

## Response to Questions on the FY 2006 Advertised Budget Plan

**Request By:** Chairman Connolly

**Question:** Does data exist showing the downward trend of telephone land-line usage in the County? How will this affect County revenue in the future?

**Response:** Staff does not have access to direct data showing the downward trend of telephone land-line usage in the County. This information is no longer readily available from the local phone companies. However, both the trend in E-911 revenue received from phone companies for land-line phones and anecdotal information from the telephone industry support the theory that land-line usage is declining.

Extrapolating the FY 2005 E-911 revenue projection for land-line phones, compared to actual revenue received in FY 2004, results in a projected decline of almost 2 percent.

According to the Federal Communication Commission (FCC), from CY 2000-2003 the number of land lines dropped over 3 percent nationally. In addition, industry experts indicated that over 14 percent of U.S. consumers use only a wireless phone, and that is expected to more than double by 2008.

As the number of land-lines decreases, the recovery of E-911 fees does as well. In an attempt to further diversify revenue and mitigate lost revenue due to declining land-line use, Fairfax County is proposing to increase the E-911 fee to the state allowed maximum in FY 2006. The revenue generated with this fee increase is expected to cover approximately 55 percent of FY 2006 expenditures. It should be noted, however, that if the E-911 fee is set at the state allowed maximum and should the downward trend in land-line use continue, the County will realize a continued decline in revenues to support E-911 operations.