



**Testimony of
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CTIA**

Oregon House Bill 2757

**Before the
Oregon House Committee on Revenue**

April 27, 2023

Chair Nathanson, and members of the committee, on behalf of CTIA®, the trade association for the wireless communications industry, I submit this testimony to address concerns with Oregon House Bill 2757. CTIA and its member companies support the designation of 988 as the three-digit dial for the National Suicide Prevention Lifeline. CTIA member companies have implemented network changes to ensure Americans can dial 988 when in crisis right now.

CTIA and its members understand the importance of a workable state 988 funding framework that includes state appropriations, federal funds, and the option of 988 taxes. From the outset, it is important to note that most states implementing 988 are utilizing general fund appropriations and federal contributions for funding as opposed to enacting a new tax on their residents. Last year, over 25 states chose to either appropriate general fund revenue and utilize federal funds or study the issue further. In addition, during this time of economic uncertainty and increased costs impacting day-to-day living, enacting a new tax for 988 will especially affect working families and other Oregonians facing financial challenges.



For these reasons, we would encourage the Legislature to use state appropriations and federal funds to support the 988 program.

If the state cannot find the funds to support 988 through general revenue and federal funding, HB 2757 should be amended to ensure that any new tax on telecommunications consumers is limited. CTIA does not oppose the use of 988 taxes to pay for the direct costs for crisis center services but wants to ensure the tax is kept within reason and the amount is justified by data. In 2021, Oregon passed legislation outlining requirements for the infrastructure and resources to implement the 988 call system, and also directed the Oregon Health Authority to commission a report to provide a comprehensive analysis of existing crisis services and make policy and funding recommendations for a continuum of crisis services. The report projected that if further state resources were not allocated, “Oregon would need a 20-cent phone surcharge fee in Year One and a 24-cent charge by Year Five to fully support this service.”¹ A 50-cent tax on consumers to fund 988 in Oregon would not only be far above the Oregon Health Authority’s own recommendations but would also be the highest 988 tax in the country by far.

Any 988 tax should be kept as low as possible and justified by data showing exactly what the tax will fund. These types of taxes are highly regressive. Wireless phones are the

¹ (2022). HB 2417 Report: Statewide Coordinated Crisis Services System. Oregon Health Authority. https://www.oregon.gov/oha/ERD/SiteAssets/Pages/Government-Relations/OHA%20HB%202417_Crisis%20System%20Report_1.26.22.pdf



gateway to the internet for many Oregonians, so overburdening these consumers with more taxes and fees may detrimentally affect their continued connectivity. Limiting the scope of the 988 tax and keeping it as low as possible will help the bottom line for so many consumers. This is particularly important given the recent increase in the 911 tax from 75 cents to \$1.25 per line per month, and the recent expansion of the 6 percent state Universal Service Fund charge to wireless service. Taken together, along with the adoption of a burdensome 988 tax, these charges will have a real impact on telecommunications consumers.

Additionally, the scope of the 988 tax should be limited to funding equipment, communications services, and direct costs for crisis hotline center personnel for 988 call-taking and appropriate call routing. The 988 system often has been compared to 911 taxes that fund only government-operated Public Safety Answering Points for call taking and routing. The 911 tax does not fund police, fire, or EMS services and relies instead on the state's general fund revenues. CTIA would ask that 988 funding be approached in the same manner. Any 988 tax should fund only the crisis centers for call taking and routing. CTIA supports providing appropriate response to people experiencing a mental health crisis, but we do not believe the cost for those services should be borne solely by the state's telecommunications consumers. Lastly, CTIA would ask that language be added to extend liability protections for communications service providers similar to language in the 911 statute.

In closing, the wireless industry looks forward to continuing to work with federal and state entities to ensure successful implementation of 988 to help our fellow Americans



experiencing a mental health crisis. As previously noted, CTIA would encourage Oregon to choose general and federal funding to support the 988 programs before turning to telecommunications consumers to bear that cost. We welcome the opportunity to work with the sponsor on this issue. Thank you for your consideration.