a separate wireline 9-1-1 surcharge for its system, the amount of which is set by the referendum described above. Surcharges in Illinois range from \$.30 to \$5.00. The surcharge is collected by all wireline telecommunication carriers in the state and then remitted to the appropriate ETSB from the jurisdiction where the surcharge was collected. The carriers are allowed to keep 3% each month to defray their administrative costs.

The Wireless Emergency Telephone Safety Act, 50 ILCS 751/1 et seq., (hereafter "WETSA") established a state funding mechanism and surcharge for wireless 911 / E911 service . A state wireless surcharge of \$.73 is collected by the state, with the exception of the City of Chicago, which imposes and collects its own surcharge of \$2.25 each for wireline and wireless. The \$.73 state

surcharge is collected by the wireless carriers and remitted to the Illinois Commerce Commission (hereafter "ICC"), which administers the wireless surcharge money. The statute requires that the \$.73 surcharge be divided between two special funds in the State Treasury. The Wireless Carrier Reimbursement Fund receives \$.1475 of each surcharge while the Wireless Service Emergency Fund receives \$.5825 of each surcharge. Additionally up to \$.01 per surcharge can be used by the ICC to recover its administrative costs.

The Wireless Carrier Reimbursement Fund was established to reimburse wireless carriers for any costs they have incurred (upon submission of sworn invoices) in complying with the applicable provisions of Federal Communication Commission's wireless 911/E911 service mandates. Additionally, \$.01 per surcharge can be disbursed to the carriers to cover their administrative costs.

The Wireless Service Emergency Fund was established to make monthly grants to the appropriate ETSBs based on zip codes of the wireless subscribers billing address.

- 2) **The amount of the fees or charges imposed for the implementation and support of 911 and E911 services, and the total amount collected pursuant to the assessed fees or charges, for the annual period ending December 31, 2008. 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.**

Wireline Surcharge:

The ICC must authorize a municipality or county to operate as a 9-1-1 system in the State of Illinois. Additionally, the ICC has established certain technical standards and regulations that the individual 911 systems and telecommunication carriers must comply with. There are approximately 196 authorized 911 systems in the State of Illinois today that are run by the local governmental authorities/ETSBs. As stated above, 911 systems are generally funded by surcharges established and set by municipal or county referenda. The ETSB for each 911 jurisdiction is responsible for managing and making all critical decisions for its system design, maintenance and daily operations. Additionally, the sole responsibility of authorizing 911 expenditures lies with the ETSB in each jurisdiction.

The ICC cannot mandate, authorize or veto 911 expenditures by the ETSBs. Furthermore, the ICC does not receive information regarding wireline revenue, or budgetary information, from ETSBs. However, the ETSA does specify allowable expenditures for 911 systems. These are described in Section 15.4(c) of ETSA, 50 ILCS 750/15.4(c), which, in general summary, limits uses of surcharge funds to: (1) the design of an emergency telephone system; (2) preparation of a Master

Street Address Guide; (3) repayment of properly incurred advances; (4) charges for necessary equipment; nonrecurring charges to establish network connections; (5) payment for street signs necessary to system implementation; (7) other necessary equipment and personnel specifically related to 911. The City of Chicago is authorized to use funds for anti-terrorism purposes.

Wireless Surcharge:

As noted above, the State of Illinois requires all prepaid and postpaid wireless carriers to remit a surcharge of \$.73 per customer, per month. Wireless carriers may pass this cost on to their customers through an explicit surcharge on customers' bills. The City of Chicago is exempt from this requirement and has its own program; it is permitted to collect a surcharge at of \$2.25. For calendar year 2008, the state collected \$67 million through this surcharge, exclusive of that assessed in the City of Chicago. Of this amount, \$52.1 million was deposited into the Wireless Services Emergency Fund and \$14.9 million was deposited to the Wireless Carrier Reimbursement Fund.

As further noted above, of the wireless surcharge collected, \$.1475 per subscriber payment goes to the Wireless Carrier Reimbursement Fund, from which wireless carriers are permitted to seek reimbursement for their 911 related expenses. Pursuant to statute, such funds can be used "to reimburse wireless carriers for all of their costs incurred in complying with the applicable provisions of Federal Communications Commission wireless enhanced 9-1-1 service mandates". As a general matter, in order to receive a reimbursement, the carriers are required to submit invoices to the Illinois Commerce Commission detailing their expenses and how they are related to providing 911 services.

The remaining \$.5825 of each surcharge is deposited into to the Wireless Services Emergency Fund. These funds are distributed on a monthly basis to authorized governmental entities, typically ETSBs that provide wireless 911 services. The funds are to be used for "the design, implementation, operation, maintenance, or upgrade of wireless 9-1-1 or E9-1-1 emergency services and public safety answering points... [.]" 50 ILCS 751/20. The funds are disbursed to the proper entities by subscriber zip code; each entity owns a zip code, or a portion of a zip code, and receives the funds generated from that area, 50 ILCS 751/25. Additionally up to 1 cent of the amount deposited into this fund can be used by the Illinois Commerce Commission to cover its administrative cost, see 50 ILCS 751/17 (b).

- 3) A statement identifying any entity in your State that has the authority to approve the expenditure of funds collected for 911 or E911 purposes, and 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 or E911.**

There are 196 authorized 9-1-1 systems in the State of Illinois. Each system is, as noted above, managed by an Emergency Telephone System Board which has the authority to approve the expenditures of wireline and wireless surcharge funds for 911 purposes only to the extent authorized by statute. County and municipal auditors appear charged by statute to provide such financial oversight as ETSBs undergo

The ICC is responsible for disbursing funds out of the Wireless Services Emergency Fund, to the qualified ETSBs. However, the local level of government is responsible for ensuring those funds are used for their intended purposes.

As stated in its answer to question 2, the ICC provides some level of oversight for 911 related expenses claimed by wireless carriers. In order to receive reimbursement the carriers must provide documentation detailing their expenses and explaining how it is related to providing wireless 911 services.

- 4) A statement whether all the funds collected for 911 or E911 purposes have been made available or used for the purposes designated by the funding mechanism, or otherwise used for the implementation or support of 911 or E911.**

Wireline Surcharge:

As previously stated, the wireline surcharge is set and administered on the local level. The state does not have access to the financial records necessary to analyze such a request, nor to make any statement on behalf of any local ETSB charged with this responsibility.

Wireless Surcharge:

The ICC was not charged by statute with administration of the Wireless Services Emergency Fund prior to July 2004, and therefore is unable to address this question with respect to any collections or disbursements made prior to that date. In November of 2004 the state made a \$253,000 "administrative chargeback" to the fund. Since that time legislation has been enacted that protects that fund from sweeps or transfers.

The state's Wireless Carrier Reimbursement Fund has had monies diverted to the General Revenue Fund, but this is primarily due to the accumulation of a large fund balance due to the wireless carriers either not requesting reimbursement for 911 related expenses; or not incurring such the expenses as would be reimbursable under the statute. At times the fund balance has been in excess of \$30 million (while total reimbursement the last 3 completed fiscal years combined has been \$31.9 million).

A new state statute took effect on January 1, 2008 which reviews the Wireless Carrier Reimbursement Fund on an annual basis, 50 ILCS 751/35(e). Funds that have not been disbursed to wireless carriers within 2 years are transferred to the Wireless Services Emergency Fund for use by the 911 centers. The first transfer which occurred in October of 2008 resulted in an additional \$13.4 million becoming available for disbursement to the 911 centers. This annual transfer is geared towards ensuring unused "carrier" 911 funds go to 911 centers instead.

- 5) 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 implementation or support, including a statement identifying the unrelated purposes for which the funds collected for 911 or E911 purposes were made available or used.**

Wireline Surcharge:

As previously stated, the wireline surcharge is administered on a local level by individual ETSBs, but funds realized through the surcharge are subject to limitations upon their use by state law. Since the funds are locally controlled, the state has no way of knowing if any local ETSB has diverted these funds for uses other than those for which they were intended by law.

Wireless Surcharge:

In July of 2004 \$1.3 million was transferred from the Wireless Services Emergency Fund to the State's General Revenue Fund. In November of 2004 \$253,000 was taken from the fund for state administrative charges authorized by statute. Since that time there have been no transfers out of that state fund.

The state's Wireless Carrier Reimbursement Fund has had \$16.8 million in transfers to the State's General Revenue Fund or for the administrative charges to the State between July of 2003 and 2009. However as discussed above, this was primarily due to the funds being unused by Wireless Carriers, and state law has been amended to allow those "excess" funds to be transferred once a year to the State's Wireless Service Emergency Fund (which goes directly to the 911 centers).

As previously noted, ETSBs are audited by municipal or county auditors, if such audits are conducted at all.

- 6) Any other comments you may wish to provide regarding the applicable funding mechanism for 911 and E911.**

Compliance with WETSA by prepaid wireless carriers is an ongoing issue at the ICC. Such carriers argue that it is difficult or impossible for them to collect the surcharge, but little in the way of a feasible alternative has been identified.

VERIFICATION

I, Marci Schroll, first being duly sworn upon oath, depose and say that I am the 9-1-1 Program Manager, of the Illinois Commerce Commission and that I have read the above and foregoing survey by me subscribed and know the contents thereof; that said contents are true in substance and in fact, except as to those matters stated upon information and belief, and as to those, I believe same to be true.

Marci Schroll

Marci Schroll
9-1-1 Program Manager
Illinois Commerce Commission

Subscribed and sworn to before me

This 23th day of March, 2009.

Meri L. Sanders

NOTARY PUBLIC, ILLINOIS

