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May 6, 2020

The Honorable Mike McGuire  
Chair, Senate Governance and Finance Committee  
State Capitol  
Sacramento, CA 95814

**RE: Support - SB 1441 (McGuire) Local Pre-Paid Mobile Telephone Services Collection Act**

Dear Senator McGuire:

CTIA®, the trade association for the wireless communications industry is pleased to support SB 1441 which would remove the sunset and make permanent the point-of-sale collection mechanism for local 911 fees and utility user taxes (UUTs) imposed on prepaid wireless service.

More than 40 states have enacted prepaid wireless point-of-sale collection statutes in recognition of their importance to funding state and local programs. In 2014, the legislature, with overwhelmingly bi-partisan support, passed AB 1717 (Perea), to create a statewide system for retail point-of-sale collection of state and local taxes and fees imposed on prepaid wireless services. The existing provisions from AB 1717 expire on January 1, 2021. SB 1441 ensures that the prepaid sector of the communications market will continue to equitably share in the responsibility of funding local 911 fees and providing critical revenue to cities and counties generated by local UUTs.

Prepaid wireless services are offered on a "pay-as-you-go" basis with no required contracts, term or volume commitments, early termination penalties, overage charges, or credit checks. These important factors make prepaid services available to those consumers to whom the security and convenience of mobile telephone service might not be available. This business model offers reliable service and affordable pricing. However, the fact that the service is not billed to consumers on a monthly basis creates challenges for some sellers regarding the collection of end user fees to fund programs such as local 911 fees and local UUT's. SB 1441 would ensure continued collection of local 911 fees and UUTs without interruption by removing the sunset and making permanent the point-of-sale collection mechanism.

For the reasons stated, we respectfully request an AYE vote on SB 1441.

Sincerely,

Lisa Volpe McCabe  
Director, State Legislative Affairs  
CTIA

Cc: Members Senate Governance and Finance Committee  
Colin Grinnel, Principal Consultant  
Ryan Eisberg, Republican Policy Consultant