



**BEFORE THE WAYS AND MEANS JOINT SUBCOMMITTEE TRANSPORTATION
AND ECONOMIC DEVELOPMENT
Senate Bill 84**

Testimony of Jon Cray

Oregon Public Utility Commission

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The applicability of the Residential Service Protection Fund (RSPF) surcharge to subscribers of interconnected Voice over Internet Protocol (VoIP) service with access to the Oregon Telecommunications Relay Service is ambiguous. Senate Bill 84 is designed to clarify that the RSPF surcharge does apply to subscribers of interconnected VoIP service like it currently does for landline and wireless subscribers with access to the Oregon Telecommunications Relay Service.

Senate Bill 84 also mirrors existing Department of Revenue statute because the laws for both E911 and RSPF are similar. The 2014 Oregon Legislature recognized that landline and wireless service subscribers were subsidizing interconnected VoIP service subscribers' access to 911. As a result, House Bill 4055 was enacted into law authorizing the Department of Revenue to assess the E911 tax to subscribers of interconnected VoIP service. Also, some interconnected VoIP service providers already collect and remit the RSPF surcharge and this bill will result in the equitable treatment of all interconnected VoIP service providers in Oregon. The surcharge is currently set at \$0.07 per access line. This surcharge has been reduced from \$0.12 over the past five years and is significantly less than the statutorily maximum of \$0.35.

Although the Department of Revenue and the Public Utility Commission exchange and compare data provided by companies that collect and remit the E911 tax and RSPF surcharge from their customers for reconciliation and enforcement purposes, the Public



Utility Commission has not engaged in compliance efforts due to statutory ambiguity.
Senate Bill 84 resolves this issue.

The Public Utility Commission urges you to pass this bill, a fair and equitable measure in which all subscribers, including subscribers of interconnected VoIP service, with access support the Oregon Telecommunications Relay Service