

## Consumer Electronics Retailers Coalition



June 25, 2009

Governor Bobby Jindal  
P. O. Box 94004  
Baton Rouge, LA 70804-9004

**Re: Opposition to House Bill 782 - regarding the collection of E-911 emergency services fees at retail point of sale on prepaid wireless telecommunications services to consumers.**

Dear Governor Jindal:

The Consumer Electronics Retailers Coalition (CERC) is a public policy organization consisting of the major retailers of consumer electronics products and two of the nation's major retail industry trade associations. Our members are among America's favorite places to shop for electronic devices which make our lives more productive and enjoyable.

CERC members have combined to focus our unique and expert market perspective on the critical policy issues facing the consumer electronic retail industry and our customers. Individually our members operate in all 50 states and territories employing well over three million people.

CERC is respectfully requesting consideration of a veto of House Bill (HB) 782 which would impose collection of the E-911 emergency services fees on prepaid wireless telecommunications services to consumers at the retail point of sale.

CERC believes that a veto of this bill should be strongly considered for the following reasons. We believe that HB 782 will lead to a number of unwanted outcomes for Louisiana not the least of which, 911 authorities will be shortchanged of highly needed and necessary funding. Under this legislation, the state will:

- Assume a huge collection and enforcement burden; while the state already faces staffing shortages and limited resources;
- Impose a new collection, auditing and enforcement regime on tens of thousands retailers who are already suffering under an economic downturn;
- Be required to manage tens of thousands of retail accounts rather than a handful of carrier accounts; and

- Place countless on-line, over the phone and direct to phone transactions out of the reach of the new transaction fee.
- A specialized state specific 911 fee collected in the form of a % or flat fee - represents an unraveling of streamlined sales tax initiatives.
- Will adversely affect lower income and minority consumers given the structure of the proposed fee.

E-911 fees, Universal Service Fees and other telecommunications related fees and taxes have long been the responsibility of the carrier. There is nothing about pre-paid wireless service that justifies shifting that responsibility to retailers. Legislation which seeks to shift the burden to collect and remit E-911 fees on pre-paid wireless services to unwilling retailers will impose an unnecessary cost on retailers and the state of Louisiana. Even a fee to compensate retailers for their collection and administration expenses related to these fees are insufficient to cover the real cost of collection, remittance, auditing, and risk involved with this responsibility.

While pre-paid wireless services may pose challenges for the carriers, they already possess all the infrastructure and information needed to collect and remit fees on a more efficient and rational basis. Indeed carriers are collecting and remitting this E-911 fee right now in a majority of states.

If you have any questions or wish to discuss further, please do not hesitate to contact my office. We urge you to consider the negative impact of HB 782 on the state of Louisiana and its citizens and urge you to veto this bill.

Sincerely,

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