

MINUTES OF THE SENATE COMMITTEE ON COMMERCE.

The meeting was called to order by Chairperson Senator Karin Brownlee at 8:30 a.m. on March 02, 2001 in Room 123-S of the Capitol.

All members were present except: Senator Susan Wagle (Excused)

Committee staff present: April Holman, Legislative Research Department  
Bob Nugent, Revisor of Statutes  
Lea Gerard, Secretary

Conferees appearing before the committee: Joe Schuele, ALLTEL  
Amy Yarkoni, Singular  
Mike Murray, Sprint  
Mike Reece, AT&T  
Jim Yonally, Verizon  
John Parisi, Kansas Trial Lawyers Assoc.  
Thomas E. Gleason, Independent Tele. Comm. Grp.

Others attending: See attached list.

Joe Schuele, Government Relations Manager, ALLTEL, testified in support of **SB 298** stating the centrally-assessed surcharge is the best way to ensure that as many areas of the state will receive the benefits of wireless E-911. Without statewide distribution of revenue, many areas will never generate enough money to upgrade their PSAP to accommodate the service. Iowa, Arkansas, Texas, Virginia, Alabama, Georgia, Indiana, Kentucky, Michigan, North Carolina, New York and West Virginia are all states with local assessed landline surcharges, but which have chosen a statewide fund for wireless E911. (Attachment 1).

Senator Barone requested that Joe Schuele provide the Commerce Committee ALLTEL's customer growth for the last five years.

Amy Yarkoni, General Manager-External Affairs for Cingular Wireless, testified in support of **SB 298** stating the bill contains many benefits for wireless customers. Those include: 1) Centralized (statewide) collection and distribution of funds; 2) Consistent 911 tax rate throughout the state; 3) Cost recovery which is critical for wireless carriers and PSAPs (Attachment 2).

Mike Murray, Director of Governmental Affairs, Sprint, testified in support of **SB 298** stating one of the most important provisions of the bill is the creation of a single statewide point of contact for the collection and disbursement of E911 funds. Sprint PCS strongly prefers a statewide flat tax of fifty cents, a single fund and point of contact in applying for cost recovery, and some assurance of being reimbursed for the costs of providing wireless E911 service (Attachment 3).

Mike Reece, Government Affairs Consultant, AT&T, testified in support of **SB 298** stating the bill provides the framework to implement a statewide E911 wireless system. It would establish the necessary funding mechanism to pay for this system and provide for a cost recovery that is fair for both the PSAPs and wireless providers. The implementation of a E911 wireless system statewide will provide the ability of emergency personnel to be able to determine the calling number and its specific location (Attachment 4).

Jim Yonally testified on behalf of Verizon Wireless in support of **SB 298** (Attachment 5).

John Parisi, Kansas Trial Lawyers Association, commented on **SB 298** and **HB 2034**. The KTLA supports **HB 2034** as amended by removing the immunity provision. An amendment was submitted for **SB 298** clarifying the intent of the language of the bill and make it consistent with Kansas law. The revisions are needed to clarify that under Kansas law, a wireless carrier can be held liable if it fails to use ordinary care in the performance of installing, maintaining or providing enhanced wireless 911 services

and as a consequence of that failure, causes harm to other individuals, persons or property. and does not support **SB 298** as presently drafted, but does support the bill if amended to include (Attachment 6).

Walt Way, Johnson County Sheriff's Office, presented written testimony in opposition to **SB 298** (Attachment 7).

Lisa Durand, E911 Task Force Member, Johnson County Emergency Communications, presented testimony supporting **HB 2034** (Attachment 8).

Lynn Holt and April Holman, Legislative Research Department prepared a side-by-side comparison of **SB 298** and **HB 2034** (Attachment 9).

Meeting adjourned.

Next meeting scheduled March 05, 2001 at 8:30 a.m.

**SENATE COMMERCE COMMITTEE**

**GUEST LIST**

**DATE: MARCH 02, 2001**

NAME	REPRESENTING
Jason White	Kansas EMS Asso.
Lisa Durand	Johnson Co. Emer. Mgmt.
Walter Way	Johnson County Sheriff
John Parisi	Kansas Trial Lawyers
Mike Murray	Sprint
Tom Gleason	Independent Telecom Group
Rob Hodges	KTIA
George Barbee	RTAC
Mike Rees	AT&T
Amy Yarkoni	Cingular Wireless
Joe Schneck	ALLTEL
Sandy Braden	Cingular Wireless
Stephen King	Cingular Wireless
Jim Yonally	Verizon Wireless
Nelson Kraeger	Western Wireless
Ashley Sheward	Johnson County
Judy Melin	Ks. Assoc. of Counties
Kelly Kuitala	City of Overland Park
Pat Lehman	KFSA
Kim Gilley	LKM
Kevin Bove	Mer/weir
Marty Jann	ICC, KS / WYCO
Bill Snow	KPOA / KSA

**Testimony in support of Senate Bill 298,  
and on the issue of enhanced wireless 911 service**

Senator Brownlee and members of the Commerce Committee:

My name is Joe Schuele, Government Relations Manager for the Kansas and Nebraska operations of ALLTEL. Kansas is one of 24 states in which ALLTEL provides wireless communications service.

I am testifying today in favor of the concepts embodied in Senate Bill 298, and I thank this committee for the introduction of that bill. Regardless of which "bill number" is enacted by this Legislature, it is the policy of SB 298 that will best serve the state of Kansas as you move forward on the issue of enhanced wireless 911 service.

SB 298 departs from the practice of overlaying wireless into the existing 911 system. Some will argue that this is a downside to the bill, but I contend that this is its greatest strength. Wireless service differs significantly from wireline, both in technology and the manner in which it is used. Equipping wireless networks to provide enhanced 911 is a far different undertaking, and it is in all wireless customers' best interest to see that the service is implemented in as many jurisdictions as possible.

The main objection you will hear to SB 298 is that the surcharge is assessed at the state level rather than locally, and that this somehow compromises local control. But consider the difference between wireless and wireline service. Do your constituents use their wireless phones only in their home jurisdiction, or do they use them when they travel? Do they take them into rural areas when they hunt, fish, camp, or engage in any number of other activities? Your instincts will tell you that they not only do so, but that this is exactly when they are most in need of enhanced wireless 911 service. Remember that this service is designed to deliver the location of the caller, even when the caller is unable to verbally provide this information. Of course that could mean that the caller is incapacitated and unable to speak, but more often it will simply mean that the caller is confused or unfamiliar with the area. When is that most likely to happen? When the caller is travelling through or visiting an area away from home.

A centrally-assessed surcharge is the best way to ensure that as many areas of the state as possible will enjoy the benefits of wireless E911. Without statewide distribution of revenue, many areas will never generate enough money to upgrade their PSAP to accommodate the service. This is why so many states – even many who assess the landline 911 surcharge locally – have chosen to use a statewide fund for wireless E911. Keep in mind that many states use a statewide fund for both wireline and wireless 911. But Iowa, Arkansas, Texas, Virginia, Alabama, Georgia, Indiana, Kentucky, Michigan, North Carolina, New York, and West Virginia are all states with locally-assessed landline surcharges, but which have chosen a statewide fund for wireless E911. This year Nebraska will join this list. Do you not think that these State Legislatures believe in local control? Of course they do. But they simply recognize the benefits that a statewide fund can offer, and understand the roadblocks that will exist if a local surcharge is employed.

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The benefits of a statewide surcharge are many, and I want to provide you with some more detail on that issue. First, the messy issue of which is the appropriate jurisdiction is avoided. On House Bill 2034, there was much discussion about Billing Address vs. Place of Primary Use. I would contend that neither of those choices is very definitive. In some cases, the billing address is representative of where the phone is used, but many times it is not. In some cases, we can identify a place of primary use, but many times we cannot. This is why wireless E911 needs to be a statewide issue, an in fact a nationwide issue. Every wireless subscriber stands to benefit from the service in every location, and the collection and distribution of surcharge revenue should reflect that fact.

In addition to the administrative advantages of a central surcharge, there are very real benefits in terms of implementation. I have already touched on the importance of getting the service to as many jurisdictions as possible, and I cannot emphasize that point enough. But there are also some very real efficiencies that can be achieved by a centrally-administered fund.

First, let me emphasize that nobody is suggesting that PSAPs consolidate or that wireless 911 calls get routed somewhere other than the appropriate local PSAP. That is not something that we favor or that we are promoting. But a wireless 911 call does not have to follow exactly the same path to the PSAP as a wireline call. There are other methods available that can be more efficient, and which can eliminate unnecessary duplication of facilities and unnecessary recurring charges. The cost savings can be significant, and the mechanical differences in the service are invisible to the customer and invisible to the PSAP. I'm not suggesting that use of these options be mandated in this legislation, and in fact they are not mandated in SB 298. Those decisions should be made by the Administrator, in consultation the Advisory Board, and not micro-managed in the legislation. But my point is that these options will never even be explored unless you approve the use of a uniform surcharge and a centralized fund. House Bill 2034 restricts you to the parameters and the technology of the existing 911 system, even if better and more efficient options are available, because there is no central point of coordination and no mechanism for reducing duplication and maximizing efficiency.

The final point that I want to make is in regard to cost recovery. ALLTEL urges you to include effective carrier cost recovery in your legislation. In our opinion, It is included in SB 298 but not in HB 2034. The beauty of SB 298 is that it expresses no preference for carrier cost recovery over PSAP cost recovery. This is as it should be, because both PSAPs and carriers must make the necessary improvements to their systems in order to effectively deploy the service. The FCC recognized this fact when it originally mandated carrier cost recovery. The FCC acknowledged that 911 capability is not an issue that should be subject to competitive pressure. There should not be any incentive for carriers to cut corners or deploy inferior technology in order to gain a price advantage. This is why specific cost recovery from the new 911 surcharge is so critically important. When the FCC lifted the prerequisite for carrier cost recovery in December 1999, it was only because of the fear that it was holding up the deployment process. The FCC never suggested that carriers were no longer entitled to cost recovery or that states should not grant cost recovery. In fact, I quote directly from the FCC Press Release that accompanied the Order:

The Commission (FCC) emphasized, however, that the revised rules do not disturb current state and local cost recovery schemes that are already working, nor was it discouraging state and local governments from deciding that cost recovery or sharing mechanisms that cover carrier costs are an effective way of expediting wireless E911 for their citizens, especially in rural areas.

The suggestion that the FCC “reversed” itself on the issue of carrier cost recovery simply is not true. The FCC simply understood that states might balk at the imposition of a new surcharge or that the issue of wireless E911 might bog down due to legislative inertia. In those instances, the FCC wanted localities to be able to move forward with the service. But no one that I am aware of is trying to block the enactment of wireless E911 legislation this session. ALLTEL most certainly is not. We actively support the passage of SB 298 or a bill containing the contents of SB 298. We oppose HB 2034 not because of the intent of the legislation, but simply because it is not drafted in a manner that will effectively deliver the service that it promises.

My final point with regard to cost recovery has to do with the issue of competition between wireless and wireline carriers. If the debate on HB 2034 is any indication, this issue will undoubtedly muddy the discussion today. As a company that serves hundreds of thousands of customers in both categories, ALLTEL would challenge you to show us any customer that ever discontinued his or her wireline service to achieve a 25-cent/month savings on the 911 surcharge. It simply does not and will not happen. The few customers that do discontinue landline service in favor of wireless do not even do so because of price. They do it because of the wider calling area and the ability to take their phone with them wherever they go. Therefore we suggest that you establish that wireless surcharge based on the amount of revenue needed to accomplish the task at hand, and not based on a popular misconception. We feel that 50 cents is the appropriate starting point, but we do not oppose a higher surcharge if it can be shown that it is necessary. We are not concerned if it is higher than the landline surcharge in some localities, because we do not feel that the so-called “competitive disadvantage” with landline phones is a real problem. Wireless carriers have a growing list of competitors in our own field to be concerned about, and the competition between us is absolutely fierce. Therefore, we spend very little time worrying about competitive issues that exist only in theory.

In summary, ALLTEL strongly favors the concepts embodied in SB 298. We urge you to adopt these principles as you advance legislation to the Senate Floor. If we are going to impose a new tax or surcharge on the people of Kansas, then let us make sure that as many of them as possible enjoy the service that is being promised. This will be best accomplished through a uniform, statewide surcharge and with fair and equitable cost recovery for both PSAPs and carriers. Thank you again for your time, and the opportunity to testify.



Testimony Regarding Senate Bill 298  
Senate Committee on Commerce  
By Amy Yarkoni on behalf of Cingular Wireless  
March 2, 2001

Thank you, Senator Brownlee, for this opportunity to appear before your Committee as a proponent to Senate Bill 298. I am Amy Yarkoni, General Manager – External Affairs for Cingular Wireless LLC.

Cingular Wireless, formerly Southwestern Bell Wireless, is a joint venture of SBC Communications and BellSouth. Cingular operates in 38 states, D.C., and 2 U.S. territories, serving more than 20 million customers.

Cingular Wireless supports enhanced 911 emergency service because it saves lives and property. Almost everyone recognizes the enormous value wireless service has brought to public safety. Everyday in this country, 120,000 calls are placed and delivered to 911 from wireless phones.

Deploying 911 service throughout Kansas is a priority at Cingular Wireless. With the commitment and dedication of Kansas lawmakers and public policy decision-makers, Kansas can be a pacesetter for the country in terms of bringing enhanced 911 to the citizens of Kansas. We applaud your leadership in helping make this happen.

Today, when a wireless 911 call is placed, the operator at the 911 Public Safety Answering Point does not automatically know where the caller is located.

In 1996 the Federal Communications Commission mandated the implementation and deployment of enhanced 911 service in two phases to enable wireless callers to have the same benefits as wireline callers.

Under Phase I, 911 systems must deliver the callers phone number and general location (location of the base station carrying the call) to the PSAP. Phase II requires more precise location information be provided to the PSAP. Phase II requirements become effective October 1, 2001.

Under the current rules, two prerequisites must be met by the PSAPs: the carrier must receive a request from a PSAP that it has the capabilities to receive and use the location information, and there must be in place a mechanism for recovering the costs of

implementation. As of today, no request meeting these prerequisites have been received from any entity in the State of Kansas.

On November 8, 2000, Cingular Wireless filed its *Phase II* deployment plans with the FCC. We expect to use a network-based solution in our TDMA markets (the technology used in Kansas and throughout most of our territory) and a handset solution in our GSM markets (primarily in California, Nevada and Washington).

Network based - determining the location of the caller latitude and longitude through the use of network elements. Including but not limited to hardware located at the cell site, software, and antennas located at the cell site.

Handset based – GPS (Global Positioning System) Chipsets are integrated into the mobile handset. The chipset would transmit the location back to the MSC (Mobile Switching Center) which would process the information and pass the information along to ANI/ALI Database. A third party may be needed to transmit data to the ANI/ALI.

Cingular is currently working with vendors to identify a network solution that will meet the FCC's accuracy measurements in all situations—for example, in buildings, hilly terrain, rural areas, downtown districts.

The FCC's E911 rule does not require a wireless carrier to turn over to the PSAP the determination of the technology it will use to fulfill its obligation. Of course, there has to be an interface with the PSAP's systems, clearly, the carriers would work closely with the PSAP, but that interface should not be mandated within legislation.

Cingular supports the concepts and policy included in SB 298. The bill contains many benefits for wireless customers. Those include:

- 1) Centralized (statewide) collection and distribution of funds. This encourages statewide implementation which benefits wireless users in the less populous and urban areas of the State. The centralized approach helps ensure that the funding from the wireless 911 tax is targeted on deploying and maintaining enhanced wireless 911 services.
- 2) Consistent 911 tax rate. A consistent wireless 911 tax throughout the State will be less confusing for customers and provide equity consistent with usage of 911 services. Customers frequently use wireless phones outside the geography of their billing address (home location) and want to receive the benefit of enhanced 911 services where they use their phone.
- 3) Cost recovery: Cost recovery is critical for wireless carriers and PSAPs and improves the integrity, speed of deployment and support of enhanced 911 services. In the FCC



Release dated November 18, 1999 "The commission [FCC] emphasized, however, that the revised rules do not disturb current state and local cost recovery schemes that are already working, nor was it discouraging state and local governments from deciding that cost recovery or sharing mechanisms that cover carrier costs are an effective way of expediting wireless E911 for their citizens, especially in rural areas."

Wireless carrier costs related to Phase I may include but are not limited to:

*Capital Expenditures:* Costs incurred in purchasing, installing, testing and maintaining equipment obtained primarily for the provision of E911 service to the 911 governmental entity.

*Non-recurring Costs:* Costs incurred for development, startup, and engineering of provision of E911 Service to the 911 Governmental Entity. These costs include testing, equipment (can include software and switching features as well as hardware) acquisition and installation; network upgrades necessary to achieve E911; initial creation and loading of information regarding cell site locations, identifier and routing numbers; network connectivity; and design.

*Monthly Recurring Costs:* Costs incurred monthly including the costs of services provided by third party vendors; updating database information in various databases; PSAP routing information; processing and delivering calls to governmental entity, including trunking database inquiries.

Wireless carrier costs related to Phase II include all costs associated with Phase I, and significant upgrades/enhancements to the network to enable location technology, addition of databases and third party vendor contracts.

- 4) Proprietary Information/Privacy: Replace Section 10 with – "Notwithstanding any other provision of law, no proprietary information submitted to a public agency by a wireless carrier pursuant to this Act shall be subject to subpoena or otherwise released to any person other than the submitting wireless carrier, without express permission of the wireless carrier. General information collected from wireless carriers pursuant to this section shall only be released or published in aggregate amounts which do not identify or allow identification of numbers of subscribers or revenues attributable to a specific wireless carrier."

No wireless carrier or its officers, employees, assigns or agents shall be liable for any form of damages which directly or indirectly result from, or are caused by, the release of subscriber information to any public agency as required to implement the provisions of this act.

- 5) Liability Protection: While Senate Bill 800, the 911 Act which was enacted on October 26, 1999, provides wireless carriers protection from liability on 911 calls to the same extent as wireline carriers receive on 911 calls. The existing statute that exists for wireline carriers contains only liability from partial or full failure of transmission. In a wireless environment there are other valid reasons for wireless 911 calls not to be processed. There still exist "dead zones" in wireless coverage where it is not possible to complete a wireless 911 call; placing at risk individuals who happen to be in the dead zone. The fact that unintended consequences can occur has long been recognized.

The phrases "except for failure to use reasonable care or for intentional acts," Section 11, Line 30 – 31 should be removed. The intent of immunity from liability is to ensure services of this nature are available for public safety. Our interpretation of "reasonable care" is far too broad, and, "intentional acts" is not currently defined to explicitly include only those intentional acts which constitute gross negligence, reckless or intentional misconduct.

Furthermore, basic wireless 911 service should be included within the liability protection clause.

On another issue relating to exemptions; in the event that the State feels certain wireless users for example, "remote services" deserve exemption from the wireless 911 tax, I would suggest that the State offer these individuals a refund of the collected tax.

Let me close by reiterating that enhanced 911 service is a priority at Cingular Wireless. We strongly support the passage of SB298 with the changes discussed above. Fewer than half of the states within the US have begun wireless enhanced 911 deployment. We appreciate your leadership in bringing this life-saving service to all Kansans and we look forward to working with you.



Before the Senate Commerce Committee  
Friday, March 2, 2001  
SB 298  
Mike Murray, Director of Governmental Affairs

Madam Chair and Members of the Committee:

Thank you for the opportunity to comment on SB 298 implementing wireless E911 in the State of Kansas. Sprint fully supports SB 298.

Sprint PCS is committed to the implementation of enhanced 911 services throughout its national network and takes its role in providing security to its customers seriously. Although no public safety answering point has made a request for the provision of E911 service in the State of Kansas, this is likely the result of a lack of funding. For this reason, Sprint PCS wants to work with you to craft appropriate legislation that addresses funding to support the implementation of E911 in Kansas for both carriers and PSAPs.

There are several principles and provisions which Sprint PCS has sought in legislation throughout the country. They include proprietary information protection, liability protection, a 2% administrative fee, and no technology mandate. Those principles are recognized in both the House and Senate bills.

One of the most important provisions for such legislation, however, is the creation of a single statewide point-of-contact for both the collection and disbursement of E911 funds. Only SB 298 contains such a provision. Sprint PCS strongly prefers a statewide flat tax of .50 cents, a single fund and point-of-contact in applying for cost recovery, and some assurance of being reimbursed for the costs of providing wireless E911 service as contained in SB 298.

If the goal of this legislation truly is to implement wireless E911 throughout the state, then a statewide fund and assessment with a governing board and administrator authorized to reimburse local PSAPs and wireless carriers for their costs is the correct approach.

Kansas citizens, whether they live in Johnson County or Western Kansas, will not be well served by a locally assessed tax on wireless phones at their billing addresses. Many rural counties will not be able to accumulate enough funds in the foreseeable future to implement wireless E911 under that mechanism because of their smaller population base.

Think of driving to Colorado on Interstate 70. PSAPs in the rural areas along that route will be unable to afford the enhanced 911 services that permit them to determine the location of a motorist in distress who is calling 911 using a wireless phone. It is these more rural and undeveloped areas that would most benefit from more precise location technology. Why should funding be based upon an individual's home address when they are most likely to use the service only when they leave home?

I've attached a list of the costs that Sprint PCS would seek to have reimbursed in the provision of wireless E911 service. These costs are national. They are not unique to any particular state. The costs listed amount to .15 to .20 cents per customer per month depending on the configuration of the local telephone network, well below the .50 cents reflected in SB 298.

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Some parties suggest that, simply because the FCC removed the requirement for carrier cost recovery as a prerequisite for implementation of wireless E911, wireless carriers should not receive any cost recovery under this legislation. Such a decision would not be good public policy. No level of government—local, state or federal—should be able to say to any person or business “give me this product or this service and by the way I’m not going to pay you for it.”

Moreover, in the case of Sprint PCS, our costs are our costs. Period. The idea that we are going to attempt to “rip off” the local units of government and our customers by seeking reimbursement for inflated and bogus costs is absurd. Sprint PCS does not seek to make money on 911, merely to be reimbursed for providing the service to PSAPs in the same manner PSAPs currently reimburse landline companies.

Sprint PCS respectfully urges the Committee to adopt SB 298.

# E911 PHASE I COSTS

**Note:** These are costs that are incurred to implement, maintain, and administer E911 Phase I. The infrastructure and processes put in place for Phase I are dedicated to Enhanced 911 and are not used to provide any commercial services. Per the FCC Report and Order 94-102, upon a valid request for service from a public safety answering point (PSAP), a wireless carrier must provide 20 digits of data to the applicable PSAP. In order to have a valid request, a PSAP must have made the necessary equipment and trunking upgrades necessary to be able to receive and utilize the Phase I data. The 20 digits consist of a 10 digit call-back number and a 10 digit number (often referred to as a pANI or Pseudo-ANI) that translates to an address of the cell tower/sector from which the 911 call was originated. This translation of the 10 digit pANI to a cell tower/sector address occurs in an ALI that is provided and maintained by the PSAP's Emergency Service Provider (usually a local exchange carrier). The ALI (Automatic Location Identification) is a database that was created for providing address and caller information for landline E911 and is also used for delivering wireless E911 location.

Once a valid request for service is received from a PSAP, the carrier must perform the following tasks:

## Non-Recurring Tasks:

- Meet with PSAP to discuss implementation plan and to negotiate service contracts and cost recovery
- Collect PSAP contact, boundary, and equipment information
- Collect LEC E911 network infrastructure information
- Map PSAP boundaries
- Overlay PSAP boundaries on wireless carrier service boundaries
- Identify cell towers within overlaid boundaries
- Obtain & verify cell site data (address, sectors, radius, etc.) – this is often a lengthy process because cell sites are added or moved on a regular basis or the radius or direction is changed on existing cell sites
- Obtain and assign pANIs (unique 10 digit numbers) for each cell sector of each cell tower
- In conjunction with the PSAPs, determine which PSAP will receive 911 calls from each cell tower sector
- Load switch translations tables with pANIs and selective routing data
- Load emergency routing data into the Emergency Service Provider's selective router/tandem
- Load each cell sector pANI with its associated cell tower address into the ALI (where Call Path Associated Signaling is used to the ESP/PSAP)
- If Non-Call Path Associated Signaling is used to the ESP/PSAP, establish connectivity to third party vendor's SCP and database – third party vendor must establish dynamic data connectivity to ESP ALI
- Based on the gathered PSAP and its Emergency Service Provider (ESP) data, determine wireless network interconnection and trunking requirements to ESP selective router/tandem
- Negotiate interconnection agreements with ESP, if necessary – some ESP's require separate E911 interconnection agreements
- Place trunking and connection orders with Emergency Service Provider (usually LEC) – it often takes the LEC 6 to 8 weeks to process these orders
- Test connectivity, routing, & translations of E911 Phase I data
- Perform drives tests where several calls are placed to the PSAP from each cell sector in the PSAP's boundaries

## Non-Recurring Costs:

- Administrative and travel costs to perform tasks described above
- Switch software upgrades or patches to enable the provision of E911 Phase I data
- Non-recurring LEC trunk/circuit charges, connection charges to E911 selective router/tandem, pANI storage charges in selective router/tandem and ALI
- Non-recurring charges for data links to ESP (LEC) ALI
- Non-recurring charges to third party vendor for initial data loads in ESP selective router & ALI

#### Monthly Recurring Tasks:

- Monitor changes to wireless network and determine if changes effect routing to PSAP or data provided to PSAP for: new cell towers, changes in the configuration of existing cell towers, re-homing of cell towers to different or new switches
- Regularly update ESP selective router & ALI databases to reflect changes to cell data
- Lab and field testing to ensure new changes to switch software do not effect 911 call delivery
- Monitor & trouble report network between cell towers, switch, & ESP (LEC) selective router/tandem and between MSC & third party vendor SCP.
- Monitor & trouble report network connectivity between third party SCP & ALI systems
- SCP hardware & software maintenance
- SCP table maintenance
- No record found/misroute investigations
- Investigations of database discrepancies between SCPs, ALIs, & selective routers/tandems
- Compilation & maintenance of documentation for cost recovery
- Annual appearances before PSAPs & wireless boards to review costs
- Administration & management of cost recovery and E911 surcharge audits

#### Monthly Recurring Costs:

- Administrative and travel costs to perform tasks described above
- Monthly recurring LEC trunk/circuit charges, connection charges to E911 selective router/tandem, pANI storage charges in selective router/tandem and ALI
- Monthly recurring charges for data links to Emergency Service Provider's (LEC) ALI
- Monthly recurring charges to third party vendor for maintaining selective router and ALI databases in response to changes by wireless carrier to network configuration

## E911 PHASE II

The E911 Phase I infrastructure must be in place before E911 Phase II can be provided. The only difference between Phase I and Phase II is that a more accurate location is provided to the PSAP. Therefore, instead of providing a 10 digit pANI that corresponds to a cell tower address (as with Phase I), the carrier sends a latitude and longitude that corresponds to the location of the 911 caller. All of connectivity and databases used to provide the Phase I data is still used to provide the more accurate location provided in Phase II. At issue in Phase II is the location technology required to calculate the more accurate location. It is this location technology (that does not include the E911 Phase I infrastructure) that can be used to provide value-added location based service to subscribers. These value-added services will be delivered over a separate path (from E911) to subscribers. It is too soon to try to address in legislation the costs of the location technology itself and whether carriers should be reimbursed for the development of this technology. The E911 Phase I infrastructure will continue to be used to deliver caller and location data to public safety in Phase II, but this infrastructure will not in any way be used to provide commercial services to subscribers.

# MIKE REECHT

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Testimony of Mike Reecht  
On Behalf of AT&T  
Before the Senate Commerce Committee  
Regarding SB 298  
March 2, 2001

Madam Chair and members of the committee:

My name is Mike Reecht and I appear before you today on behalf of AT&T in support of SB 298.

As AT&T enters the wireless marketplace in Kansas, it is important that our wireless customers are provided the same benefits of E 911 service that are available to wireline customers. The bill before you today establishes the necessary framework to provide equivalent E 911 service for wireless customers.

As you are aware, wireless customers can dial 911 today and report emergencies that will bring help faster than if we had to rely on a landline phone. What is not available to wireless customers that is available to the majority of landline customers is the ability of the emergency center operator to determine the calling telephone number or the location from where the wireless call originates.

The Phase I technology that would provide the calling number and the tower site that picked up the call is available today. Phase II which would identify the location of the calling telephone is on the horizon. However, the equipment upgrades, the data base programs and training necessary to employ these new technologies does not come without additional cost burdens to both the Public Service Answering Points (PSAPs) and the wireless providers.

SB 298 provides the framework to implement a statewide E 911 wireless system. It establishes the necessary funding mechanism to pay for such a system. It provides for a cost recovery mechanism that is equitable for both the PSAPs and wireless providers. And finally, it creates an administrator with advisory board to insure the deployment of the latest applicable technology at the most efficient cost for any given location in the state.

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AT&T supports the concept of a statewide surcharge on all wireless customers bills up to \$.50 as determined by the administrator. The provisions of the bill specify the costs that can be included in cost recovery requested by the wireless carriers. The surcharge would be accumulated statewide and handled by an administrator with input from an advisory board made up of legislators, wireless and local exchange industry, PSAP, county, city, law enforcement personnel to insure that the statewide E 911 wireless system would meet the requirements of the users and providers alike.

Perhaps the most significant element of SB 298 for AT&T is in Sections 8 and 9 that insures cost recovery consideration by the administrator in consultation with an advisory board of the costs incurred by the wireless industry to implement the service. HB 2034, as you heard in testimony yesterday, will likely result in no cost recovery for the wireless provider. This is in stark contrast with what happens in the wireline industry today. Wireline providers recover their costs of providing E 911 service through the E 911 tariffs that are paid by the local PSAPs out of the funds collected from the existing wireline surcharge. The wireless industry is requesting the same opportunity to recover its costs of providing the E 911 service from the wireless surcharge.

As we continue to become a more mobile population with the requirement to "always be in touch," the reliance on wireless phones will continue to grow. The implementation of an E 911 wireless system statewide will provide the same service that is available to most landline customers today, and that is the ability of emergency personnel to be able to determine the calling number and its specific location. These elements of an E 911 wireless system are critical to insure the safety of the customers who are relying more and more on their wireless phones.

AT&T urges your favorable support for SB 298 and I would be glad to answer any questions that you might have.



Testimony before the  
Senate Commerce Committee  
on behalf of  
Verizon Wireless

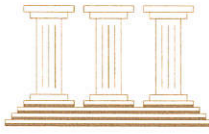
Madam Chairman, and members of the committee, my name is Jim Yonally, and I am appearing today on behalf of Verizon Wireless.

We are pleased to have this opportunity to support Senate Bill 298. Obviously, we support the concept of extending enhanced 911 service to wireless customers. And, we have no objection to assessing a tax on those customers for this service, as long as it is done in a fair, responsible and equitable manner. Specifically, as it relates to SB 298, some of the reasons we support this particular bill are the following:

1. It limits the tax on wireless customers to \$.50.
2. The enhanced wireless advisory board (a concept we support) has a fair representation from the wireless industry.
3. We support a statewide, uniform tax to be administered by a state entity. (SB 298 places this duty in the hands of a person appointed by the governor.)
4. Most importantly, the costs which wireless carriers would incur while coming into compliance with the law, would be reimbursed from the fund.
5. Section 10 appears to protect proprietary information which carriers may supply to the advisory board or administrator. We would be somewhat more assured if the language was "shall" rather than "may" in lines 24 and 25.

Thank you for this opportunity to present our views, and I would stand for questions.

Senate Commerce Committee  
March 2, 2009  
Attachment 5-1



KANSAS TRIAL LAWYERS ASSOCIATION

*Lawyers Representing Consumers*

TO: Members of the Senate Commerce Committee

FROM: John Parisi  
Legislative Chair  
Kansas Trial Lawyers Association

RE: 2001 SB 298 and HB 2034

DATE: March 2, 2001

Mr. Chairman and members of the Senate Commerce Committee, thank you for the opportunity today to comment on Senate Bill 298 and House Bill 2034. I am John Parisi, an attorney from Overland Park. I am here today on behalf of the Kansas Trial Lawyers Association as the current vice president for legislation.

KTLA takes no position regarding the general purpose of SB 298 or HB 2034. We recognize that the exact mechanism of how to fund and implement electronic 911 service across the state is very complex. Our concern with SB 298, as it was with HB 2034 as originally drafted, is with Sec. 11, which may be construed to provide unprecedented and unwarranted immunity to wireless carriers. While the original HB 2034 contained similar immunity language, the House Utilities Committee amended the bill before passing it out of committee, by removing the immunity provision. KTLA supports HB 2034 as amended.

We understand that SB 298 was modeled after Nebraska legislation. The amendments we offer to Sec. 11 of SB 298 clarify what we believe is the intent of the language of the bill and makes it consistent with Kansas law. We believe that these revisions are needed to clarify that under Kansas law, a wireless carrier can be held liable if it fails to use ordinary care in the performance of installing, maintaining or providing enhanced wireless 911 services and as a consequence of that failure, causes harm to other individuals, persons or property. This is the same standard of liability that applies to all other private entities and individuals under current Kansas law.

KTLA supports HB 2034 as amended and would encourage the committee's support of this bill. However, we respectfully request that the committee amend SB 298 to reflect our proposed language before voting for its favorable passage.

On behalf of KTLA, I thank you for the opportunity to provide our comments on SB 298 and HB 2034. I welcome any questions the committee may have.

*Terry Humphrey, Executive Director*

Jayhawk Tower • 700 SW Jackson, Suite 706 • Topeka, Kansas 66603-3758 •

E-Mail: [triallaw@ink.org](mailto:triallaw@ink.org)

Senate Commerce Committee

March 2, 2001

Attachment 6-1

6.2

base or database elements used solely for enhanced wireless 911 service and other costs of establishing enhanced 911 wireless service. Only the portion of the costs of equipment or services used in the wireless carrier's main infrastructure necessary to implement enhanced 911 service of enhanced wireless 911 service shall be eligible for funding;

(4) In addition to other duties, the superintendent of the highway patrol shall provide budgeting, purchasing and related management functions for the administrator and the enhanced wireless 911 advisory board as may be provided by law and perform other functions and duties pertaining to enhanced wireless 911 service as may be specified by law; and

(5) actual and necessary expenses incurred by members of the advisory board while performing duties required by this act.

Sec. 9. (a) Public safety answering points and wireless carriers may apply for disbursement from the enhanced wireless 911 fund by submitting a written application to the administrator. The administrator shall receive and review applications, including supporting documentation. The administrator shall notify the public safety answering points and wireless carriers as to the determination of the administrator regarding the application.

(b) Each entity that receives disbursements from the fund shall make a full accounting of the money in a manner and form prescribed by the administrator.

Sec. 10. Information provided by wireless carriers to the advisory board or to the administrator pursuant to this act may be treated as proprietary records which may be withheld from the public upon request of the party submitting such records.

Sec. 11. The enhanced wireless 911 service described in this act is within the governmental power and authority of the administrator, governing bodies and public safety agencies. In contracting for such service and in providing such service, except for failure to use ~~reasonable~~ care or for intentional acts, the administrator, each governing body, each public agency, each wireless carrier and their employees and agents shall ~~be immune from liability or the payment of damages for the performance of~~ installing, maintaining or providing enhanced wireless 911 service.

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Sec. 12. This act shall take effect and be in force from and after its publication in the statute book.

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Testimony of:

Major Walter Way  
Johnson County Sheriff's Office  
Olathe, Kansas

Senate Bill 298

March 1, 2001

Madam Chair, Members of the Committee on Commerce:

My name is Walter Way and I am representing both the Johnson County Sheriff's Office and the Kansas City Regional E9-1-1 system that is managed by the Mid-America Regional Council (MARC). I am appearing in opposition to Senate Bill 298.

For nearly twenty years, communities throughout Kansas have developed 911 systems to meet local emergency services needs. Because of the differences of how emergency services are structured in communities, the variety of local emergency service providers, the number of local telephone companies and their varying technical capabilities, each local 911 system has been customized to meet local needs and funding resources. The enhanced 911 systems operated in Kansas communities work most effectively when the local law enforcement, fire and emergency medical agencies responding to the 911 calls are also able to manage the funding and operation of those systems. In short, E-911 calls are answered by local public safety agencies and they should continue to manage how those systems work in their communities.

The Wireless E911 Task Force created by the 2000 Legislature studied strategies for funding and deploying wireless E911 services in Kansas and they reported their findings to this Committee on January 19<sup>th</sup>. One of their findings was a strong recommendation that the administration of wireless E-911 should be integrated with the wireline E-911 at the local level. Their report further stated that wireless E-911 implementation problems will occur at the local level and a "one size fits all" statewide solution is not appropriate. The Task Force stated that existing E-911 systems in Kansas have served their communities well and without the benefit of control by a centralized state agency.

Senate Bill 298 would go in the opposite direction by creating a state-based, centralized system of control over the funding and consequently, the operation of local E-911 systems. It proposes the creation of a state administrator who will essentially determine what each community can spend for implementation of wireless E-911 service and how much of the 911 tax money collected from each community may be returned to them. It further apportions public tax dollars to all wireless carriers for a variety of costs associated with providing enhanced 911 services to their customers and it requires all Public Safety Answering Points (PSAP) to enter into service agreements with all wireless carriers who are on a tower in the PSAPs jurisdiction.

Senate Commerce Committee  
March 2, 2001  
Attachment 7-1

I submit to you that the provisions of SB 298 will create significant impediments to the implementation of enhanced 911 for wireless telephone users. Instead of local public safety officials determining their funding needs and priorities for the implementation of E-911 services, they would need approval from a state official who will divide a limited amount of funding amongst all PSAPs and wireless carriers in the state and who will tell public safety agencies how much funding they can have for equipment and telecommunications services.

The creation of a state bureaucracy with rules and regulations and the attendant costs to staff and operate it is not necessary for the implementation of wireless E-911 in Kansas and it will only add delays to the implementation of the technology and services needed by the PSAPs. There are too many differences in the computer aided dispatch systems, GIS mapping systems, 911 call volumes, and local E-911 systems used by PSAPs for a state administrator to effectively determine how much funding each PSAP needs to implement enhanced 911 services for wireless callers.

Local governments presently manage 911 tax monies imposed on wireline telephones in their communities and have done so in a responsible manner for many years. To segregate 911 tax funds imposed on wireless telephones and control it at the state level will create a management problem for local E-911 systems as they will have no control over a significant part of the revenues needed to effectively implement enhanced wireless 911 services in their communities. Local governments and public safety agencies will be mandated to implement enhanced wireless 911 services as proposed in Sec. 7 of SB 298 but it is very unlikely they all will receive sufficient funding from the state fund to meet their implementation costs plus pay the wireless carrier's costs. Local governments will most likely have to cover the funding shortfall through property taxes or other means.

Another significant issue that must be addressed is the question of equity between wireline and wireless telephone carriers. If the Legislature approves the usage of public tax funds to reimburse wireless carriers for their enhanced 911 implementation costs, the wireline carriers will expect equal treatment for reimbursement of their E-911 costs. Presently, most wireline carriers are not paid to deliver their customer's 911 calls to a local E-911 system that is contracted by local governments. In the Kansas City area, we have at least 22 wireline carriers that would expect such a public subsidy for providing their customers with access to the 911 system. Equity between wireless and wireline carriers would further increase costs for all local governments.

I believe that wireless carriers are obligated to deliver their customer's 911 calls to the local E-911 systems without charge to local governments. My reasons are that their customers pay the carriers to deliver their phone calls to the destination of their choice, 911 access has become a basic element of providing telephone service, the Federal Communications Commission has mandated that wireless carriers provide enhanced 911 services, and wireless carriers will implement location services in their networks because it will be a lucrative service for them.

Johnson County government and the elected officials governing the Kansas City area E-911 system are opposed to the provisions of SB 298 and they would ask for your support for the passage of HB 2034 which we believe provides public safety with the funding and local management control necessary to best serve the citizens in our communities.

Thank you for the opportunity to present this testimony on this important public safety issue. I would welcome any questions you may have of me.

To: **Senate Commerce Committee**  
From: **Lisa C. Durand, E 9-1-1 Task Force Member**  
Johnson County Emergency Communications  
*Representing Kansas State Fire Chiefs Association and Kansas*  
*Emergency Management Association (KEMA)*

Date: March 2, 2001

Subject: **Testimony in Support of House Bill 2034**

I am here today on behalf of the Kansas State Fire Chiefs and the Kansas Emergency Management Association, asking for your support of House Bill 2034. As a member of the E 9-1-1 Task Force, I ask you all take our recommendations on this very important issue.

I am currently chief of the Johnson County Emergency Communications Center. Our center handles all calls for fire and ambulance response in Johnson County. I have spent the last 24 years in Public Safety Communications. I was in college in Houston, Texas when I took my first job as a dispatcher. It was 1976 and we had not yet heard of 9-1-1.

In the 1980's, 9-1-1 came to most parts of the United States. Every school child learned about 9-1-1. By 1990, most all metropolitan areas had enhanced 9-1-1. Now dispatchers had another tool in their tool chest to help save lives. CALLER LOCATION!

Technology did not stand still, however, and cell phones came into being. In the 1990's wireless phone sales skyrocketed. Now, instead of one or two 9-1-1 calls reporting an accident on the freeway, dispatchers started receiving 20 or 30 calls. The 9-1-1 call volume increased drastically.

Call volume is not the only problem dispatchers face. Finding the location of wireless 9-1-1 callers becomes a common problem. In many 9-1-1 centers, wireless 9-1-1 calls account for 40 to 50% of all 9-1-1 calls. Routinely, wireless 9-1-1 callers have difficulty giving dispatchers their location. The news media frequently reports tragic stories of callers that can't be found, and lose their lives. This hits home for Kansas residents when a woman in Wyandotte county dies after dialing 9-1-1 on her cell phone. Dispatchers worked frantically to locate this severely injured woman, who ran her car off the road one night. After hours on the phone, they finally lose contact. The next morning her vehicle is located, but she is now dead.

The technology to help locate wireless 9-1-1 callers is now available. House Bill 2034 will allow 9-1-1 centers to acquire the funds for this much needed equipment. This would put a valuable tool back in the dispatchers' tool chest and help save lives.

Senate Commerce Committee  
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Funding this technology was, of course, the issue most discussed by the Task Force. In reviewing both HB2034 and SB298, I am strongly in favor of HB2034. This is the Bill that embodies the work of the Task Force. HB2034 uses the wire line funding model, having the funds remitted to the local jurisdiction. It also allows local government to set the rate that is needed in their area.

I am opposed to the centralized fund, and statewide, standardized fee of 50 cents that is outlined in SB298. Members of the Task Force discussed centralized funding at length, and the Task Force rejected this idea. This method could delay implementation.

The implementation schedule will differ from county to county, as will the actual type of equipment needed. Local fund distribution outlined in HB2034 ensures each county can implement as soon as they are ready, without delay. It also lets the local government decide the fee, holding them accountable to the taxpayers.

The Task Force did a great deal of research and deliberation over these issues. I hope the Senate will support the compromises reached by the Task Force, which are reflected in HB 2034.



## Side-by-Side HB 2034 and SB 298

	HB 2034	SB 298
<u>Administration</u>	<p>Local tax rate, maximum of \$.75, determined by local governing body. Page 2, line 42.</p> <p>Service provider collects tax and remits to local governing body Page 5, line 3.</p> <p>Service provider retains 2% administrative fee. Page 5, line 6.</p>	<p>Statewide tax rate, maximum of \$.50, determined by state administrator in consultation with advisory board. Page 2, line 18.</p> <p>Service provider collects tax and remits to state administrator. Page 2, line 28.</p> <p>Service provider retains up to 2% administrative fee. Page 2, line 30.</p>
<u>Tax Jurisdiction</u>	<p>Customer billing address. Page 4, line 8.</p>	<p>Same. Page 2, line 19.</p>
<u>Liability Protection.</u>	<p>Included. Page 7, line 9.</p>	<p>Included. Slightly different language. Page 5, line 27.</p>
<u>Proprietary Information.</u>	<p>Protected. Page 5, line 37.</p>	<p>Protected. Slightly different language. Page 5, line 23.</p>
<u>Implementation of Wireless E911 Service.</u>	<p>County-by-county at the discretion of the local governing body. Page 6, line 37.</p>	<p>Statewide at the discretion of state administrator. Page 3, line 17.</p>
<u>Advisory Board.</u>	<p>14 members. Selected by various agencies, associations, industry. available to assist the local governing boards. Page 2, line 38.</p>	<p>11 Members appointed by the governor. Consults with state administrator. Page 7, line 33.</p>
<u>Technology mandate.</u>	<p>None.</p>	<p>None.</p>
<u>Cable Telephony.</u>	<p>Included.</p>	<p>Silent.</p>
<u>Wireless Provider Cost Recovery</u>	<p>At the discretion of the local governing body subject to negotiation. Page 5, line 11.</p>	<p>Eligibility of costs determined by state administrator in consultation with advisory board. Page 4, line 3.</p>