

IN THE COUNTY LEGISLATURE OF JACKSON COUNTY, MISSOURI

A RESOLUTION authorizing the Office of the County Counselor to execute a settlement agreement with AT&T relating to a shortage in remittances of 911 service taxes.

RESOLUTION #17129, January 04, 2010

INTRODUCED BY Scott Burnett, County Legislator

WHEREAS, AT&T submitted a proposed settlement relating to a billing issue which may have caused a shortage in remittances of 911 service taxes by Southwestern Bell Telephone Company, d/b/a AT&T Missouri; and,

WHEREAS, after negotiations, AT&T presented a final offer of \$78,057.05 in resolution of this matter; and,

WHEREAS, the proposed settlement is in the best interest of the health, safety and welfare of the citizens of Jackson County; now therefore,

BE IT RESOLVED by the County Legislature of Jackson County, Missouri, that the Office of the County Counselor be and hereby is authorized to execute a settlement agreement and accept payment in the amount of \$78,057.05, in full, final and complete release of any related claims against AT&T; and,

Effective Date: This Resolution shall be effective immediately upon its passage by a majority of the Legislature.

APPROVED AS TO FORM:

Patricia Jellin
Deputy/Assistant County Counselor

Tim Stupen
Acting County Counselor

Certificate of Passage

I hereby certify that the attached resolution, Resolution #17129 of January 4, 2010, was duly passed on *January 11*, 2010 by the Jackson County Legislature. The votes thereon were as follows:

Yeas *9*

Nays *0*

Abstaining *0*

Absent *0*

1/12/2010
Date

Mary Jo Spino by cms
Mary Jo Spino, Clerk of Legislature



Res. #17129

Jack Zaldivar, ENP
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Attn: Tim Bradley
Jackson County E911
415 E 12th St
Kansas City, MO 64106

Date: 7/20/2009

Re: 911 Service Taxes -- Billings and Remittances

Dear Mr. Bradley,

This letter is to inform you of a billing issue which may have caused a shortage in remittances of 911 service taxes by Southwestern Bell Telephone Company, d/b/a AT&T Missouri ("AT&T Missouri"), and the resolution of the issue.

AT&T Missouri has learned that 911 service taxes were not being billed on some accounts to end users of PRI and other local access services. AT&T Missouri identified that on account of the billing applications for certain promotions and customer specific/individual-case-basis ("ICB") contracts for certain access services (mainly ISDN PRI B Channel services) AT&T Missouri had not billed 911 service taxes for these contracts, and thus neither collected nor remitted the taxes. Upon discovery of the issue, AT&T Missouri quickly began taking remedial measures.

As a result, by January 1st 2009, AT&T Missouri had corrected a portion of the billing applications. Although AT&T Missouri has also diligently sought to correct the remainder of the billing problem, that correction requires that AT&T modify a complex billing system software application. Nevertheless, we anticipate that this correction should be completed by the first quarter of 2010, and possibly sooner.

State law provides that subscribers, not service providers, are liable for payment of 911 service taxes, and that service providers such as AT&T Missouri are to remit what they have collected, less an administrative fee. Due to the limited ability, as a practical matter, to accurately bill and collect in full these retroactive 911 service taxes, AT&T Missouri is planning to implement this resolution:

1. To make a cash payment to your organization, without admitting liability, in the amount of \$78,057.05 representing the amount which would have been remitted for 911 service taxes from January 1, 2007, through June 30, 2008, had these taxes been billed and collected in full. Although AT&T Missouri is not statutorily liable for this payment, AT&T Missouri recognizes the impracticalities of back billing, and the need to strike a balance between fairness to telephone subscribers and your organization. This amount represents 100% of the 911 service taxes that were not billed and thus not collected, based upon the available AT&T on-line data, which was retrieved back to January 1, 2007, through June 30, 2008.

Proposal of resolution for 911 service fees

FILED
JUL 21 2009
MARY JO COHNO
COUNTY CLERK



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- 2. Further,
 - a. To back bill 911 service taxes to current end users on your behalf:
 - (i.) For the one-year period beginning July 1, 2008 and ending June 30, 2009 (the "initial back billing period"); and,
 - (ii.) Once the above-mentioned billing system software application is modified to correct the remaining billing problem, for the period after the initial back billing period through correction completion; and,
 - b. To remit to Jackson County E911 the amount collected as a result of each of the two back billings.

This plan represents, in our view, the best solution obtainable under the circumstances, particularly given the difficulties of accurately identifying and collecting 911 service taxes from previous customers of ISDN PRI B channel and other access services, as well as the difficulty in collecting back billed amounts from current end users.

If you agree with AT&T Missouri's plan, please have the appropriately authorized official execute this letter, below, and return it to Jack Zaldivar within thirty (30) days of the date of this letter. Please note that by signing below, your agency agrees to fully release and waive any and all claims it may have or had against AT&T Missouri regarding its failure to bill, collect and remit 911 service taxes and any and all of the issues described herein.

Please allow sixty (60) days for AT&T Missouri to issue Jackson County E911 a check after your return of this letter.

If you have any questions, please do not hesitate to contact me.

Sincerely,

Jack C. Zaldivar

AGREED:

Name: *William G. Snyder*
 Title: **ACTING COUNTY COUNSELOR**
 Agency: Jackson County, MO

ATTEST:
Maryjo Spino
CLERK OF COUNTY LEGISLATURE

William G. Snyder

Proposal of resolution for 911 service fees