

MINUTES OF THE SENATE COMMERCE COMMITTEE

The meeting was called to order by Chairperson Karin Brownlee at 8:30 a.m. on March 4, 2004 in Room 123-S of the Capitol.

All members were present except:
Senator David Kerr- absent

Committee staff present:
Susan Kannarr, Legislative Research
Helen Pedigo, Revisor of Statutes
Nikki Kraus, Committee Secretary

Conferees appearing before the committee:
Mary Galligan, Legislative Research
Kim Gulley, League of Kansas Municipalities
Julie Moler, Kansas Association of Counties
Danielle Noe, Johnson County Board of Commissioners
John Pinegar, KLPG
Diane M. Gage, Director, Sedgwick County Dept. of Emergency Communications
Amy Yarkoni, Cingular and other Wireless Service providers

Others attending:
See Attached List.

Chairperson Brownlee opened the:

Informational hearing on e-911

Mary Galligan presented the committee with an overview of "Comparison of Selected Wireless e-911 Bills before the 2004 Legislature." (Attachment 1)

Ms. Galligan also presented the committee with "National and State Population Estimates and Estimated Components of Change 7/1/2003 Source: Population estimates Branch, U.S. Bureau of the Census". (Attachment 2)

Ms. Galligan compared the bill by several criteria, including: PSAP (Public Safety Answering Point) financing, Wireless e-911 Tax or wireless e-911 local fee, administration of tax or local fee, allowable use of tax or local fee revenue, e-911 fee or e-911 grant fee, grant fund, use of grant fund revenue, general administration, advisory board, annual plan, PSAP responsibility for timely implementation of wireless e-911, tax and fee collection, accountability, public access to records, limitation of liability, recovery of carrier's costs, accurate coverage, and notice of waiver request.

Ms. Galligan asked the committee for questions.

Chair Brownlee explained that the reason for the hearing on the bill was so that the committee members would have an idea of what was in the conference committee and so that when it was discussed on the floor, they would be informed.

Senator Bunten stated that he had two questions; would local fees be remitted to the League of Municipalities and counties? He stated that this sounded strange as they were private organizations, as he understood them. Senator Steineger stated that he did not think this was strange, but that he did not think the organizations were private. Ms. Galligan stated that the two entities were mandated by statutes, however, cities and counties pay membership dues. Senator Bunten stated that it seemed strange to him that these funds, or taxes, are remitted to these organizations. He questioned whether the Secretary of Administration really has the expertise to regulate this.

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MINUTES OF THE SENATE COMMERCE COMMITTEE at 8:30 a.m. on March 4, 2004 in Room 123-S of the Capitol.

Chairperson Brownlee stated that the KCC was not selected as the regulatory agency because wireless carriers are under the FCC, and these wireless companies are quite sensitive about being placed under the KCC. She stated that since the Department of Administration oversees DISC, the Division of Information Systems and Communications, wireless regulations might be a comparable situation..

Ms. Galligan stated that there has been some concern that if those funds, dubbed taxes at the time, were remitted to the state, as opposed to the municipalities, the funds might be diverted to other things. She stated that there had been several examples of other states in which E-911 funds were diverted in this way for other things when times got bad, and this legislation was trying to avoid those situations in Kansas. Ms. Galligan stated that, despite this, it is rare for funds collected for a public purpose not to be remitted to the state.

Ms. Gulley provided the committee with testimony in favor of the bill. (Attachment 3) In response to Ms. Galligan, Ms. Gulley stated that the League would prefer that the local part of payment go straight back to local communities. She stated that the language was the result of a compromise reached at the time was so that the wireless companies could cut one check and then have the League and the KAC deal with distributing the money on to local areas. She stated that both the League and KAC are government organizations, but in this role, they were only seeking to ensure that monies do not get diverted to other places. She stated that this is the last remaining step to having E-911 in Kansas. Ms. Gulley explained that federal guidelines have already been passed, but that Kansas needs local PSAPs to have the ability to make valid requests from providers. She stated that they understand that over time it will be important to make sure that the process is monitored, but this was a first and necessary step.

Senator Buntun asked Ms. Gulley if the League expects a fee from the State, and she replied that the bill provides for an administrative fee up to 2%. She stated that since this is money that her organization is sending back to its own cities and counties, those cities and counties would be the first to come after them if there was any question about where the money was going.

Ms. Moler presented testimony in favor of the bill. (Attachment 4) She state that there are two basic tenets being discussed on p.3. She stated that while the KAC did not think that cost recovery should come from this means, they were also nervous about the state having the money and using it for other, unrelated purposes.

Ms. Noe presented testimony in favor of the bill. (Attachment 5) She stated that on p.3, the bill referred to implementation over a series of 2-3 years, and that all counties were participating in the Mid-America Regional Council, and were therefore able to see the actual cost. She stated that there was a big difference in the current version date of the sunset, and that she would caution the committee not to roll that date back too soon in order to give adequate time to set up the collection process, including the collection of revenue to make grants and to allow people time to apply for them. She stated that there will need to be an opportunity to build that system.

Chairperson Brownlee stated that even though Johnson county has already built out, they are still supportive of creating a state-wide system.

Ms. Noe stated that her organization believes there has to be an ability to create a state-wide system that would not only service large urban areas; this system would help to make everyone feel comfortable that they can receive those services if they need them.

John Pinegar, KLPG, provided testimony in favor of the bill. (Attachment 6) He stated that he represents over 30 Western counties, and, because these areas are more rural, it is very important to his customers that they be able to be located all over the state. He stated that the KLPG especially appreciated a grant fund that would allow rural areas to be able to set up this system

Ms. Gage provided testimony in favor of the bill with suggested changes. (Attachment 7)

Ms. Yarkoni, speaking on behalf of Cingular and other wireless providers, presented testimony in opposition to the bill. (Attachment 8) She also provided the committee with a copy of the Cingular website's "Description of what is included in the Regulatory Cost Recovery Fee". (Attachment 9) She stated that she

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MINUTES OF THE SENATE COMMERCE COMMITTEE at 8:30 a.m. on March 4, 2004 in Room 123-S of the Capitol.

was speaking on behalf of about 90% of all wireless providers in Kansas. She stated that the companies she represented were all interested in the bill and concerned with public safety, and that all parties involved would like to see the legislature pass a bill. She stated that the concerns outlined in her testimony included their belief that 50 cents was sufficient to implement the system, that there is a need to include cost of recovery in the bill, and if cost of recovery was not included, it should be reduced.

Ms. Yarkoni stated that 75% will hit the five largest counties in the state, and that once the rest was divided among the rest of the counties, it would be very thinly spread. She stated that they believe that one state-wide fund would be better. Additionally, she stated that if the fee is reduced, her organization would like to see that on the customer's bill with a clarification of what the fee actually goes toward.

Ms. Yarkoni also stated the fee's use would need further clarification on their billing statements to avoid customer confusion over their bills. She stated that while customers are familiar with some additional charges, they might not understand to what service the fee applies. Also, she stated that they want to make sure the fees are actually applied to e-911 related services and not to non-wireless side improvements or other expenses. She emphasized that they would rather see a state-wide fee; Cingular currently charges 28 cents or 61 cents cover 911 service, and Cingular states on their website that if there is a state wide fee, the fee currently in existence will be reduced.

Ms. Yarkoni stated that they would like to see a sunset date of 2010 because there is no justification to set an increase planned for 6 years from now; there would be no way to assess that without knowing the cost of deployment at that time. She then offered to answer committee questions.

Senator Barone asked for whom she was speaking when talking about recovering fees. Ms. Yarkoni stated that she was speaking for many companies, and most specifically Cingular.

Senator Barone asked if she would be able to present the committee with a list of those for whom she was speaking and provide information on whether or not each of those companies recover fees and if so, how.

Ms. Yarkoni stated that she would not be able to provide Senator Barone with that information because it would be an anti-trust issue.

Staff provided the committee with PSAP information (Attachment 10) and a fiscal note for the bill. (Attachment 11)

Chairperson Brownlee adjourned the meeting at 9:30 a.m. The next meeting will be at 8:00 a.m. on March 5, 2004 in Room 123-S of the Capitol.

Senate Commerce Committee

Guest List

Date:

MARCH 4, 2004

Ron Gaches	Cingular Wireless
Tom Burgess	RTMC
DAVIA LAKE	KBEMS
Pat Rehman	KFSA
Rob [unclear]	HEW Low Firm
POMDAY	KCC
Bill SINGER	Shawnee County
Gean Blanchard	Shawnee County
R [unclear]	HV Co 9-1-1
Russell B Walter	City of Burton
Anne [unclear]	KITA - Ks Telecom Industry Assn
John Pinegar	K L P G
Andy [unclear] Law	Alltel
STEVE KEARN 34	
DINA FISK	VERIZON WIRELESS
Daniel [unclear] Noe	Johnson County
Mike Pepoon	Edgwick County
Diane Gage	Edgwick County
Nelson Krueger	Western Wireless
Judy Melu	KAC
Mike Taylor	Unified Gov / WYANDOTE - KCK
Erik Santorius	City of Overland Park
John Peterson	Ks Government Consulting
Jim Gortner	SBC

Revised
Comparison of Selected Wireless e-911 Bills Before the 2004 Legislature

Provision	2003 H. Sub. For Sub. SB 153 As Amended by House Committee of the Whole	2004 HB 2476*	2003 HB 2037 and 2003 Sub. SB 153 As Passed by the Senate*
Bill Status as of March 1, 2004	In Conference Committee: Sens. Brownlee, Jordan, Barone; and Reps. Holmes, Krehbiel, Svaty	Introduced January 12, 2004. The bill was heard and remains in House Utilities. Provisions, as amended by House Utilities, became H.Sub. For Sub. SB 153.	The two bills contain the same provisions in regard to wireless 911. HB 2037 is in Conference Committee: Reps. Holmes, Krehbiel, Kuether; and Sens. Clark, Brownlee, Barone.
Title of Act	Wireless Enhanced 911 Act	Wireless Enhanced 911 Act	NA
Public Safety Answering Point (PSAP) Financing	Statewide wireless e-911 grant fee and wireless-911 local fee	Statewide wireless e-911 tax and wireless-911 fee	Statewide public safety fee and local tax.
Wireless e-911 Tax or Wireless e-911 Local Fee	Effective July 1, 2004, the bill would impose a local fee of 25¢ per month per wireless subscriber account and prepaid wireless telephone service in Kansas. A "subscriber account" would be defined by the bill to be the 10-digit access number assigned to a wireless customer regardless of whether more than one number is aggregated for the purpose of billing a service user. With one exception, on July 1, 2010, the local fee would be authorized to increase to a maximum of 50¢ per month in counties with populations of 40,000 or more. At that time, the existing 75¢ wireline 911 tax and the local fee would be equalized. The exception to the 50¢ maximum would be in counties where revenue from the wireline tax was pledged to repay bonds issued before the effective date of the act. In counties with populations under 40,000, the wireline tax and local fee would be equalized at a maximum of 75¢ per month. NA	25¢ per month tax would be charged on the same basis as the local fee. <u>July 1, 2008</u> the e-911 tax would increase to a maximum of 50¢ per month per wireless subscriber account in Kansas. At that time, the wireline 911 tax and the e-911 tax would be equalized at a maximum of 50¢ per month per access line or subscriber account. Existing law that permits imposition of a wireline 911 tax would be amended to make wireless service subject only to the local e-911 tax.	25¢ per month per <u>wireless service user</u> within the taxing jurisdiction. <u>Any city or county</u> could impose the wireless emergency telephone tax by ordinance or resolution. The tax could be imposed at any time after a contract is executed with the wireless carrier to receive wireless e-911 information. (A "service user" under the bill would be any person provided exchange telephone service or wireless service in Kansas. "Wireless service" would be a two-way voice or text radio service provided by a wireless carrier.) No "sunset" of tax. Same as HB 2476

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Attach # 1

* Unless otherwise noted, comparisons are to provisions of H.Sub. for Sub. SB 153, As Amended by HCOW.

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Mary Galligan
KLRD

Mary Galligan, KLRD

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Provision	2003 H. Sub. For Sub. SB 153 As Amended by House Committee of the Whole	2004 HB 2476*	2003 HB 2037 and 2003 Sub. SB 153 As Passed by the Senate*
Administration of Tax or Local Fee	<p>The local fee would be remitted to the League of Kansas Municipalities and the Kansas Association of Counties which would be designated the "local collection point administrator" (LCPA) by the bill.</p> <p>The LCPA would be required to distribute fee revenue to PSAPs based on information provided by carriers regarding the primary place of use of the wireless service.</p> <p>The LCPA would be authorized to retain, as an administrative fee, a maximum of 2 percent of total local fee revenue collected.</p>	<p>Effectively the same.</p> <p>Same</p> <p>Same</p>	<p>The tax would be <u>remitted to the local governments</u> quarterly along with a tax return agreed upon by the governing body and the wireless carrier.</p>
Allowable Use of Tax or Local Fee Revenue	<p>Proceeds of the local fee could be used to pay for costs of wireless and wireline 911 services. Revenue from the local fee could not be used for:</p> <ul style="list-style-type: none"> o expenditures to provide wireless automatic location identification information unless the municipality had taken competitive bids for provision of that information and those expenditures were less than the bid of the lowest responsible bidder; or o new or expanded buildings or similar facilities or to construct other capital improvements not specifically authorized by the act. <p>(Staff Note: The conferees may wish to consider amending the language regarding the low bid to allow expenditures that are "no more than" the lowest responsible bid.)</p>	<p>Same except for competitive bid requirement.</p>	<p>Same as HB 2476.</p>
e-911 Fee or e-911 Grant Fee	<p>The bill would impose a 25¢ per month wireless enhanced grant fee (grant fee) on each wireless subscriber account and prepaid wireless telephone service in Kansas. Collection of the fee would begin July 1, 2004.</p> <p>The grant fee would be abolished on July 1, 2010. (Total six year authorization.)</p>	<p>Effectively the same.</p> <p>Authority for the fee would expire July 1, <u>2008</u>. (Total four year authorization.)</p>	<p>The bill would create a public safety fee of 25¢ per month to be paid by each <u>wireless service user</u>.</p> <p>Authority for the fee would expire July 1, <u>2006</u>. (If the bill had been enacted by the 2003 Legislature, the fee would have been authorized for three years.)</p>
Grant Fund	<p>The Wireless Enhanced 911 Grant Fund (Fund) would be created in the State Treasury as the repository for revenue generated by the grant fee and other moneys available for the purposes of the Fund. The Fund would be administered by the Secretary of Administration.</p> <p>The Grant Fund would be abolished on July 1, 2010.</p> <p>Any unobligated balance in the Fund when the fund is abolished would be paid to the LCPA for distribution to municipalities based on population.</p>	<p>Effectively the same.</p> <p>On <u>July 1, 2008</u> the fund would be abolished.</p> <p>Same</p>	<p>Effectively the same.</p> <p>Grant Fund would be abolished on July 1, 2006.</p> <p>No similar provision.</p>

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Comparison of Selected Wireless e-911 Bills Before the 2004 Legislature

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Provision	2003 H. Sub. For Sub. SB 153 As Amended by House Committee of the Whole	2004 HB 2476*	2003 HB 2037 and 2003 Sub. SB 153 As Passed by the Senate*
General Administration	<p>As Administrator under the act, the Secretary of Administration would be required to:</p> <ul style="list-style-type: none"> ● Provide eligible municipalities with technical advice and assistance regarding e-911 projects or grant applications; ● Establish grant application procedures and requirements; and ● Make an annual report to the Governor and the Legislature describing how the goals and objectives of the previous year have been met and reporting progress toward implementation of federal Phase II e-911 requirements. <p>The Secretary would be authorized to:</p> <ul style="list-style-type: none"> ● Adopt rules and regulations to implement the act; ● Select projects to be funded from the Grant Fund; ● Enter into agreements with eligible municipalities receiving grants from the fund. Agreements would address purposes for the grants, implementation schedules, and grant amounts. <p>Administrative expenses would be limited to a maximum of 5 percent of revenue. Those administrative costs may include costs incurred by the advisory board and the cost of audits.</p>	Same	<p>Secretary of Administration would administer the program.</p> <p>Same</p> <p>The administrator would be authorized, but not required, to make an annual report to the Governor and the Legislature.</p> <p>Same</p> <p>Same.</p>

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Comparison of Selected Wireless e-911 Bills Before the 2004 Legislature

Provision	2003 H. Sub. For Sub. SB 153 As Amended by House Committee of the Whole	2004 HB 2476*	2003 HB 2037 and 2003 Sub. SB 153 As Passed by the Senate*
Advisory Board	<p>A nine-member Wireless Enhanced 911 Advisory Board would be appointed by the Governor. Members of the Advisory Board would have to be familiar with development and implementation of e-911 service. The Board would be composed of one representative each of:</p> <ul style="list-style-type: none"> ● the Association of Counties; ● the League of Kansas Municipalities; ● local law enforcement; ● local fire/emergency medical services; ● PSAPs in counties with populations of less than 15,000; and ● PSAPs in counties with populations of 15,000 or more. <ul style="list-style-type: none"> ○ Of the Advisory Board members representing the groups enumerated above, two would be from counties: <ul style="list-style-type: none"> - with a population of more than 75,000; - with a population of 15,000 to 75,000; and - with a population of less than 15,000. <ul style="list-style-type: none"> ● The remaining three positions on the Board would be occupied by persons representing: <ul style="list-style-type: none"> ○ the wireless carrier industry; ○ the Kansas Highway Patrol; and ○ local exchange service providers. <p>Authorization for the Board would expire on July 1, 2010.</p>	<p>Same</p> <p>The Advisory Board would be abolished on July 1, <u>2008</u>.</p>	<p>Same, except that PSAPs would have only one representative and the Board also would include a person with a communication disability.</p> <p>Advisory Board abolished on July 1, 2006.</p>
Annual Plan	<p>The Secretary and the Advisory Board would be required to prepare an annual plan identifying intended uses of the Grant Fund. The plan would be subject to public comment and review. The plan would have to include, but not be limited to:</p> <ul style="list-style-type: none"> ● A project priority list ("project" would be defined to be development and acquisition of necessary improvements to facilitate establishment of e-911 services); ● A description of short and long-term goals and objectives for deployment of e-911; ● Descriptions of projects to be financed, terms of grants, and information about grantees; and ● Criteria and method for making grants from the fund. 	<p>Same</p>	<p>Same</p>

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Comparison of Selected Wireless e-911 Bills Before the 2004 Legislature

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Provision	2003 H. Sub. For Sub. SB 153 As Amended by House Committee of the Whole	2004 HB 2476*	2003 HB 2037 and 2003 Sub. SB 153 As Passed by the Senate*
PSAP Responsibility for Timely Implementation of Wireless e-911	<p>Unless granted a one-year extension by the Board, PSAPs are required to make a request for wireless e-911 services by July 1, 2006. A waiver of up to one year could be granted by the Advisory Board for just cause or if necessary equipment is not available to meet the time requirement.</p> <p>Grantees served by PSAPs that have not requested, by July 1, 2006, that wireless carriers implement e-911 service, would be required to repay to the Secretary all grant funds received. Any amounts paid back would be deposited in the Grant Fund. If a PSAP has not made a valid request to a wireless carrier to implement e-911 service by July 1, 2006, local fee revenue generated within the local unit would be deposited in the Grant Fund. (Staff Note: The conferees may wish to consider language that would streamline the local fee revenue flow where the PSAP has not met the requirement for a request for services.)</p> <p>Any grantee who forfeits local fee funds due to failure to make a valid request would be prohibited from receiving another grant until the grantee has submitted evidence to the Secretary that a valid request has been made.</p>	<p>Same</p>	<p>No similar provision.</p>
Tax and Fee Collection	<p>Wireless service users would be liable for fees imposed by the bill until those fees are paid to the wireless carrier. Wireless carriers would begin collecting fees imposed under the bill July 1, 2004. Fees would be added to and could be separately enumerated on users' bills. If the fee is identified separately on bills, it would be labeled "public safety grants" and "public safety A.P. [Access Point] fee." Wireless carriers would collect fees at the same time as, and along with, charges for wireless service in accordance with carriers' regular billing practices. Amounts collected from customers would be remitted by carriers monthly.</p> <ul style="list-style-type: none"> o Revenue generated from the grant fee would be remitted to the Secretary of Administration. o Revenue generated from the local fee would be remitted to the LCPA. <p>In the case of prepaid wireless telephone service, the fees would be imposed on each such telephone associated with the state for each subscriber account with sufficient balance on the last day of the month.</p>	<p>Same</p> <p>Revenue generated from the <u>tax</u> would be remitted to the LCPA.</p> <p>Same</p>	<p>Wireless carriers would be required to collect the wireless emergency telephone tax. The tax could be separately identified on the bill received by the wireless subscriber.</p> <p>The tax would be <u>remitted to the local governments</u> quarterly along with a tax return agreed upon by the governing body and the wireless carrier.</p> <p>Collection from users of prepaid services would not be addressed.</p>

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Comparison of Selected Wireless e-911 Bills Before the 2004 Legislature

Provision	2003 H. Sub. For Sub. SB 153 As Amended by House Committee of the Whole	2004 HB 2476*	2003 HB 2037 and 2003 Sub. SB 153 As Passed by the Senate*
Accountability	<p>The Secretary and the Advisory Board would report annually to the Governor and the Legislature regarding how the goals and objectives of the previous year have been met and reporting progress toward implementation of federal Phase II e-911 requirements.</p> <p>Each PSAP would be required to submit to the Secretary an annual accounting for revenue received from the local fee.</p> <p>Legislative Post Audit would be required to conduct audits of the e-911 service system, in accordance with scope statements authorized by the Post Audit Committee, during calendar year 2006 and during the 12 months following July 1, 2010 to determine:</p> <ul style="list-style-type: none"> o whether grant and local fee moneys received by municipalities under the act are being used appropriately; o whether amounts of money collected under the act are adequate; o the status of e-911 implementation; and o the need for and level of continued funding of the system. <p>All payments and disbursements of local fee revenue by the LCPA would be subject to an annual audit under the auspices of the Post Audit Act.</p> <p>In 2005, the Secretary would be required to conduct an audit of any wireless carrier's books and records regarding collection and remittance of fees under the act. The cost of any such audit would be borne by the Corporation Commission. The Secretary would be authorized to conduct such an audit of wireless carriers at any other time. (Staff Note: The conferees may wish to discuss whether the Corporation Commission is the appropriate entity to pay for such audits.)</p> <p>All grant agreements would have to include provision for repayment of the grant if implementation is not completed.</p>	<p>Same</p> <p>Same</p> <p>Legislative Post Audit would be required to conduct <u>audits in 2006 and in 2008 of each wireless carrier, each city or county, the LCPA, and each PSAP</u> relating to payments, disbursements, and use of funds authorized by the act.</p> <p>Same</p> <p>The <u>Grant Fund</u> and the LCPA would be subject to an annual audit in accordance with the Post Audit Act. The annual audit report would be provided to the Governor and the Legislature along with the annual report of the of e-911 implementation.</p> <p>The Secretary <u>shall in 2005</u> and the Secretary <u>or the LCPA may</u> thereafter require an annual financial audit of any wireless carrier's books and records regarding the collection and remittance of fees and taxes under the act. <u>Any such audit would be conducted at the expense of the entity conducting the audit.</u></p> <p>Same</p>	<p>Effectively the same</p> <p>No similar provision</p> <p>Same, except that the audit would only be conducted in 2005. Based on the audit findings, the Legislature could impose a moratorium on or reduce the funding source for the public safety grant fund, wireless carrier surcharge, or wireless emergency telephone tax.</p> <p>Same</p> <p>Grant Fund subject to annual audit as in HB 2476.</p> <p>No required audit, other wise effectively the same.</p> <p>Same</p>
Public Access to Records	<p>Any information submitted to the Secretary or to the Advisory Board by wireless carriers under the act would be withheld from the public at the request of the submitting carrier.</p>	<p>Same</p> <p>Information provided to Post Audit would be exempt from public disclosure at the request of the submitting party.</p>	<p>Same as HB 2476.</p>

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Comparison of Selected Wireless e-911 Bills Before the 2004 Legislature

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Provision	2003 H. Sub. For Sub. SB 153 As Amended by House Committee of the Whole	2004 HB 2476*	2003 HB 2037 and 2003 Sub. SB 153 As Passed by the Senate*
Limitation of Liability	Liability of the Secretary, LCPA, governing bodies of cities and counties, public agencies, wireless carriers and their employees and agents would be limited in regard to damages resulting from installing, maintaining, or providing e-911 service under certain circumstances.	Same	Same
Recovery of Carriers' Costs	The bill would prohibit interpretation of the act as limiting the ability of wireless carriers to recover, directly from their customers, costs associated with collecting and administering the fees, and designing, developing, deploying, and maintaining e-911. Any such recovery from customers could be itemized on customers' bills as a surcharge.	Same	Wireless carriers would be required to collect a surcharge from each wireless subscriber in Kansas. This surcharge could not exceed 25¢ per month per subscriber telephone number in the state. The surcharge would ensure full recovery by wireless carriers of necessary and reasonable costs associated with development and maintenance of emergency telecommunications service on a technologically and competitively neutral basis. Only that portion of the cost of equipment or services used in the wireless carrier's main infrastructure necessary to implement e-911 or wireless e-911 service would be eligible for funding.
Accurate Coverage	The bill would require all PSAPs and wireless carriers to make a good faith effort to ensure that e-911 calls placed near jurisdictional borders are forwarded to the appropriate PSAP.	Same	No similar provision.
Notice of Waiver Request	The bill would require PSAPs to notify the Secretary when they are notified of a wireless carrier's application to the Federal Communications Commission for a waiver of deadlines for implementation of e-911.	Same	No similar provision

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National and State Population Estimates and Estimated Components of Change 7/1/2003
Source: Population Estimates Branch, U.S. Bureau of the Census
Release date: December 18, 2003

County Name	Total Population	
	7/1/2002 Est	Rank
Johnson	476,536	1
Sedgwick	461,937	2
Shawnee	170,748	3
Wyandotte	158,331	4
Douglas	102,316	5
Leavenworth	70,789	6
Reno	63,790	7
Riley	61,480	8
Butler	60,534	9
Saline	53,910	10
Finney	39,732	11
Crawford	38,052	12
Cowley	36,427	13
Lyon	35,904	14
Montgomery	35,307	15
Harvey	33,375	16
Ford	32,662	17
McPherson	29,413	18
Miami	28,904	19
Barton	27,743	20
Ellis	27,274	21
Geary	26,410	22
Sumner	25,533	23
Franklin	25,322	24
Seward	23,072	25
Labette	22,281	26
Cherokee	21,953	27
Dickinson	19,144	28
Jefferson	18,664	29
Pottawatomie	18,489	30
Osage	16,928	31
Atchison	16,683	32
Neosho	16,638	33
Bourbon	15,171	34
Allen	14,234	35
Marion	13,248	36
Jackson	12,741	37
Marshall	10,583	38
Brown	10,501	39
Rice	10,501	40

Senate Commerce
 03/04/04
 Attach # 2

National and State Population Estimates and Estimated Components of Change 7/1/2003
Source: Population Estimates Branch, U.S. Bureau of the Census
Release date: December 18, 2003

County Name	Total Population	
	7/1/2002 Est	Rank
Nemaha	10,463	41
Wilson	10,143	42
Cloud	9,932	43
Linn	9,674	44
Pratt	9,541	45
Coffey	8,902	46
Clay	8,704	47
Kingman	8,426	48
Doniphan	8,215	49
Anderson	8,147	50
Thomas	8,092	51
Grant	7,895	52
Greenwood	7,653	53
Russell	7,055	54
Pawnee	6,946	55
Wabaunsee	6,715	56
Mitchell	6,693	57
Ellsworth	6,418	58
Sherman	6,398	59
Ottawa	6,289	60
Harper	6,278	61
Washington	6,271	62
Morris	6,082	63
Gray	6,045	64
Norton	5,879	65
Phillips	5,871	66
Rooks	5,492	67
Republic	5,468	68
Stevens	5,332	69
Barber	5,085	70
Scott	4,923	71
Stafford	4,662	72
Meade	4,620	73
Kearny	4,543	74
Smith	4,365	75
Haskell	4,291	76
Osborne	4,236	77
Chautauqua	4,210	78
Woodson	3,668	79
Lincoln	3,542	80

National and State Population Estimates and Estimated Components of Change 7/1/2003
Source: Population Estimates Branch, U.S. Bureau of the Census
Release date: December 18, 2003

County Name	Total Population	
	7/1/2002 Est	Rank
Jewell	3,495	81
Rush	3,492	82
Decatur	3,407	83
Morton	3,360	84
Edwards	3,337	85
Ness	3,316	86
Trego	3,140	87
Elk	3,138	88
Cheyenne	3,123	89
Kiowa	3,107	90
Logan	2,998	91
Gove	2,992	92
Chase	2,930	93
Rawlins	2,887	94
Graham	2,847	95
Hamilton	2,658	96
Sheridan	2,641	97
Wichita	2,502	98
Stanton	2,410	99
Clark	2,382	100
Hodgeman	2,149	101
Lane	2,000	102
Comanche	1,985	103
Wallace	1,692	104
Greeley	1,472	105



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Topeka, Kansas 66603-3912
Phone: (785) 354-9565
Fax: (785) 354-4186

League of Kansas Municipalities

To: Senate Commerce Committee
From: Kim Gulley, Director of Policy Development
Date: March 4, 2004
Re: Support for Enhanced Wireless 911 Legislation

Thank you for the opportunity to come before you today to discuss LKM's support for enhanced wireless 911 legislation. At the outset, I would like to take this opportunity to thank Chairwoman Brownlee for her undying support for bringing enhanced wireless 911 to Kansas over the past few years. In addition, I would like to thank President Kerr for his efforts to bring this legislation to fruition in the waning hours of the 2003 legislative session. It has been a long and difficult road to get to this point and we have all shared in the frustration that we did not end up with a bill last year. However, the bill which now sits in conference committee (SB 153) is nearly identical to the compromise which was reached between the House and Senate conferees on the last night of the session last year.

The bill which was approved by the House this year is the final piece necessary in order for enhanced wireless 911 to become a reality across Kansas. The federal deadlines for wireless providers to be capable of providing the necessary location information have all passed. Most wireless companies are already charging a fee on their customers' bills in order to recover the costs associated with deployment of these services. The technology has been tested and is in place in a number of Kansas counties today. It is time for all Kansans to be covered by the best 911 system that we can possibly have.

The key element remaining is the preparedness of local Public Safety Answering Points (PSAPs). The way the federal law works, local PSAPs must be prepared to accept the location data before making a valid request of the wireless providers to begin providing enhanced wireless 911 services. After a valid request is made, the wireless company then has 6 months to begin providing location services to that PSAP. The only remaining barrier to statewide deployment is the existing state statute which prohibits the extension of the 911 tax to wireless consumers.

SB 153, as it passed the House, removes this barrier and strikes an important balance between local control of the 911 system and a mechanism to ensure statewide deployment. It provides for a 50¢ fee, with 25¢ going to the local PSAP and 25¢ going to a grant fund in order to help less populous counties achieve this important public safety goal. While we all recognize that the system will need to be monitored, and the level of funding will need to be reviewed over time, SB 153 is a starting point whose time has come.

It is time to put the safety of Kansans before all else. It is time to bring enhanced wireless 911 to Kansas.



Judy Moler

TESTIMONY

**Before the Senate Commerce Committee
on House Substitute for SB 153**

March 4, 2004

**By Judy A. Moler, General Counsel/
Legislative Services Director,
Kansas Association of Counties**

American Heart Association
City Attorneys Association of Kansas
City Clerks/Municipal Finance Officers Association
Johnson County Sheriff's Office
Johnson County Fire Chiefs Association
Kansas 9-1-1 Providers Association
Kansas Association of Counties
Kansas Association of Chiefs of Police
Kansas Association Council/Commissioners
Kansas Association for Court Management
Kansas Chapter, American Planning Association
Kansas Chapter, National Emergency Number Association
Kansas County Sheriff's Association
Kansas Emergency Medical Services Association
Kansas Fire Service Alliance
Kansas Government Finance Officers Association
Kansas Human Resource Management Association
Kansas Human Relations Association
Kansas Legislative Policy Group
Kansas Mayors Association
Kansas Municipal Insurance Trust
Kansas Recreation & Park Association
Kansas State Association of Fire Chiefs
League of Kansas Municipalities
Mid-America Regional Council

Thank you Chairman Brownlee and Members of the Senate Commerce Committee for allowing the Kansas Association of Counties to provide testimony on Enhanced 9-1-1. I am speaking on behalf of the Kansas Public Safety Alliance (PSA) whose members are named at the left hand side of this page. All of the members of the Alliance as well as the members of the committee, I know, see this as a public safety issue and one of utmost importance. The wireless carriers have also stated in previous testimony that public safety is a priority of their group.

The Kansas Association of Counties worked in concert with the 24 entities listed on this page to bring a responsible bill to the 2003 legislature. The result of several meetings throughout last year was a bill (SB 153) which was introduced in Senate Commerce Committee as well as this committee last year (HB 2334). In the very waning hours of the 2003 session we reached a compromise found in HB 2476. This compromise which all entities signed off on had additional provisions added in the House Utilities Committee. This language was then put into House Sub. For SB 153. The bill was amended again on the House floor. The Public Safety Alliance believes that the underlying compromise is still acceptable with or without these amendments.

I would like to point out one portion of the original compromise in which the "local collection point administrator" (the Kansas Association of Counties and League of Kansas Municipalities) was created. This was a compromise between local government entities and the wireless companies as the wireless companies did not want to write checks to every PSAP.

The Public Safety Alliance identified several guiding principles for reaching our end goal of addressing public safety.

The issue of tax inequity has existed for quite some time as local governments have been allowed to collect taxes on hardwired phones while wireless phones have been exempted. The vast amount of wireless phone usage was just not contemplated by the original law. However, as a result, the hardwired users have built the system while the wireless users have not been asked to share in the tax that builds the system. Users of wireless and cellular phone services have an understandable expectation that their mobile phone will provide them with access to and response from emergency services if needed. To this end, the removal of the exemption from taxation of wireless is the equitable manner in which to fund the building of the enhanced system.

Secondly, the ability of small, less populous counties being able to collect enough money to build an adequate system is an issue for citizens who live there day in and day out. We support a grant program administered by the state to help the less populous counties build the E 9-1-1 system.

The entities involved from the local government side can compromise on many things. We can discuss the amount charged to wireless users. We can discuss the agency that administers the loan or grant program. We can support the liability protection and exempting the wireless phones used for remote control purposes. While we respect the need and expect wireless to have cost recovery, the one thing we cannot support is the taxing by local or state government to subsidize private industry.

With these tenets being stated, the Kansas Association of Counties representing the Public Safety Alliance supports the passage of the legislation embodied in House Sub. For SB 153 which would impose an equitable tax on wireless phone users for the building of the E 9-1-1 system.

I have attached to my testimony costs (in some cases preliminary) for the building of the E 9-1-1 system at the local level.

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03/04/04
Attach # 4

February 9, 2004

HARVEY County

Judy Moler (cont)

PAYMENT PLAN W/ 9-1-1 FUNDING

START UP COST:

TOTAL PROJECT COST-----: 97,523(9-1-1 WIRELESS UPGRADE)

IN-HOUSE UPGRADES-----: 15,050(NEEDED HARDWARE)

4 multimedia flat screen monitors (Viewsonic VX900 or comparable) VESA compliant

4 512mb PC133 168 pin SDRAM memory modules for Dell GX-240 computers

4 Quad-monitor video cards for Dell GX-240 computers

4 mounting arms for flat screen monitors

1 Computer, P4, 2.4 GHz, 1GHz RAM, 40GB Hard Drive, CD-Rom Drive, Dual monitor video card, Windows XP Professional, No monitor

Extended Warranty on Plasma Screen and computer

1 Display Screen

TOTAL----- \$112,573

TOTAL FUNDING(HARVEY COUNTY)-----: \$ 39,647

\$ 16,897 -9-1-1 2003 REVENUE

\$15,000 5503 FUND(16,671)

\$ 7,750 CAPITAL FUND

TOTAL FUNDING (APCO)-----: \$ 72,926

BALANCE----- \$ -0-

MONTHLY ON GOING FEES:

Monthly Line Charge -----: \$69.00 x 2 = \$138 x 12 = \$1,656

Wireless Data Base Charges----- \$12.00 X K= \$420 x 12= \$5,040

Monthly Maintenance Fee----- \$ 333 x 12= \$4,000

TOTAL Yearly Cost-----: \$10,696

TOTAL FY 2003 WIRE LINE 9-1-1 COST-----: \$36,943

TOTAL FY 2004 WIRE LINE & WIRELESS 9-1-1 COST----- \$47,639

REV:012204

013004-New Bids & change in overall 55-03 account

020904-New Contract from SBC & Tariff Proposed Rates

Judy Moler

From: "Michele Abbott-Becker" <shellee64@hotmail.com>
To: <moler@kansascountries.org>
Sent: Wednesday, February 18, 2004 9:50 AM
Subject: Wireless 911 Phase 1 and 2

Judy-

Per Ron Hoffman's request- I am forwarding you the start up costs for Marion County-

These are preliminary- I have not requested Phase 1 or 2 at this time; but have just received the bids for the equipment alone.

Marion County's equipment cost is \$187,000 (This is going phase 1 and 2 at the same time- equipment wise). I do not have the monthly costs.- hope this helps.

Thanks for all the work you do.

Michele

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Michele Abbott-Becker, KCEM
Marion County Emergency Communications
Emergency Management & Homeland Security
Director
620-382-2144
620-382-3441 fax
shellee64@hotmail.com

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2/18/04

4-3

DICKINSON COUNTY EMERGENCY COMMUNICATIONS CENTER

109 East First Street, Suite 106, Abilene, KS 67410
Phone (785) 263-4041 Fax (785) 263-2949
e-mail dkcomm@dkcoks.com

PHASE II WIRELESS IMPLEMENTATION COSTS FOR DICKINSON COUNTY

Initial cost of telephone system w/installation – (SBC)	\$115,526.77
Initial cost of CAD system w/mapped ALI - (Global Software Corp.)	\$70,070.00
Cost of added trunk cards for wireless lines at PSAP	\$1000.00
<u>Installation cost of two 911 line trunks to Topeka Tandem</u>	<u>\$624.00</u>
Total one time purchase and installation costs for system	<u>\$187,220.77</u>
Monthly reoccurring fees for wireless 911 lines (PANI charges to SBC)	\$321.51
<u>Monthly user fee/maintenance cost for CAD system (3 positions)</u>	<u>\$2,250.00</u>
Total Annual cost for ability to handle Phase II wireless costs	<u>\$30,858.12</u>

WIRELINE TAX HISTORY FOR DICKINSON COUNTY

Tax rate at \$.75 per phone line

Calendar year of 2001 revenue from 911 tax	\$85,557.57
Calendar year of 2002 revenue from 911 tax	\$84,276.59
Calendar year of 2003 revenue from 911 tax	\$79,942.87

2003 911 Implementation Costs*

County	Network, Selective Routing & Database	MARC Coordination	GIS Development & Maintenance	CPE Equipment Purchase & Maintenance	Miscellaneous Cost Sharing	Total Expenses
Cass, MO	\$108,633	\$33,151	\$13,832	\$62,864	\$5,355	\$223,835
Clay, MO	\$243,526	\$74,315	\$31,009	\$140,908	\$12,005	\$501,763
Jackson, MO	\$866,817	\$264,521	\$110,374	\$501,494	\$42,731	\$1,785,937
Johnson, KS	\$597,031	\$182,192	\$76,021	\$345,433	\$29,431	\$1,230,108
Leavenworth, KS	\$90,901	\$27,740	\$11,575	\$52,602	\$4,481	\$187,299
Platte, MO	\$97,635	\$29,795	\$12,432	\$56,500	\$4,813	\$201,175
Ray, MO	\$30,974	\$9,452	\$3,944	\$17,884	\$1,527	\$63,781
Wyandotte, KS	\$208,961	\$63,767	\$26,607	\$120,903	\$10,301	\$430,539
Total	\$2,244,478	\$684,933	\$285,794	\$1,298,588	\$110,644	\$4,624,437

*The warranty on the CPE equipment will expire in June 2004. The equipment maintenance costs will increase by a total of \$427,856 in 2004.

The network and selective routing total includes the one-time charges for installation of wireless trunks.

The purchase and installation of the wireless selective router totaled \$687,115.

The purchase and enhancement of the regional centerline map was \$421,373.

4-5



Johnson County, Kansas

BOARD OF COUNTY COMMISSIONERS

Testimony in support of House Sub SB 153

presented to the

Senate Commerce Committee

by

Danielle Noe

Intergovernmental Relations Coordinator

March 3, 2004

Madam Chairman and Members of the Committee:

Thank you for the opportunity to testify in support of House Substitute for SB 153 concerning emergency telephone service and enacting the wireless enhanced 911 act.

Like most other counties, Johnson County collects a monthly fee on hard-wired telephones to finance the operation of 911 emergency telephone services. Residential customers in Johnson County pay an average of 35 cents per month. State law allows for a charge of up to 75 cents per month.

In 2002, Johnson County received \$1.42 million in 911 tax revenue imposed on hard-wired telephones and spent \$2.04 million. Significant amounts of those expenditures were for equipment and services required to implement the wireless enhanced 911 system. In 2003, we expected to receive \$1.45 million in revenues and our expenditures were approximately \$1.20 million. Much of the expenditures were for equipment necessary to complete the wireless enhanced 911 systems. Our projected expenditures will decline somewhat in 2004, and our costs will reflect ongoing maintenance and operations of the system.

As some of you may be aware, local governments in the Kansas City metro area have been working together on implementation of Phase I and Phase II. Johnson County has completed both phases of implementation. Both the carriers and the communities in the metropolitan area have invested significant funds into these systems. And, we can all agree this is an important public safety issue.

The Johnson County Board of County Commissioners (BOCC) discussed our continued support for legislation to implement a wireless enhanced 911 system this fall. During that discussion, the BOCC established three underlying principles, which they wished to see in any legislation to address enhanced 911 systems.

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- First, is that legislation should attempt to equalize the wire and wireless 911-tax system. Since local governments are already operating 911 systems for hard-wired services, it is only logical to add wireless services into existing networks, using the same funding model. While SB 153 is not a perfect equalization of the two 911 systems, it certainly makes an attempt by equalizing the rates in 2010. Both wire and wireless would be no more than \$.50 in Johnson County as of July 2010.
- Second, the BOCC was very concerned that a financing mechanism that would benefit the entire state. SB 153 attempts to do that by setting up a grant fund from which small counties could make requests for building their system. After counties have the time and funding to build their systems, the grant program would be abolished.
- Third, the BOCC was very concerned about maintaining local control. SB 153 allows local governments the flexibility to meet these needs in their communities by enabling them to extend the 911 fee to wireless telephone users, providing for continued local government authority over emergency telephone service, and assuring that 911 fees are levied and used locally.

Finally, I would conclude by telling you that SB 153 represents an attempt at a compromise. And with all compromises we make sacrifices. There are things in the bill that the carriers do not like. Frankly, there are things in the bill that do not directly benefit Johnson County. However, Johnson County is here in support of this bill because we believe that the public safety needs of Kansas far outweigh our desires to go another year without legislation.

2003 MARC 911 Implementation Costs*

County	Network, Selective Routing & Database	MARC Coordination	GIS Development & Maintenance	CPE Equipment Purchase & Maintenance	Miscellaneous Cost Sharing	Total Expenses
Cass, MO	\$108,633	\$33,151	\$13,832	\$62,864	\$5,355	\$223,835
Clay, MO	\$243,526	\$74,315	\$31,009	\$140,908	\$12,005	\$501,763
Jackson, MO	\$866,817	\$264,521	\$110,374	\$501,494	\$42,731	\$1,785,937
Johnson, KS	\$597,031	\$182,192	\$76,021	\$345,433	\$29,431	\$1,230,108
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Total	\$2,244,478	\$684,933	\$285,794	\$1,298,588	\$110,644	\$4,624,437

*The warranty on the CPE equipment will expire in June 2004. The equipment maintenance costs will increase by a total of \$427,856 in 2004.

The network and selective routing total includes the one-time charges for installation of wireless trunks.

The purchase and installation of the wireless selective router totaled \$687,115.

The purchase and enhancement of the regional centerline map was \$421,373.

Testimony
Before the Senate Committee Commerce
Wireless Enhanced 911
March 4, 2004
Kansas Legislative Policy Group
By: John D. Pinegar

Madam Chairperson and members of the Senate Committee on Commerce thank you for allowing me to testify before the Committee on Wireless Enhanced 911. I am John Pinegar and represent Kansas Legislative Policy Group (KLPG), which is a coalition of over 30 western Kansas counties.

KLPG is working in cooperation with the Kansas Association of Counties, the League of Kansas Municipalities and the Public Safety Alliance toward the passage of legislation that would provide Wireless Enhanced 911 service throughout Kansas.

Many of you will recall last year, in the final hours of the Legislative Session, local government entities and the wireless industry arrived at compromise legislation. We worked together in the spirit of public safety with the goal of building a ubiquitous statewide Wireless Enhanced 911 system. KLPG remains committed to that goal.

Many of the counties that are members of KLPG are located in less populated and of course, the rural area of western Kansas. Those counties face a unique financial challenge of deploying Wireless Enhanced 911. Less populous counties would not be able to collect enough money to build an adequate system.

We are pleased lawmakers are aware of the need of counties with lesser population to have the opportunity to obtain grants which would be used to finance necessary and reasonable costs incurred by PSAPs to implement Wireless Enhanced 911 service. This would allow less populated counties more time to implement wireless enhanced 911 service.

Again, thank you for the opportunity to discuss this very important issue. I am pleased to answer any questions and stand ready to assist the Committee in passage of this vital public safety issue.

Senate Commerce
03/04/04
Attach #6



**SEDGWICK COUNTY , KANSAS
DEPARTMENT OF
EMERGENCY COMMUNICATIONS**

Diane M. Gage, Director
525 N Main Ste-B-6
Wichita, KS 67203-3707
(316) 383-7077
(316) 383-8060 (FAX)
dgage@sedgwick.gov

**TESTIMONY TO THE SENATE COMMERCE COMMITTEE
REGARDING SENATE BILL 153**

March 4, 2004

Senator Brownlee and members of the Senate Commerce Committee, I am Diane Gage, Director of Sedgwick County Emergency Communications, Sedgwick County's "911" department. Sedgwick County supports Senate Bill 153, with a few clarifications, in particular the sections on fund usage and the requirement to remit to the primary place of use.

The same text appears in two different places in the bill and is confusing as to what is not a permissible use of the Wireless 911 Fee. This is located in Sections 3 and 10:

"Costs shall not include: (A) Expenditures necessary to provide wireless automatic location identification information unless the municipality has taken competitive bids for provision of such information and such expenditures are less than the bid of the lowest responsible bidder;"

From the wording in this statement, I am not sure what technology or equipment would be disallowed for purchase by these funds.

The bill also requires the carriers to remit funds to the grant fund and local PSAP serving "the primary place of use" for the wireless subscriber. This appears to be a very cumbersome way to allocate fees. It would be much more straight forward to remit to the PSAP and State based on the billing location for the service, especially since there is no accurate means to determine a person's primary place which is auditable.

As a provider of "911" services, I feel SB 153 provides emergency communications center the means to fund both the startup costs for extending enhanced "911" services to wireless subscribers. The grant fund provides the means for communities with a smaller revenue stream to provide the service to not only their citizens, but those who might travel through their communities. When

Sedgwick County...working for you.

*Senate Commerce
03/04/04
Attach # 7*

collection to the grant fund sunsets, it will better permit the funding of recurring costs and equipment replacement at the local level. Sedgwick County intends to provide relief to the hardwire telephone subscribers and spread the "911" fee more evenly across all telephone users.

At the present time, Sedgwick County is receiving Phase II wireless information from five of the eight wireless carriers in our community, with the sixth one to be on line in a few weeks. The remaining two carriers have received extensions from the FCC and are a year out from being able to provide Phase II service. Currently, 55% of all the "911" calls in Sedgwick County are from wireless telephone users, over 200,000 calls in 2003.

The following is a summary of the cost of providing wireless phase II implementation in Sedgwick County:

Start up costs:

Enhancements to current computer system to support the delivery of Phase II wireless calls, included mapping and the ability to insert locations into calls	\$293,000
Upgrade to telephone system for support of wireless calls	<u>45,000</u>
Total start-up costs	\$338,000

Annual recurring charges for wireless 911
(Note: in addition to the \$390,000 annual telephone line charges)

Wireless trunk charges - \$4,900 per month	\$ 58,800
Maintenance on wireless enhancements	<u>\$ 15,000</u>
Total	\$ 73,800

Again, thank you for your time and consideration. I will be happy to answer any questions you may have.

Sedgwick County...working for you.

**Informational Hearing on Emergency Telephone Systems
(Wireless Enhanced 911)
House Substitute for Substitute for Senate Bill 153**

Testimony presented by Amy Yarkoni on behalf of:

**Alltel, AT&T Wireless, Cingular Wireless, Sprint, T-Mobile,
Verizon and Western Wireless**

Submitted to the Senate Commerce Committee

Thursday, March 4, 2004

Thank you Chairman Brownlee and members of the Senate Commerce Committee for the opportunity to present the wireless industry's overview of House Substitute for Substitute for Senate Bill 153.

My name is Amy Yarkoni and I am the Director of External Affairs for Cingular Wireless LLC. I appear before you today representing the views of Alltel, AT&T Wireless, Cingular Wireless, Sprint, T-Mobile, Verizon and Western Wireless.

These carriers combined provide wireless services to an estimated 90% of Kansas wireless customers. These carriers agree that ALL wireless customers deserve to have Wireless Enhanced 911. Our companies have the combined experience of deploying enhanced 911 to thousands of public safety answering points throughout the United States. We continue deployment of wireless enhanced 911 to allow our customers the added safety of this advanced service. It is vital that the Kansas Legislature and Governor Sebelius enact legislation to facilitate the rapid delivery of ubiquitous wireless enhanced 911 services across the state as soon as possible.

The number of 911 calls placed by people using wireless phones has more than doubled since 1995, to over 50 million a year...according to the Federal Communications Commission (FCC), about 30% of the 911 calls received daily are placed from wireless phones." (Website: FCC.gov – Search 911 – Consumer Fact Sheet)

Wireless 911 calls come from "Good Samaritans" reporting traffic accidents, crimes, or other emergencies and from individuals experiencing their own emergency. Prompt delivery of these wireless 911 calls to public safety organizations benefits the public by promoting safety of life and property. Wireless phones are an important public safety tool, as in many cases the advancement in technology also creates unique challenges for public safety and emergency response personnel and for wireless service providers.

We believe that House Substitute for Substitute for Senate Bill 153 contains the groundwork to provide both the funds and administrative mechanisms to speed deployment of wireless enhanced 911 service.

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Attach #8

In the past several years, carriers have lobbied and/or testified on a number of issues regarding the various 911 bills for consideration in Kansas. The common issues included a minimal customer surcharge, neutral and efficient administration programs, efficient and appropriate use of funding and required deployment, no technology mandate, liability limitations, proprietary information clause, and cost recovery for both public safety answering points and wireless carriers.

House Substitute for Substitute for Senate Bill 153 addresses some of these issues but leaves some issues open, we urge you to consider these issues.

Minimal Customer Surcharge

In House Substitute for Substitute for Senate Bill 153, there is a 25 cent fee for the grant fund to support the smaller counties and a 25 cent fee that will go directly to the counties. Based on a recent FCC data there are approximately 1.2 million wireless phones in Kansas, new fees would generate \$7,200,000 a year or \$43,000,000 over the initial 6 year time frame of this bill to 2010.

The wireless carriers represented in this testimony are concerned about the amount of fees imposed on the customer and would ask that the Conference Committee consider reducing the amount to 25 cents through 2010 and sun-setting the fee at that time. The remaining \$.25 cent fee would be in the form of a uniform statewide fund (such as the grant fund). Since costs and timelines of implementation of a wireless enhanced 911 system in Kansas has not been presented in total by the PSAPs, the carriers are concerned about the funds being used for implementation of a complete system in Kansas. This amount *does not cover* the costs of the wireless providers.

As the bill is today, in 2010, the grant fund will cease to exist and the local fee may go up to 50 cents that will go directly to counties with populations above 40,000 and up to 75 cents for counties under 40,000 population, without ever sun-setting or any analysis of the continuing need for the funding.

We believe strongly that the wireless surcharge be based on the amount of revenue needed to accomplish the task at hand and not based on misconceptions.

The legislature will be monitoring the activities of this implementation, and if there are adjustments necessary, they can be made on a timely basis, instead of determining a future that will require more funds than now. Many surrounding states have implemented a 50 cent fee that includes cost recovery for both the carrier and PSAP and are successfully deploying wireless enhanced 911 systems. There is no reason why Kansas which already has Phase II deployment in a number of urban communities cannot complete the deployment of a statewide enhanced 911 system to its citizens with a reduced fee if that fee does not include wireless cost recovery. *(Carrier cost recovery positions may be addressed individually to the representatives of those companies.)*

The carriers agree that the best practice for rapid and ubiquitous deployment of enhanced 911 services occur when there is statewide fund such as the grant fund established with a strong advisory board and/or fund administrator. This model has been proven to work and provides assistance to the local governments with the most effective and efficient deployment timeline and strategy. Many states – even those who assess a wireline charge locally – have chosen to use a single statewide fund for wireless E911 and it works.

Appropriate Use of Funds for Implementation of Enhanced Wireless 911 Systems

Another concern of the wireless industry is that the fees should only pay for actual costs of the actual deployment of enhanced wireless 911 by the PSAPS and that monies are not spent on items as vehicles, signage, personnel costs and other costs that are enhancements to the public safety systems and not associated with wireless enhanced 911.

Administration

At this time, other telecommunication providers are allowed to keep 2% of the funds collected for an administrative fee to collect these funds. Wireless carriers will incur costs to administer the fee collection including various billing, information technology, possible paper/postage increases, and customer service expenses. Wireless carriers should be allowed to keep 2% of the funds collected as an administrative fee.

Under this bill, there is a 5% administrative fee kept to administer the fund, and an amount of 2% to be kept by the League of Kansas Municipalities entity that is set up to distribute the checks to the counties, and no administrative fee for the wireless provider. In 2010, the 5% administrative fee associated to the grant fund will cease with the sunset of the fund. However, the 2% administrative fee amount based on current bill language would increase to the League of Kansas Municipalities.

Additionally, placement and verbiage should accurately describe the “fees”. The language for the line item or items on consumer bills should be “wireless enhance 911 fees”, “wireless enhanced 911 grant fee”, “wireless enhanced 911 local fee” or similar verbiage. Deployment of enhanced wireless 911 services is the purpose for this legislation and the intended use of the fees – the verbiage “public safety” is too broad.

The carriers I represent today agree to the principles regarding wireless enhanced 911 legislation. We will continue to work towards deployment of wireless enhanced 911 and will be working with the conference committee members to address the above concerns about the present bill.

Spokespersons of many of the companies represented in this testimony are in the audience, and would be happy to address any specific issues regarding their company's position on House Substitute for Substitute for Senate Bill 153.

Thank you, I do appreciate your time and consideration. I will be happy to stand for any questions.



CLOSE WINDOW X

Description of what is included in the Regulatory Cost Recovery Fee [Print This Page](#)**Q:** What is included in the Regulatory Cost Recovery Fee?

A: **The Federal Regulatory Fee.** This is an annual fee imposed on Cingular as an entity regulated by the Federal Communications Commission.

Cingular's required contribution to the Federal Telecommunications Relay Service Fund and in some cases a state fund. Telecommunications relay services assist hearing and speech impaired persons with sending and receiving messages.

Wireless number pooling and number portability. This is a federal mandate requiring Cingular to facilitate a new method for assignment of telephone numbers and the transfer of telephone numbers between carriers. Number pooling was instituted to conserve telephone numbers, and number portability will enable you to keep the same phone number when changing to a new local carrier under certain circumstances. Cingular incurs significant costs in setting up systems to comply with these initiatives before the features are activated or available to customers.

Enhanced 911 or E911. Cingular must comply with government mandates requiring it to enhance its system to assist in locating wireless callers to 911 services. E-911 is a technology that will help emergency response agencies to determine the location of wireless callers to 911 services. Cingular does not include these cost in its Regulatory Cost Recovery Fee in those states that have a separate mandated E-911 fee.

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CLOSE WINDOW X

Description of 911 charges [Print This Page](#)

Q: What are 911 charges?

A: In order to provide automatic number identification and automatic location identification of wireless 911 calls, when implemented, many jurisdictions impose a 911 emergency service fee on wireless telecommunications providers at a rate determined by applicable federal, state, or local laws.

The fee is collected from wireless subscribers and paid to the appropriate jurisdiction.

9-2

KLRD

1	A	B	C	D	E
1	PSAP ID	PSAP Name	State	County	City
2	2695	Allen County Central Dispatch	KS	ALLEN	Iola
3	2696	Allen County Sheriffs Department	KS	ALLEN	Iola
4	2697	Anderson County Dispatch Center	KS	ANDERSON	Garnett
5	2700	Atchison County Communications Center	KS	ATCHISON	Atchison
6	2702	Barber County Sheriffs Office	KS	BARBER	Medicine Lodge
7	2703	Barton County Communications Center	KS	BARTON	Great Bend
8	2706	Bourbon County Sheriffs Office	KS	BOURBON	Ft Scott
9	2707	Brown County Sheriffs Office	KS	BROWN	Hiawatha
10	2752	Horton Police Department	KS	BROWN	Horton
11	2755	Iowa Tribal Police Department	KS	BROWN	White Cloud
12	2764	Kickapoo Tribal Police Department	KS	BROWN	Horton
13	2823	Sac and Fox Tribal Police Department	KS	BROWN	Reserve
14	2698	Andover City Police Department	KS	BUTLER	Andover
15	2701	Augusta Police Department	KS	BUTLER	Augusta
16	2708	Butler County Emergency Communications	KS	BUTLER	El Dorado
17	2710	Chase County Sheriff	KS	CHASE	Cottonwood Fall
18	2711	Chautauqua County Sheriffs Office	KS	CHAUTAUQUA	Sedan
19	2704	Baxter Springs Police Department	KS	CHEROKEE	Baxter Springs
20	2712	Cherokee County Sheriffs Office	KS	CHEROKEE	Columbus
21	2737	Galena Police Department	KS	CHEROKEE	Galena
22	2713	Cheyenne County Sheriffs Office	KS	CHEYENNE	St Francis
23	2840	St Francis Police Department	KS	CHEYENNE	St Francis
24	2714	Clark County Sheriffs Office	KS	CLARK	Ashland
25	2715	Clay County Sheriffs Office	KS	CLAY	Clay Center
26	2721	Concordia City Police Department	KS	CLOUD	Concordia
27	2716	Coffey County Sheriffs Office	KS	COFFEY	Burlington
28	2720	Comanche County Sheriffs Department	KS	COMANCHE	Coldwater
29	2699	Arkansas City Police Department	KS	COWLEY	Arkansas City
30	2855	Winfield Police Department	KS	COWLEY	Winfield
31	2722	Crawford County Sheriffs Department	KS	CRAWFORD	Girard
32	2809	Pittsburg Police Department	KS	CRAWFORD	Pittsburg
33	2723	Decatur County Sheriffs Office	KS	DECATUR	Oberlin
34	2724	Dickinson County Emergency Communications Center	KS	DICKINSON	Abilene
35	2725	Doniphan County Sheriff	KS	DONIPHAN	Troy
36	2726	Douglas County Emergency Communication Center	KS	DOUGLAS	Lawrence
37	2771	Lawrence Police Department	KS	DOUGLAS	Lawrence
38	2848	University of Kansas Public Safety Office	KS	DOUGLAS	Lawrence
39	2727	Edwards County Sheriffs Office	KS	EDWARDS	Kinsley
40	2728	Elk County Emergency Services	KS	ELK	Howard
41	2729	Ellis County Communications Center	KS	ELLIS	Hays
42	2730	Ellis County Sheriffs Office	KS	ELLIS	Hays
43	2731	Ellsworth County Sheriff	KS	ELLSWORTH	Ellsworth
44	2738	Garden City Police Department	KS	FINNEY	Garden City
45	2733	Ford County Communications Center	KS	FORD	Dodge City
46	2734	Franklin County Ambulance Service	KS	FRANKLIN	Ottawa
47	2735	Franklin County Sheriff	KS	FRANKLIN	Ottawa
48	2739	Geary County Sheriffs Office	KS	GEARY	Junction City
49	2761	Junction City Police	KS	GEARY	Junction City
50	2740	Gove County Sheriffs Office	KS	GOVE	Gove
51	2741	Graham County Sheriffs Office	KS	GRAHAM	Hill City
52	2742	Grant County Sheriffs Office	KS	GRANT	Ulysses

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	A	B	C	D	E
1	PSAP ID	PSAP Name	State	County	City
53	2743	Gray County Sheriffs Office	KS	GRAY	Cimarron
54	2744	Greeley County Sheriffs Office	KS	GREELEY	Tribune
55	2745	Greenwood County Sheriffs Office	KS	GREENWOOD	Eureka
56	2746	Hamilton County Sheriffs Office	KS	HAMILTON	Syracuse
57	2747	Harper County Sheriffs Office	KS	HARPER	Anthony
58	2748	Harvey County 9-1-1 Communications	KS	HARVEY	Newton
59	2749	Haskell County Sheriffs Office	KS	HASKELL	Sublette
60	2751	Hodgeman County Sheriffs Office	KS	HODGEMAN	Jetmore
61	2756	Jackson County Sheriffs Office	KS	JACKSON	Holton
62	2810	Potawatomi Tribal Police Department-Prairie Band	KS	JACKSON	Mayetta
63	2757	Jefferson County 9-1-1 Communications	KS	JEFFERSON	Oskaloosa
64	2758	Jewell County Sheriffs Department	KS	JEWELL	Mankato
65	2759	Johnson County Emergency Communications Center	KS	JOHNSON	Mission
66	2760	Johnson County Sheriffs Office	KS	JOHNSON	Olathe
67	2774	Leawood Police Department	KS	JOHNSON	Leawood
68	2775	Lenexa Police Department	KS	JOHNSON	Lenexa
69	2799	Olathe Fire Department	KS	JOHNSON	Olathe
70	2800	Olathe Police Department	KS	JOHNSON	Olathe
71	2804	Overland Park Police Department	KS	JOHNSON	Overland Park
72	2812	Prairie Village Police Department	KS	JOHNSON	Prairie Village
73	2833	Shawnee Police Department	KS	JOHNSON	Shawnee
74	2763	Kearny County Sheriffs Office	KS	KEARNY	Lakin
75	2765	Kingman County Sheriffs Office	KS	KINGMAN	Kingman
76	2766	Kiowa County Sheriffs Department	KS	KIOWA	Greensburg
77	2768	Labette County Sheriffs Office	KS	LABETTE	Oswego
78	2806	Parsons Police Department	KS	LABETTE	Parsons
79	2769	Lane County Sheriffs Office	KS	LANE	Dighton
80	2736	Ft Leavenworth Provost Marshals Office	KS	LEAVENWORTH	Ft Leavenworth
81	2772	Leavenworth County Sheriffs Office	KS	LEAVENWORTH	Leavenworth
82	2773	Leavenworth Police Department	KS	LEAVENWORTH	Leavenworth
83	2777	Lincoln County Sheriffs Office	KS	LINCOLN	Lincoln
84	2778	Linn County Sheriffs Office	KS	LINN	Mound City
85	2797	Oakley Police Department	KS	LOGAN	Oakley
86	2798	Oakley Police Department	KS	LOGAN	Oakley
87	2732	Emporia Police Department	KS	LYON	Emporia
88	2779	Lyon County Sheriffs Office	KS	LYON	Emporia
89	2750	Hillsboro City Hall	KS	MARION	Hillsboro
90	2781	Marion County Communications	KS	MARION	Marion
91	2782	Marshall County Sheriffs Office	KS	MARSHALL	Marysville
92	2783	McPherson County Communications	KS	MCPHERSON	McPherson
93	2784	McPherson County Emergency Management	KS	MCPHERSON	McPherson
94	2785	Meade County Sheriffs Office	KS	MEADE	Meade
95	2786	Miami County Sheriffs Office	KS	MIAMI	Paola
96	2805	Paola Police Department	KS	MIAMI	Paola
97	2705	Beloit Police Department	KS	MITCHELL	Beloit
98	2787	Mitchell County Law Enforcement Center	KS	MITCHELL	Beloit
99	2709	Caney Police Department	KS	MONTGOMERY	Caney
100	2717	Coffeyville Fire Department	KS	MONTGOMERY	Coffeyville
101	2718	Coffeyville Police Department	KS	MONTGOMERY	Coffeyville
102	2754	Independence Police Department	KS	MONTGOMERY	Independence
103	2788	Montgomery County Sheriffs Office	KS	MONTGOMERY	Independence

	A	B	C	D	E
1	PSAP-ID	PSAP Name	State	County	City
104	2789	Morris County Sheriffs Office	KS	MORRIS	Council Grove
105	2790	Morton County Sheriffs Office	KS	MORTON	Elkhart
106	2791	Nemaha County Sheriffs Office	KS	NEMAHA	Seneca
107	2792	Neosho County Communications	KS	NEOSHO	Erie
108	2793	Neosho County Sheriffs Office	KS	NEOSHO	Erie
109	2794	Ness County Sheriffs Department	KS	NESS	Ness City
110	2796	Norton County Sheriffs Office	KS	NORTON	Norton
111	2801	Osage County Sheriffs Office	KS	OSAGE	Lyndon
112	2802	Osborne County Sheriffs Office	KS	OSBORNE	Osborne
113	2803	Ottawa County Sheriffs Office	KS	OTTAWA	Minneapolis
114	2770	Larned Police Department	KS	PAWNEE	Larned
115	2807	Pawnee County Sheriffs Office	KS	PAWNEE	Larned
116	2808	Phillips County Sheriffs Office	KS	PHILLIPS	Phillipsburg
117	2811	Pottawatomie County Sheriffs Department	KS	POTTAWATOM	Westmoreland
118	2851	Wamego Police Department	KS	POTTAWATOM	Wamego
119	2813	Pratt County Sheriffs Office	KS	PRATT	Pratt
120	2814	Rawlins County Sheriffs Office	KS	RAWLINS	Atwood
121	2753	Hutchinson Police Department	KS	RENO	Hutchinson
122	2815	Republic County Sheriffs Department	KS	REPUBLIC	Belleville
123	2816	Rice County Sheriffs Office	KS	RICE	Lyons
124	2780	Manhattan Fire Department	KS	RILEY	Manhattan
125	2817	Riley County 9-1-1	KS	RILEY	Manhattan
126	2818	Rooks County Sheriffs Office	KS	ROOKS	Stockton
127	2767	La Crosse Police Department	KS	RUSH	La Crosse
128	2819	Rush County Sheriffs Office	KS	RUSH	LaCrosse
129	2820	Russell County Communications	KS	RUSSELL	Russell
130	2821	Russell County Sheriffs Office	KS	RUSSELL	Russell
131	2822	Russell Police Department	KS	RUSSELL	Russell
132	2795	New Cambria Rural Fire Department	KS	SALINE	Salina
133	2824	Salina Police Department	KS	SALINE	Salina
134	2825	Saline County Sheriffs Office	KS	SALINE	Salina
135	2826	Scott County Sheriffs Office	KS	SCOTT	Scott City
136	2827	Sedgwick County Backup PSAP	KS	SEDGWICK	Wichita
137	2828	Sedgwick County Emergency Communications	KS	SEDGWICK	Wichita
138	2776	Liberal Fire Department	KS	SEWARD	Liberal
139	2829	Seward County Emergency Communications	KS	SEWARD	Liberal
140	2830	Shawnee County Courthouse	KS	SHAWNEE	Topeka
141	2831	Shawnee County Emergency Communications Center	KS	SHAWNEE	Topeka
142	2832	Shawnee County Sheriffs Office	KS	SHAWNEE	Topeka
143	2834	Sheridan County Emergency Communications	KS	SHERIDAN	Hoxie
144	2835	Sheridan County Sheriffs Department	KS	SHERIDAN	Hoxie
145	2836	Sherman County Communications	KS	SHERMAN	Goodland
146	2837	Sherman County Sheriffs Office	KS	SHERMAN	Goodland
147	2838	Smith Center Police Department	KS	SMITH	Smith Center
148	2839	Smith County Sheriffs Office	KS	SMITH	Smith Center
149	2841	Stafford County Sheriffs Office	KS	STAFFORD	St John
150	2842	Stanton County Sheriffs Office	KS	STANTON	Johnson
151	2843	Stevens County Sheriffs Office	KS	STEVENS	Hugoton
152	2844	Sumner County 9-1-1	KS	SUMNER	Wellington
153	2845	Sumner County Emergency Management	KS	SUMNER	Wellington
154	2719	Colby Police Department	KS	THOMAS	Colby

	A	B	C	D	E
1	PSAP ID	PSAP Name	State	County	City
155	2846	Thomas County Sheriffs Office	KS	THOMAS	Colby
156	2847	Trego County Law Enforcement Center	KS	TREGO	Wakeeney
157	2849	Wabaunsee County Sheriffs Department	KS	WABAUNSEE	Alma
158	2850	Wallace County Sheriff	KS	WALLACE	Sharon Springs
159	2852	Washington County Sheriff	KS	WASHINGTON	Washington
160	2853	Wichita County Sheriffs Office	KS	WICHITA	Leoti
161	2854	Wilson County Sheriffs Office	KS	WILSON	Fredonia
162	2856	Woodson County Sheriffs Office	KS	WOODSON	Yates Center
163	2762	Kansas City Police Backup	KS	WYANDOTTE	Kansas City
164	2857	Wyandotte County Sheriffs Office	KS	WYANDOTTE	Kansas City
165	2858	Wyandotte Public Safety Communications Center-Backup	KS		Kansas City

A	B	C	D	E	F	G	H	I	J	K	L	M	N
PSAP ID	PSAP Name	PSAP State	PSAP County	Implementation Phase	Air Interface	Date PSAP Request Made	Date PSAP Request Withdrawn	Invalid Request	Deployed	Date Deployed	Date Projected	Reasons	Comment
2	2736	Ft Leavenworth Provost Marshals Office	KS	LEAVENWORTH	1	TDMA / GSM	8/2/2001	No	Yes	12/31/02			
3	2736	Ft Leavenworth Provost Marshals Office	KS	LEAVENWORTH	2	TDMA / GSM	11/9/2001	No	No		08/12/04		
4	2736	Ft Leavenworth Provost Marshals Office	KS	LEAVENWORTH	2	TDMA / GSM	11/9/2001	No	Yes	12/31/02			
5	2754	Independence Police Department	KS	MONTGOMERY	1	TDMA / GSM	6/6/2003	No	Yes	12/11/03			
6	2754	Independence Police Department	KS	MONTGOMERY	2	TDMA / GSM	6/6/2003	No	Yes	12/11/03			
7	2754	Independence Police Department	KS	MONTGOMERY	2	TDMA / GSM	6/6/2003	No	No		09/06/04		
8	2760	Johnson County Sheriffs Office	KS	JOHNSON	1	TDMA / GSM	8/2/2001	No	Yes	12/31/02			
9	2760	Johnson County Sheriffs Office	KS	JOHNSON	2	TDMA / GSM	11/9/2001	No	No		08/12/04		
10	2760	Johnson County Sheriffs Office	KS	JOHNSON	2	TDMA / GSM	11/9/2001	No	Yes	12/31/02			
11	2772	Leavenworth County Sheriffs Office	KS	LEAVENWORTH	1	TDMA / GSM	8/2/2001	No	Yes	12/31/02			
12	2772	Leavenworth County Sheriffs Office	KS	LEAVENWORTH	2	TDMA / GSM	11/9/2001	No	No		08/12/04		
13	2772	Leavenworth County Sheriffs Office	KS	LEAVENWORTH	2	TDMA / GSM	11/9/2001	No	Yes	12/31/02			
14	2774	Leawood Police Department	KS	JOHNSON	1	TDMA / GSM	8/2/2001	No	Yes	12/31/02			
15	2774	Leawood Police Department	KS	JOHNSON	2	TDMA / GSM	11/9/2001	No	No		08/12/04		
16	2774	Leawood Police Department	KS	JOHNSON	2	TDMA / GSM	11/9/2001	No	Yes	12/31/02			
17	2775	Lenexa Police Department	KS	JOHNSON	1	TDMA / GSM	8/2/2001	No	Yes	12/31/02			
18	2775	Lenexa Police Department	KS	JOHNSON	2	TDMA / GSM	11/9/2001	No	No		08/12/04		
19	2775	Lenexa Police Department	KS	JOHNSON	2	TDMA / GSM	11/9/2001	No	Yes	12/31/02			
20	2800	Olathe Police Department	KS	JOHNSON	1	TDMA / GSM	8/2/2001	No	Yes	12/31/02			
21	2800	Olathe Police Department	KS	JOHNSON	2	TDMA / GSM	11/9/2001	No	No		08/12/04		
22	2800	Olathe Police Department	KS	JOHNSON	2	TDMA / GSM	11/9/2001	No	Yes	12/31/02			
23	2804	Overland Park Police Department	KS	JOHNSON	1	TDMA / GSM	8/2/2001	No	Yes	12/31/02			
24	2804	Overland Park Police Department	KS	JOHNSON	2	TDMA / GSM	11/9/2001	No	No		08/12/04		
25	2804	Overland Park Police Department	KS	JOHNSON	2	TDMA / GSM	11/9/2001	No	Yes	12/31/02			
26	2812	Prairie Village Police Department	KS	JOHNSON	1	TDMA / GSM	8/2/2001	No	Yes	12/31/02			

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	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1	PSAP ID	PSAP Name	PSAP State	PSAP County	Implementation Phase	Air Interface	Date PSAP Request Made	Date PSAP Request Withdrawn	Invalid Request	Deployed	Date Deployed	Date Projected	Reasons	Comment
2	2736	Ft Leavenworth Provost Marshals Office	KS	LEAVENWORTH	1	TDMA / GSM	8/2/2001		No	Yes	12/31/02			
3	2736	Ft Leavenworth Provost Marshals Office	KS	LEAVENWORTH	2	TDMA / GSM	11/9/2001		No	No		08/12/04		
4	2736	Ft Leavenworth Provost Marshals Office	KS	LEAVENWORTH	2	TDMA / GSM	11/9/2001		No	Yes	12/31/02			
5	2754	Independence Police Department	KS	MONTGOMERY	1	TDMA / GSM	6/6/2003		No	Yes	12/11/03			
6	2754	Independence Police Department	KS	MONTGOMERY	2	TDMA / GSM	6/6/2003		No	Yes	12/11/03			
7	2754	Independence Police Department	KS	MONTGOMERY	2	TDMA / GSM	6/6/2003		No	No		09/06/04		
8	2760	Johnson County Sheriffs Office	KS	JOHNSON	1	TDMA / GSM	8/2/2001		No	Yes	12/31/02			
9	2760	Johnson County Sheriffs Office	KS	JOHNSON	2	TDMA / GSM	11/9/2001		No	No		08/12/04		
10	2760	Johnson County Sheriffs Office	KS	JOHNSON	2	TDMA / GSM	11/9/2001		No	Yes	12/31/02			
11	2772	Leavenworth County Sheriffs Office	KS	LEAVENWORTH	1	TDMA / GSM	8/2/2001		No	Yes	12/31/02			
12	2772	Leavenworth County Sheriffs Office	KS	LEAVENWORTH	2	TDMA / GSM	11/9/2001		No	No		08/12/04		
13	2772	Leavenworth County Sheriffs Office	KS	LEAVENWORTH	2	TDMA / GSM	11/9/2001		No	Yes	12/31/02			
14	2774	Leawood Police Department	KS	JOHNSON	1	TDMA / GSM	8/2/2001		No	Yes	12/31/02			
15	2774	Leawood Police Department	KS	JOHNSON	2	TDMA / GSM	11/9/2001		No	No		08/12/04		
16	2774	Leawood Police Department	KS	JOHNSON	2	TDMA / GSM	11/9/2001		No	Yes	12/31/02			
17	2775	Lenexa Police Department	KS	JOHNSON	1	TDMA / GSM	8/2/2001		No	Yes	12/31/02			
18	2775	Lenexa Police Department	KS	JOHNSON	2	TDMA / GSM	11/9/2001		No	No		08/12/04		
19	2775	Lenexa Police Department	KS	JOHNSON	2	TDMA / GSM	11/9/2001		No	Yes	12/31/02			
20	2800	Olathe Police Department	KS	JOHNSON	1	TDMA / GSM	8/2/2001		No	Yes	12/31/02			
21	2800	Olathe Police Department	KS	JOHNSON	2	TDMA / GSM	11/9/2001		No	No		08/12/04		
22	2800	Olathe Police Department	KS	JOHNSON	2	TDMA / GSM	11/9/2001		No	Yes	12/31/02			
23	2804	Overland Park Police Department	KS	JOHNSON	1	TDMA / GSM	8/2/2001		No	Yes	12/31/02			
24	2804	Overland Park Police Department	KS	JOHNSON	2	TDMA / GSM	11/9/2001		No	No		08/12/04		
25	2804	Overland Park Police Department	KS	JOHNSON	2	TDMA / GSM	11/9/2001		No	Yes	12/31/02			
26	2812	Prairie Village Police Department	KS	JOHNSON	1	TDMA / GSM	8/2/2001		No	Yes	12/31/02			

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	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1	PSAP ID	PSAP Name	PSAP State	PSAP County	Implementation Phase	Air Interface	Date PSAP Request Made	Date PSAP Request Withdrawn	Invalid Request	Deployed	Date Deployed	Date Projected	Reasons	Comment
27	2812	Prairie Village Police Department	KS	JOHNSON	2	TDMA / GSM	11/9/2001		No	No		08/12/04		
28	2812	Prairie Village Police Department	KS	JOHNSON	2	TDMA	11/9/2001		No	Yes	12/31/02			
29	2828	Sedgwick County Emergency Communications	KS	SEDGWICK	1	TDMA / GSM	7/25/2001		No	Yes	06/25/02			
30	2828	Sedgwick County Emergency Communications	KS	SEDGWICK	2	TDMA / GSM	8/5/2003		No	No		11/05/04		
31	2828	Sedgwick County Emergency Communications	KS	SEDGWICK	2	TDMA	8/5/2003		No	No Yes		02/05/04		live
32	2833	Shawnee Police Department	KS	JOHNSON	1	TDMA / GSM	8/2/2001		No	Yes	12/31/02			
33	2833	Shawnee Police Department	KS	JOHNSON	2	TDMA / GSM	11/9/2001		No	No		08/12/04		
34	2833	Shawnee Police Department	KS	JOHNSON	2	TDMA	11/9/2001		No	Yes	12/31/02			
35	2857	Wyandotte County Sheriffs Office	KS	WYANDOTTE	1	TDMA / GSM	8/2/2001		No	Yes	12/31/02			
36	2857	Wyandotte County Sheriffs Office	KS	WYANDOTTE	2	TDMA / GSM	11/9/2001		No	No		08/12/04		
37	2857	Wyandotte County Sheriffs Office	KS	WYANDOTTE	2	TDMA	11/9/2001		No	Yes	12/31/02			

10-7

March 1, 2004

The Honorable Carl Holmes, Chairperson
House Committee on Utilities
Statehouse, Room 115-S
Topeka, Kansas 66612

Dear Representative Holmes:

SUBJECT: Fiscal Note for Substitute for SB 153, as Amended

In accordance with KSA 75-3715a, the following fiscal note concerning Substitute for SB 153, as amended, is respectfully submitted.

SB 153, as amended by the House Committee of the Whole, would provide the framework for establishing wireless enhanced 911 services and the funding mechanism to implement wireless enhanced 911 service capabilities. According to the bill, a \$.25 monthly grant fee would be assessed on all wireless subscribers and credited to the Wireless Enhanced 911 Grant Fund. The bill would also permit the fund to receive federal monies and any funds received from private or public businesses for the development of wireless enhanced 911 services, a separate \$.25 monthly local fee for each wireless subscriber, in addition to any interest earned and additional funds appropriated by the Legislature. Wireless carriers would collect these fees and remit them to the Secretary of Administration. The fund would also receive a monthly transfer from the State General Fund for interest earned based on the average daily balance in the fund and the net earnings rate of the pooled money investment portfolio for the preceding month. The fund is to be used to provide grants to counties with population of less than 75,000 or any municipality within such a county. Up to 5.0 percent of receipts to the fund may be used for costs associated with administering the fund and the Wireless Enhanced 911 Advisory Board, which would also be established by this bill.

Implementation of the bill would be the responsibility of the Secretary of Administration. The Secretary would be responsible for reviewing each grant application

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Attach #11

and selecting those projects that are to be funded. Upon grant approval, the Secretary would be authorized to enter into agreements with local businesses which must identify the purpose of the grant, the time frame for implementation, the amount of the grant, and the stipulation that the grant must be repaid if the business fails to complete the project in accordance with the agreement. In addition, the Department of Administration would be responsible for providing technical assistance with applications and projects.

Recipients may use the grant to finance the cost of implementing wireless enhanced 911 services; to acquire, upgrade, and modify equipment for wireless enhanced 911 service use; and for system maintenance, licensing, and operator training. Grants could not be used to provide wireless automatic location identification information unless the municipality has taken competitive bids and the costs are less than the bid of the lowest bidder or for the construction or expansion of facilities. Further, the Secretary would be authorized to adopt the rules and regulations necessary for implementing the bill. The Secretary would authorize an audit of a wireless carrier's records regarding collection and remittance of fees imposed by the bill. The Kansas Corporation Commission would pay the cost of the audit. The Secretary, in conjunction with the Wireless Enhanced 911 Advisory Board, would also be responsible for developing an annual plan which would identify priority wireless enhanced 911 projects, the short-term and long-term goals and objectives for the deployment of wireless enhanced 911 services, a description of each approved project and the terms of each grant awarded, the businesses receiving grants, and the criteria and methods used to determine grant application approval. Finally, the Secretary would be required to submit an annual report to the Governor and Legislature describing the extent to which the state has met its goals and objectives established in the annual plan.

The bill would require public safety answering points (PSAP) to submit requests for enhanced services to wireless providers by July 1, 2006. The Advisory Board may grant up to a one-year extension if equipment has been ordered but not yet been received or for any other reason as determined by the Board. If a PSAP fails to submit a request by the deadline, the PSAP must reimburse the Wireless Enhanced 911 Grant Fund any funds that have already been received. Restoration of funding may be granted if the Secretary determines that the PSAP has submitted a valid request.

The \$.25 fee, the Wireless Enhanced 911 Grant Fund, the Advisory Board, the application for grant funding, and the Secretary of Administration's responsibilities for implementing the bill, including the annual report to the Governor and Legislature, would expire on July 1, 2008.

As introduced, SB 153 would have amended current emergency service tax statutes to remove wireless service users from emergency telephone tax exemption. The bill would have created the Public Safety Loan Fund, imposed a public safety fee, and a Public Safety Loan Fund Advisory Committee. The Kansas Corporation Commission would have administered and managed the fund.

SB 153, as substituted by the Senate Committee on Commerce, would have

provided a funding mechanism for wireless enhanced 911 (e-911) implementation and service. The bill would have created the Public Safety Grant Fund to provide grants to public safety answering points statewide for the implementation of wireless e-911. The Department of Administration would have had the responsibility to administer the fund.

SB 153, as substituted by the House Committee on Utilities, would have provided the framework for establishing wireless enhanced 911 services and the funding mechanism to implement wireless enhanced 911 service capabilities. According to the bill, a monthly fee would be assessed on all wireless subscribers and credited to the Wireless Enhanced 911 Grant Fund. The Secretary of Administration would implement the bill and administer the fund.

The House Committee on Utilities amended SB 153 and changed references to "taxes" to "fees." The bill also would have removed revisions to current law for emergency telephone service.

The Department of Administration would be able to implement SB 153, as amended by the House Committee of the Whole, within existing resources. The bill indicates that audits of wireless carriers would be conducted at the expense of the Kansas Corporation Commission (KCC). The KCC indicates that each audit would cost between \$7,000 and \$8,000 per wireless carrier. The KCC estimates that the amount of revenue generated by the fees would be approximately \$7.8 million annually. This is based on an estimated 1.3 million wireless phones and users would be charged \$.50 per month (a \$.25 wireless enhanced 911 grant fee and a \$.25 wireless enhanced 911 local fee).

Assuming that all wireless providers would retain 2.0 percent of the public safety fee receipts, the Kansas Corporation Commission estimates that revenue to the Public Safety Loan Fund would amount to approximately \$3.8 million annually beginning in FY 2005. (1.3 million active wireless telephone users X \$.25 per month X 12 months X 98% = \$3,822,000).

SB 153, as substituted by the Senate Committee, would increase the cost of wireless phone service to all subscribers by \$.75 per month. Of this amount, \$.25 would be in the form of a fee deposited in the Public Safety Grant Fund, \$.25 would be in the form of a surcharge retained by the wireless carrier, and \$.25 would be in the form of a tax collected by the local governments. According to the Kansas Corporation Commission, there are approximately 1.3 million active wireless telephone users in Kansas. If each member were charged a \$.25 public safety fee per month, \$3.9 million would be generated (1.3 million active wireless telephone users X \$.25 per month X 12 months = \$3,900,000).

The Kansas Corporation Commission and the Department of Administration would be able to implement SB 153, as substituted and amended by the House Committee on Utilities, within existing resources. The KCC estimates that the amount of revenue generated by the fee and tax would be approximately \$7.8 million annually in FY 2005. This is based on an estimated 1.3 million wireless phones whose users would

be charged \$.50 per month (a \$.25 wireless enhanced 911 grant fee and a \$.25 wireless enhanced 911 local fee).

Sincerely,

Duane A. Goossen
Director of the Budget