

I Mina'trentai Sais Na Liheslaturan Guåhan  
BILL STATUS

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	FISCAL NOTES	NOTES
308-36 (COR)	Telo T. Taitague Joe S. San Agustin Joanne Brown V. Anthony Ada	AN ACT TO <i>AMEND</i> § 12303(c) OF ARTICLE 3, CHAPTER 12, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO STRENGTHENING GUAM'S EMERGENCY REPORTING SYSTEM BY RESTRICTING LOCAL EXCHANGE CARRIERS, VOICE OVER INTERNET PROTOCOL PROVIDERS, AND COMMERCIAL RADIO SERVICE PROVIDERS FROM DEDUCTING MORE THAN FIVE-PERCENT (5%) FROM MONTHLY <i>E-911 SURCHARGE</i> COLLECTIONS FOR ADMINISTRATIVE COSTS.	5/24/22 8:24 a.m.						

***I MINA'TRENTAI SAIS NA LIHESLATURAN GUÅHAN***  
**2022 (SECOND) Regular Session**

**Bill No. 308-36 (COR)**

Introduced by:

Telo T. Taitague  
Joe S. San Agustin  
Joanne Brown  
V. Anthony Ada

**AN ACT TO *AMEND* § 12303(c) OF ARTICLE 3, CHAPTER 12, TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO STRENGTHENING GUAM'S EMERGENCY REPORTING SYSTEM BY RESTRICTING LOCAL EXCHANGE CARRIERS, VOICE OVER INTERNET PROTOCOL PROVIDERS, AND COMMERCIAL RADIO SERVICE PROVIDERS FROM DEDUCTING MORE THAN FIVE-PERCENT (5%) FROM MONTHLY *E-911 SURCHARGE* COLLECTIONS FOR ADMINISTRATIVE COSTS.**

**BE IT ENACTED BY THE PEOPLE OF GUAM:**

**Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds that during a legislative budget hearing involving the Guam Fire Department (GFD) for Fiscal Year 2023, agency representatives sought the assistance of senators concerning the portion of monthly *Enhanced 911 (E-911)* surcharge collections that are retained by telephone service and commercial mobile radio service providers. According to GFD representatives, an average of eighty-five cents (\$0.85) of the one-dollar (\$1.00) monthly surcharge is remitted to the government of Guam with the remaining fifteen cents (\$0.15) retained by service providers for administrative costs.

*I Liheslatura* recognizes that P.L. 25-55 authorized a monthly one-dollar (\$1.00) surcharge on each local exchange telephone service and commercial

1 mobile radio service in order to fund a new E-911 system. P.L. 25-55 created the  
2 *Enhanced 911* Emergency Reporting System Fund which is administered by the  
3 Department of Administration, and the law authorizes service providers to deduct  
4 from monthly surcharge collections, expenses incurred for collection services,  
5 maintaining the public safety answering point database, and for reports and audits  
6 as may be required by the Public Utilities Commission (PUC). Most recently, the  
7 government of Guam collected \$2,210,810.00 based on information reported in the  
8 *13<sup>th</sup> Annual Report to Congress on State Collection and Distribution of 911 and*  
9 *Enhanced 911 Fees and Charges* for the period of January 1, 2020 to December  
10 31, 2020.

11 *I Liheslatura* acknowledges the concerns raised by GFD representatives  
12 which are consistent with the findings contained in Office of Public Accountability  
13 (OPA) Report No. 2010-06 issued in October of 2010. The OPA found that local  
14 service provider administrative costs were above rates established by service  
15 providers located in other U.S. jurisdictions.

16 Based on a review by the OPA of PUC's approved reimbursement orders,  
17 the OPA calculated that service providers retained \$1.2M; \$561,827 for initial set-  
18 up reimbursements between fiscal years 2004 and 2005, and \$618,042 for  
19 reimbursed administrative costs for fiscal years 2006 through 2009.

20 OPA Report No. 2010-06 asserted that administrative costs in Guam are  
21 inconsistent and are higher than the rates that are assessed in other U.S.  
22 jurisdictions. The OPA found that service provider costs in other states ranged  
23 from a low of one percent (1%) in Texas to a high of five-percent (5%) in North  
24 Dakota. New York City and Pennsylvania providers charged two-percent (2%).

25 Based on its review, the OPA determined that surcharge amounts retained  
26 for administrative costs by local service providers ranged from a low of three  
27 percent (3%) to a high of thirty-one percent (31%), or from \$813 to \$7,393 a



1 month. Additionally, for every surcharge dollar remitted, the OPA concluded that  
2 the *Enhanced 911* Emergency Reporting System Fund received a high of ninety-  
3 seven cents (\$0.97) to a low of sixty-nine cents (\$0.69).

4 For comparison purposes, Hawaii currently authorizes that each  
5 communications service provider or reseller may retain two-percent (2%) of the  
6 amount of surcharges collected to offset administrative expenses associated with  
7 billing and collecting the surcharge. Sellers and providers in South Dakota are  
8 allowed to keep an administrative fee equivalent to two-percent (2%) of the total  
9 surcharge collected or twenty-five dollars (\$25.00), whichever is greater. The  
10 administrative fee cannot exceed the amount of surcharge collected and the return  
11 must be filed and paid electronically on time in order to receive the allowance.

12 Among the recommendations contained in OPA Report No. 2010-06 is for  
13 the PUC to establish a standard formula to equitably allocate administrative costs.  
14 Consistent with the recommendations of the OPA report, it is the intent of *I*  
15 *Liheslatura* to ensure parity in the assessment of administrative costs by service  
16 providers which is critical to strengthening Guam's *911* Emergency Reporting  
17 System. Through this Act, *i Liheslatura* intends to restrict local exchange carriers,  
18 voice over internet protocol providers, and commercial radio service providers  
19 from deducting more than five-percent (5%) from monthly *911 surcharge*  
20 collections for administrative costs.

21 **Section 2.** § 12303(c) of Article 3, Chapter 12, Title 12, Guam Code  
22 Annotated, is *amended*, to read:

23 “(c) Each LEC, VOIP or CMRS provider shall be authorized to deduct  
24 from such remittances ~~its actual expenses incurred~~ an amount not to exceed  
25 five-percent (5%) from every one-dollar (\$1.00) collected in monthly *911*  
26 *surcharge* payments to cover administrative costs ~~for collection services,~~  
27 maintaining the PSAP database, and for reports and audits as may be

required by the Commission; provided, such deductions are consistent with a Commission-approved budget for such expenses.”

**Section 3. Effective Date.** This Act shall be effective upon enactment.