

9-1-1 SURCHARGES

Who Pays and Why Colorado's Consumer Advocate
Should Not Get Disconnected



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Whether you are a farmer on the Eastern Plains with a cell phone, a small business owner in a Western Slope town with a traditional landline, or a retired couple in suburban Denver using an internet-based cable phone service, you pay a fee every month on your telephone bill to ensure that when you dial 9-1-1, your call will be answered.ⁱ As fees increase and new 9-1-1 technologies are considered, it is critical that Colorado's consumer advocate, the Office of Consumer Counsel, is allowed to do its job and ensure consumers are getting the value and service they deserve from our 9-1-1 network.

Local Governing Bodies Manage 9-1-1 Services

In Colorado, the 9-1-1 network, or Emergency Telephone System, is governed by 57 different local jurisdictions or governing bodies. Most of these governing bodies correspond closely with one of Colorado's 64 counties. Members of the governing body are often appointed by the local county or city and often include representatives from the police, sheriff, and fire departments, as well as local elected officials and other first responders.

9-1-1 Surcharges on Phone Bills Pay for Service

In order to fund 9-1-1 service across Colorado, every Coloradan pays a 9-1-1 monthly surcharge (the Emergency Telephone Surcharge) on their phone bill. Coloradans pay this surcharge regardless of whether they are one of the people or businesses that use the estimated 1.1 million traditional landline phones in Colorado or they use one of the 5.1 million cell phones or over 800,000 cable telephone devicesⁱⁱ. Some phone companies break this fee out as a separate line item on a customer's monthly bill, while others lump this charge in to the broader package offered to the customer.

The funding from this 9-1-1 surcharge flows to the 57 local governing bodies in Colorado. The governing bodies then use this funding to support local 9-1-1 Call Centers, which might also receive general fund support from the local county or city. The 9-1-1 Call Centers handle the emergency calls for police, fire and other first responders and is responsible for efficiently communicating this information to the proper response team.

9-1-1 Surcharges Vary Widely Across Colorado, Increased Over Time

The 9-1-1 surcharge varies widely between governing bodies. The lowest surcharge in Colorado is \$.43 per month and the highest is \$1.75.ⁱⁱⁱ The average across the governing bodies is \$.91. That average has increased by 44% since 1998.

Figure 1. Places in Colorado Where 9-1-1 Surcharges Have At Least Doubled Since 1998-1999 (per month fees)^{iv}

COLORADO 911 SURCHARGE	1998	1999	2015
E9-1-1 AUTHORITY (MOSTLY BY COUNTY)	FEE	FEE	FEE
ADAMS	\$ 0.35	\$ 0.35	\$ 0.70
ASPEN / PITKIN	\$ 0.50	\$ 0.50	\$ 1.25
BENT / KIOWA	\$ 0.35	\$ 0.50	\$ 0.70
BOULDER	\$ 0.35	\$ 0.50	\$ 0.75
CHAFFEE	\$ 0.70	\$ 0.70	\$ 1.40
CUSTER	\$ 0.70	\$ 0.30	\$ 1.25
DELTA	\$ 0.30	\$ 0.45	\$ 0.70
EAGLE	\$ 0.50	\$ 0.50	\$ 1.25
ELBERT	\$ 0.50	\$ 0.50	\$ 1.20
GRAND	\$ 0.50	\$ 0.70	\$ 1.50
GRAND JUNCTION	\$ 0.70	\$ 0.28	\$ 1.30
GUNNISON/HINSDALE	\$ 0.28	\$ 0.70	\$ 1.00
KIT CARSON	\$ 0.45	\$ 0.70	\$ 1.00
LAS ANIMAS	\$ 0.50	\$ 0.50	\$ 1.50
PARK	\$ 0.00	\$ 0.50	\$ 1.25
PHILLIPS	\$ 0.50	\$ 0.50	\$ 1.25
SAN JUAN	\$ 0.70	\$ 0.50	\$ 1.75
SUMMIT	\$ 0.70	\$ 0.70	\$ 1.75

Figure 2. Places With the Highest 9-1-1 Surcharges in 2015^v

COLORADO 911 SURCHARGE:	2015
E9-1-1 AUTHORITY (MOSTLY BY COUNTY)	MONTHLY FEE
SAN JUAN	\$ 1.75
SUMMIT	\$ 1.75
GRAND	\$ 1.50
LAS ANIMAS	\$ 1.50
CHAFFEE	\$ 1.40
GRAND JUNCTION	\$ 1.30
LA PLATA	\$ 1.30
ARCHULETA	\$ 1.25
ASPEN / PITKIN	\$ 1.25
CLEAR CREEK	\$ 1.25
CUSTER	\$ 1.25
EAGLE	\$ 1.25
PARK	\$ 1.25
PHILLIPS	\$ 1.25
ROUTT	\$ 1.25
SAN MIGUEL	\$ 1.25
WASHINGTON / YUMA	\$ 1.25

Figure 3. Places With the Lowest 9-1-1 Surcharges in 2015^{vi}

COLORADO 911 SURCHARGE:	2015
E9-1-1 AUTHORITY	MONTHLY FEE
(MOSTLY BY COUNTY)	\$
ARAPAHOE	\$0.43
LARIMER	\$0.45
DOLORES	\$0.50
SAN LUIS VALLEY	\$0.50
JEFFERSON	\$0.52
30 Authorities tied	\$0.70

Population, Call Volumes, Technology Contribute to Surcharge Variance

The reason for the differences in 9-1-1 surcharges vary. Population plays a major factor. For example, a larger population not only results in more revenue for the 9-1-1 emergency system in that jurisdiction but also allows the cost of that system to be spread across more telecom users. However, this does not entirely explain the differences in surcharges. In July 2013, the County of Denver's population was 648,937 and Arapahoe County's population was 606,603.^{vii} Despite having a 7% smaller population, Arapahoe County residents paid 39% less.

Figure 4. 9-1-1 Surcharges for Denver and Arapahoe (per month fee)^{viii}

Denver	\$0.70
Arapahoe	\$0.43

Other reasons for the differences in the 9-1-1 charges include differences in the services provided and the costs of those services. According to the 9-1-1 Colorado Foundation, higher calling volumes and more incidents to respond to can lead to higher operating costs.^{ix} In addition, differences in technology can also explain higher or lower costs. According to the Colorado 9-1-1 Resource Center, some Colorado 9-1-1 Call Centers provide medical pre-arrival instructions or have computerized dispatching systems or offer Reverse 9-1-1, but some do not.

Technological Advances Offer Ways to Improve 9-1-1 Service

Advances in technology provide new opportunities to improve the efficiency and effectiveness of 9-1-1 service and over the next decade, it is likely many 9-1-1 governing bodies will decide to invest in changes or upgrades. According to the 9-1-1 Colorado Foundation, there are a number of upgrades, also known as Next Generation 9-1-1, which could help save lives and could be considered.^x Those include^{xi}:

1. **Better Location Determination** – Upgrades can improve the ability to better determine the location of incoming calls. Instead of just knowing the building you are in, technological improvements can allow first responders to know the precise floor you are on.

2. **Internet Protocol (IP) Networks** – Transitioning to a broadband digital based Emergency Service Network can improve communications within and between 9-1-1 Call Centers.
3. **Automatic Crash Notification and Alarm Systems** – Increasingly, systems like OnStar provide an opportunity for an OnStar operator to communicate with someone involved in a crash and relay information to a 9-1-1 Call Center. The operator cannot simply dial 9-1-1 themselves. Often, they have to locate the nearest, most appropriate 9-1-1 Call Center near you, find the appropriate 10-digit Call Center number and manually call it. This number can be treated as a secondary number by a busy Call Center and might not be picked up until the incoming 9-1-1 calls have been managed. This can cause delays in response time. Upgrades will allow these Automatic Crash Notifications (ACN) to more efficiently connect with the appropriate Call Centers.
4. **Communication with Alarm and Health Monitoring Systems** – Similar to ACNs, home alarm systems and health monitoring devices are being used to identify and communicate an emergency. But also similar to ACNs, the emergency might be routed manually through the 10-digit secondary Call Center number, causing delay. Upgrades will allow more efficient connection to the Call Center or even directly to an appropriate first responder.

New Technologies Must Be Proven, Provide Value Before Adoption

Not every technological advance should be immediately adopted. New technologies must be proven effective before residents' dollars are spent on major upgrades. New technologies must also be warranted for a particular community. The needs and challenges in a mountain town are different than the needs and challenges of an Eastern Plains farm community. Finally, a new technology must provide value and should be compared to other technologies, strategies and funding options before a local governing body commits large amounts of consumer dollars to an upgrade.

The Office of Consumer Counsel – Solely Focused on Consumers, Value

Before the advent of cellular and other non-landline telephone services, all telephone companies had to appear before the Public Utilities Commission (PUC) and propose changes to rates and services. When this happened, the Office of Consumer Counsel acted as Colorado's consumer advocate in those cases advocating against unwarranted rate hikes, anti-consumer policies and inadequate service. The OCC's role is unique. It is the only entity whose mission is 100% focused on advocating on behalf of consumers.

Over the last decade, the telecommunications world has changed significantly. Colorado has seen a huge rise in the use of cellular telephone service and other non-traditional technologies like internet-based telephone service. These new forms of telecommunications do not need to present plans or rates to the PUC and thus the OCC has not reviewed them. Last year, the Colorado General Assembly passed a law, signed by Governor John Hickenlooper, which takes aggressive steps to remove oversight of traditional landline telephone company services from PUC oversight and OCC review.

53 of 57 Governing Bodies at or Exceeded Threshold Requiring PUC Approval

Despite these major changes, the PUC and the OCC still play a role in 9-1-1 services. Colorado law requires that any 9-1-1 surcharge that exceeds \$.70 must receive PUC approval.^{xii} Currently 23 governing bodies are above this threshold and must get approval to increase it more. 30 governing bodies are at this threshold and must get approval if they determine they need an increase.

Figure 5. Places Where 9-1-1 Surcharge Exceeds \$.70 (per month fee)^{xiii}

COLORADO 911 SURCHARGE:	2015
E9-1-1 AUTHORITY	FEE
(MOSTLY BY COUNTY)	\$
SAN JUAN	\$1.75
SUMMIT	\$1.75
GRAND	\$1.50
LAS ANIMAS	\$1.50
CHAFFEE	\$1.40
GRAND JUNCTION	\$1.30
LA PLATA	\$1.30
ARCHULETA	\$1.25
ASPEN / PITKIN	\$1.25
CLEAR CREEK	\$1.25
CUSTER	\$1.25
EAGLE	\$1.25
PARK	\$1.25
PHILLIPS	\$1.25
ROUTT	\$1.25
SAN MIGUEL	\$1.25
WASHINGTON / YUMA	\$1.25
ELBERT	\$1.20
GILPIN	\$1.20
GUNNISON/HINSDALE	\$1.00
KIT CARSON	\$1.00
RIO BLANCO WEST	\$1.00
BOULDER	\$0.75

Figure 6. Places Where 9-1-1 Surcharge Is \$.70 (per month fee) ^{xiv}

COLORADO 911 SURCHARGE:	2015		
E9-1-1 AUTHORITY	FEE		
(MOSTLY BY COUNTY)	\$		
ADAMS	\$0.70	LINCOLN	\$0.70
AURORA - CITY OF	\$0.70	LOGAN	\$0.70
BACA	\$0.70	MOFFAT	\$0.70
BENT / KIOWA	\$0.70	MONTEZUMA	\$0.70
CHEYENNE	\$0.70	MONTROSE	\$0.70
CROWLEY	\$0.70	MORGAN	\$0.70
DELTA	\$0.70	OTERO	\$0.70
DENVER	\$0.70	OURAY	\$0.70
DOUGLAS	\$0.70	PROWERS	\$0.70
EL PASO / TELLER	\$0.70	PUEBLO - CITY	\$0.70
FREMONT	\$0.70	PUEBLO - COUNTY	\$0.70
GARFIELD	\$0.70	RIO BLANCO EAST	\$0.70
HUERFANO	\$0.70	SEDWICK	\$0.70
JACKSON	\$0.70	THORNTON - CITY OF	\$0.70
LAKE	\$0.70	WELD	\$0.70

When proposals are made, the OCC reviews them on behalf of consumers. The OCC analyzes whether the rate increase is justified. Increasingly, the OCC is also monitoring how local 9-1-1 governing bodies are communicating rate increases to their residents. In addition, the OCC is a member of the 9-1-1 Advisory Task Force and plays an active role in conversations around 9-1-1 Next Generation upgrades.

The OCC's expertise and unique consumer-focused mission provide an important voice for consumers on 9-1-1 service issues. With major 9-1-1 upgrades on the horizon, which will lead to more investments by local governing bodies into 9-1-1 Next Generation technologies, the OCC has a critical role to play, as proposals come before the PUC and as conversations happen outside of the PUC, in helping to make sure future 9-1-1 service is effective, efficient and reasonably priced.

Senate Bill Disconnects Consumer Advocate, Coloradans Lose Expert

Despite the clear role the OCC plays on behalf of consumers, there is a proposal in the State Senate, SB15-271, that would remove the OCC from any decisions regarding 9-1-1 service. If enacted, 9-1-1 service changes that exceed the \$.70 surcharge benchmark will still come before the PUC for approval. But the office tasked with solely representing consumers, will be silent.

State Senators might not realize the extent to which their residents are paying more or less for 9-1-1 service. By averaging the 9-1-1 surcharge across the counties that a State Senator represents, we can see which Senators represent residents that pay the highest fees. Those areas with higher fees will have

to present future surcharge changes to the PUC. Those residents will directly benefit from the presence of an OCC as it monitors and weighs-in on those proposals, helping to ensure they provide the best value to residents.

Figure 7. Colorado State Senators Whose Constituents Pay the Lowest 9-1-1 Surcharges on Average^{xv}

Balmer	\$0.43
Newell	\$0.43
Kefalas	\$0.45
Lundberg	\$0.45
Jahn	\$0.52
Kerr	\$0.52
Woods	\$0.52
Carroll	\$0.57
Steadman	\$0.57
Todd	\$0.57

Figure 8. Colorado State Senators Whose Constituents Pay the Highest 9-1-1 Surcharges on Average^{xvi}

Scott	\$1.30
Donovan	\$1.05
Baumgardner	\$1.04
Roberts	\$1.02
Grantham	\$0.98
Sonnenberg	\$0.89
Crowder	\$0.82
Neville	\$0.79
Heath	\$0.75
Jones	\$0.75

Don't Disconnect the Consumer Advocate

Now is not the time to disconnect the Office of Consumer Counsel from the 9-1-1 surcharge review process. 53 governing bodies are already at or above the PUC benchmark and will need to propose any surcharge increases to the PUC. Since 1998, the average rate increase has been 44%, so it is reasonable to expect more increases in the next few years. In addition, technological advances provide major opportunities to improve 9-1-1 services. But some of those improvements could be unwarranted or unjustifiably expensive. The OCC has the expertise to represent consumers as these proposals come forward.

The State Senate should amend SB15-271 to ensure that the office solely responsible for advocating for consumers, the OCC, can continue to fulfill its mission. When it comes to 9-1-1, all expertise and resources should be available to ensure that local 9-1-1 services are providing the best value to those who are footing the bill.

APPENDIX A – All 57 Governing Bodies and Their Surcharges^{xvii}

COLORADO 911 SURCHARGE FEES AS OF:	2015
E9-1-1 AUTHORITY	MONTHLY FEE
(MOSTLY BY COUNTY)	\$
SAN JUAN	\$1.75
SUMMIT	\$1.75
GRAND	\$1.50
LAS ANIMAS	\$1.50
CHAFFEE	\$1.40
GRAND JUNCTION	\$1.30
LA PLATA	\$1.30
ARCHULETA	\$1.25
ASPEN / PITKIN	\$1.25
CLEAR CREEK	\$1.25
CUSTER	\$1.25
EAGLE	\$1.25
PARK	\$1.25
PHILLIPS	\$1.25
ROUTT	\$1.25
SAN MIGUEL	\$1.25
WASHINGTON / YUMA	\$1.25
ELBERT	\$1.20
GILPIN	\$1.20
GUNNISON/HINSDALE	\$1.00
KIT CARSON	\$1.00
RIO BLANCO WEST	\$1.00
BOULDER	\$0.75
ADAMS	\$0.70
AURORA - CITY OF	\$0.70
BACA	\$0.70
BENT / KIOWA	\$0.70
CHEYENNE	\$0.70
CROWLEY	\$0.70
DELTA	\$0.70
DENVER	\$0.70
DOUGLAS	\$0.70
EL PASO / TELLER	\$0.70
FREMONT	\$0.70
GARFIELD	\$0.70
HUERFANO	\$0.70
JACKSON	\$0.70
LAKE	\$0.70
LINCOLN	\$0.70
LOGAN	\$0.70
MOFFAT	\$0.70
MONTEZUMA	\$0.70
MONTROSE	\$0.70
MORGAN	\$0.70

OTERO	\$0.70
OURAY	\$0.70
PROWERS	\$0.70
PUEBLO - CITY	\$0.70
PUEBLO - COUNTY	\$0.70
RIO BLANCO EAST	\$0.70
SEDGWICK	\$0.70
THORNTON - CITY OF	\$0.70
WELD	\$0.70
JEFFERSON	\$0.52
DOLORES (HAS NO AUTHORITY BOARD)	\$0.50
SAN LUIS VALLEY	\$0.50
LARIMER	\$0.45
ARAPAHOE	\$0.43

ⁱ Colorado Revised Statutes, 29-11-102-(2)-(a)

ⁱⁱ Federal Communication Commission Local Telephone Competition, June 2012, tables 14, 15 and 18 and FCC Local Telephone Competition, October 2014, tables 9, 10 and 18

ⁱⁱⁱ Colorado 9-1-1 Resource Center,

https://docs.google.com/spreadsheets/d/11RjBDYuv83mP1t3f2oDoolO9KhhsiuOF_oP5QsY-3c/edit?pli=1#gid=0

^{iv} Data from Colorado 9-1-1 Resource Center, see note iii

^v Ibid

^{vi} Ibid

^{vii} Colorado Department of Local Affairs, "Estimates, Counties, 2000-Present,"

<http://www.colorado.gov/cs/Satellite/DOLA-Main/CBON/1251593346867>

^{viii} Colorado 9-1-1 Resource Center,

https://docs.google.com/spreadsheets/d/11RjBDYuv83mP1t3f2oDoolO9KhhsiuOF_oP5QsY-3c/edit?pli=1#gid=0

^{ix} 9-1-1 Colorado Foundation, <http://9-1-colorado.org/learn-about-9-1-1/9-1-1-funding/>

^x 9-1-1 Colorado Foundation, <http://9-1-colorado.org/learn-about-9-1-1/next-generation-9-1-1-networks/>

^{xi} 9-1-1 Colorado Foundation,

^{xii} Colorado Revised Statutes, 29-11-102-(2)-(b)

^{xiii} Colorado 9-1-1 Resource Center,

https://docs.google.com/spreadsheets/d/11RjBDYuv83mP1t3f2oDoolO9KhhsiuOF_oP5QsY-3c/edit?pli=1#gid=0

^{xiv} Ibid

^{xv} To calculate – took the Colorado 9-1-1 Resource Center data by Authority. Assigned each authority to the Senator or Senators that represent that area. Then took the average of the 9-1-1 surcharges for those authorities.

^{xvi} Ibid

^{xvii} Colorado 9-1-1 Resource Center,

https://docs.google.com/spreadsheets/d/11RjBDYuv83mP1t3f2oDoolO9KhhsiuOF_oP5QsY-3c/edit?pli=1#gid=0