

MINUTES OF THE HOUSE ENERGY AND UTILITIES COMMITTEE

The meeting was called to order by Chairman Carl Holmes at 9:00 a.m. on February 27, 2009, in Room 783 of the Docking State Office Building.

All members were present except:

Representative Mike Burgess- excused  
Representative Annie Kuether- excused  
Representative Joe Seiwert- excused

Committee staff present:

Melissa Doeblin, Office of the Revisor of Statutes  
Mary Galligan, Kansas Legislative Research Department  
Cindy Lash, Kansas Legislative Research Department  
Renaë Hansen, Committee Assistant

Conferees appearing before the committee:

Melissa Wangemann, Kansas Assoc of Counties  
Walter Way, Johnson County  
Diane Gage, Chair of E911 Advisory Board  
Kent Koehler, Kansas Statewide Interoperability Executive Committee (SIEC)  
Will Johnson, Butler Co Administrator  
Patrick Fucik, Sprint  
Mike Murray, Embarq  
Ed Klumpp, KS Assc of Chiefs of Police  
Dina Fisk, Verizon  
Kimberly Winn, League of KS Munic.

Others attending:

Twenty-eight including the attached list.

Hearing on:

**SB 48 - Sub for S 48 by Committee on Utilities – Enhanced wireless and VoIP 911 services amendments, collection and disbursement of certain funds.**

Melissa Doeblin gave an explanation to the committee on **Sub for SB 48**.

Proponents:

Melissa Wangemann, Kansas Association of Counties, (Attachment 1), offered testimony in support of **Sub for SB 48**.

Walter Way, Johnson County Government, (Attachment 2), offered testimony in support of **Sub for SB 48** noting the reason why the legislation is necessary.

Diane Gage, Director of Sedgwick County, Kansas Department of Emergency Communications, (Attachment 3) presented testimony in support of **Sub for SB 48**.

Kent Koehler, Kansas Statewide Interoperability Executive Committee, (Attachment 4), gave testimony in support of **Sub for SB 48**.

William Johnson, Butler County Administrator, (Attachment 5), offered testimony in support of **Sub for SB 48**.

Patrick Fucik, Sprint, (Attachment 6), offered testimony in support of **Sub for SB 48** and noted that Sprint

CONTINUATION SHEET

Minutes of the House Energy And Utilities Committee at 9:00 a.m. on February 27, 2009, in Room 783 of the Docking State Office Building.

supports the amendment that was added in the Senate.

Michael Murray, Embarq, (Attachment 7), presented testimony in support of **Sub for SB 48**. He noted some of the weighty issues that were addressed in the Senate committee.

Ed Klumpp, Kansas Association of Chiefs of Police and Kansas Peace officers Association, (Attachment 8), offered testimony in support of **Sub for SB 48**.

Dina Fisk, Verizon, (Attachment 9), offered testimony in support of **Sub for SB48**. She offered a suggested amendment.

Written Proponent:

Ron DeGarmo, Kansas Legislative Policy Group, (Attachment 10), offered written testimony in support of **Sub for SB 48**.

Neutral:

Kim Winn, League of Kansas Municipalities, (Attachment 11), gave testimony for **Sub for SB 48** and gave some suggestions for bringing back appropriate recommendations for legislation by having the existing joint task force meet during the summer and fall of 2009.

Questions were asked and comments made by Representatives: Vern Swanson, Tom Sloan, Margaret Long, Carl Holmes, and Milack Talia.

Upon Chairman Holmes recommendation, Kim Winn gave an historical explanation of the E-911 legislation going back about 14 years. She also explained the distribution of funds that are funneled into two separate funds.

The hearing on **Sub for SB 48** was closed.

The chairman noted that we will be meeting on Monday March 2, 2009 to discuss the federal stimulus package that has designated monies for energy efficiency.

The next meeting is scheduled for March 2, 2009.

The meeting was adjourned at 10:11 a.m.

# HOUSE ENERGY AND UTILITIES COMMITTEE GUEST LIST

DATE: February 27, 2009

NAME	REPRESENTING
<i>Deen Jensen</i>	<i>Cox</i>
<i>Mari Tucker</i>	<i>Dept of Commerce</i>
<i>Traois Lowe</i>	<i>Finegar, Smith &amp; Assoc.</i>
<i>Ed Klumpp</i>	<i>KACP &amp; KPOA</i>
<i>Julien Mack</i>	<i>Com office</i>
<i>Dana Fuik</i>	<i>Verizon</i>
<i>Tom Gortner</i>	<i>AT&amp;T</i>
<i>Patrick Fuik</i>	<i>Sprint</i>
<i>Kari Presley</i>	<i>Kearney &amp; Associates</i>
<i>Diane Gage</i>	<i>Sedgewick Co</i>
<i>Kent Koehler</i>	<i>KS SIEC</i>
<i>Tom Gortner</i>	<i>Sprint</i>
<i>Shirley Allen</i>	<i>KRITC</i>
<i>Joe Mosimann</i>	<i>Hein Law</i>
<i>Mark Engelen</i>	<i>KHP</i>
<i>Delma Oerthard</i>	<i>Douglas Co.</i>
<i>Dagne Dercote</i>	<i>Douglas Co ECC</i>
<i>Kelly DiFolco</i>	<i>LGR</i>



TESTIMONY OF THE KANSAS ASSOCIATION OF COUNTIES  
TO THE HOUSE ENERGY & UTILITIES COMMITTEE  
FEBRUARY 27, 2009



**KANSAS**  
ASSOCIATION OF  
**COUNTIES**

Mr. Chairman and Committee Members:

I appreciate the opportunity to appear in support of Substitute for SB 48.

SB 48 was introduced by the Kansas Association of Counties this session to accomplish three purposes:

- Continue for another ten years the funding mechanism found in current statute for E911 system expenses;
- Clarify the purpose for which the fee should be used, in conformity with Attorney General Opinion 2004-27, and to meet the needs of future enhancements;
- Make some technical amendments.

The Senate Utilities Committee decided it wanted more time to review several of the issues that were raised during the hearing; thus, the Committee created a legislative task force comprised of six senators and six representatives. The issues that arose during the hearing are laid out in new section 6 (page 6) as the items of study for the task force: changing technology needed for 911 services; fairness and adequacy of funding for 911 services; parity of fees between hardwire and wireless phones; consolidation or centralized 911 services; cost recovery by providers; and the purpose for which the funds could be used.

The bill continues for one year the current funding, which is set to expire July 1, 2010. Under SB 48, the funding is extended to 2011.

Background Information on Funding Mechanism

Current statutes allow for a fee up to \$.75 on hardwire lines and up to \$.25 on wireless and VoIP services, with this money going to local public safety answering points (PSAPs). Another \$.25 is also paid by wireless/VoIP, which goes to a grants fund. In 2010 these fees are set to change; the \$.75 is reduced to \$.50 for smaller populated counties (under 125,000) and reduced to \$.25 for larger counties (over 125,000). There is no difference between hardwire or wireless fees after 2010. The grant fee of \$.25 is eliminated and grants will no longer be available.

Our legislation was introduced to prevent these changes from occurring and keep the status quo.

Legislative Post Audit Report

A Legislative Post Audit Report was conducted this last year on E911, which helps explain the reason for our legislation. The report found that all public safety answering points (PSAPs) are expected to be fully implemented by 2010; thus we have achieved our goal. The LPA report also found that monies received under

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the funding provisions of state law were used appropriately--except in very limited circumstances. Although the report indicated enough funding statewide to implement E911 by 2010, the report noted that --when reviewing individual PSAPs--seven would not have enough funding to cover their E911 costs through 2010.

The report continued, noting that future revenues under the 2010 fee changes would lead to ten PSAPs that are unable to cover their ongoing costs. This number grows to 12 by 2013. The report states "These PSAPs will need an increase in allowed fee revenues to cover the ongoing costs of their emergency telephone system" (page 19).

The KAC believes continued funding for E911 is a critical issue for public safety. The state E911 system must continue to pursue upgrades and remain robust to meet both technology changes and the changing ways in which the public communicates in order to ensure prompt and effective responses to emergency calls.

We think Substitute for SB 48 will allow all parties more time to discuss the important issues surrounding our state's 911 system, and would appreciate your favorable consideration of the bill.

I appreciate the committee's time and attention and would be happy to answer questions.

Melissa Wangemann, General Counsel

Testimony of:

Director Walter Way  
Johnson County Emergency Communications  
Mission, Kansas

Substitute for Senate Bill 48

February 27, 2009

Chairman Holmes and Members of the Energy and Utilities Committee:

I am Walter Way and I am representing Johnson County Government and the Kansas City Regional E911 System that serves Johnson, Wyandotte, Leavenworth and Miami Counties and five Missouri counties. I am testifying in support of the Substitute for Senate Bill 48.

I am also conveying the support of this bill by the Kansas Sheriff's Association at the request of its legislative chair, Sheriff Frank Denning of Johnson County.

The Enhanced 911 systems in the State of Kansas are based on 1970's analog telephone technology that is rapidly falling behind the capabilities of the digital based communications technologies in the hands of our citizens.

During recent years, the digital technology and capabilities of wireless phones have grown significantly. Cell phones now have the capability for Internet access, for GPS services to locate the caller and businesses, for taking and transmitting digital photographs, and for text messaging. These growing capabilities have changed the behavior and expectations of many cell phone customers who now routinely text message instead of calling. In the hearing impaired community, texting via a cell phone is becoming more prevalent than using the TTY for communications with other persons. Young adults use text messaging routinely instead of voice based calls. Unfortunately for both groups of people, they expect to be able to text message their need for emergency services to 911 and have learned, usually under adverse circumstances, that the 911 system in place today is not capable of receiving their text messages for emergency assistance.

As more vehicles are equipped with telematics systems, there is a growing expectation by citizens that 911 centers should be able to receive automatic voice calls and valuable crash data when their vehicle is involved in an accident. Today's legacy 911 systems are not capable of delivering this digital information to 911 centers.

Kansas 911 networks and 911 emergency communication systems must be modernized to meet growing citizen expectations that they can contact 911 with the technologies that they use everyday. Future Enhanced 911 systems must also have the capability to transmit digital information and images received from citizens at 911 Centers, to the

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public safety responders in the field, to incident command centers and to hospital emergency rooms. Much study has occurred nationally by federal agencies, carriers and public safety communications associations to identify Next Generation 911 (NG911) system technologies and technical standards. Public safety agencies in several states are now in the study or design phase of implementing NG911 systems. The cost to modernize our 911 systems in Kansas and to pay ongoing operating and maintenance costs will require a dedicated funding stream that is sufficient and predicable over the years.

In July 2010, statutory authority for the collection of the wireless and VoIP enhanced 911 grant fees will expire, and for counties with a population over 125,000, the authority to assess a monthly 911 surcharge on wireline phones will be reduced from 75 cents/phone to no more than 25 cents/phone, and the authority to collect wireless 911 fees will be capped at 25 cents/phone. Counties under 125,000 population may impose a monthly 911 surcharge up to 50 cents/phone and may also collect 50 cents per wireless phone.

The upcoming reduction in 911 revenues is of great concern to public safety agencies of all sizes in Kansas. The recent Legislative Post Audit report on Wireless Enhanced 911 stated that at least ten 911 Centers in rural counties will be unable to cover their operating costs beginning in 2011. For most other counties, if NG911 and radio communications expenditures are factored into the projected revenue needs, a significant 911 revenue shortfall will occur.

The continuation of sufficient 911 revenue levels will be essential to maintaining and to upgrading enhanced 911 systems and dispatch center equipment to meet emerging needs. Many public safety agencies including mine have expressed a preference for a ten year extension of the existing statutory 911 funding authority to 2020. Under the pending bill, a one year funding extension is proposed along with the creation of a *joint committee on enhanced and next generation 911* that will study the technology and funding issues critical to implementation of NG911 and emergency communications systems in Kansas. Considering the complexity of issues facing our 911 systems, I would support the one year extension of existing 911 funding authority to July 2011 for the purpose of conducting the work of the proposed joint committee. It will be essential that public safety and telecommunications stakeholders have an opportunity to actively participate in the committee hearings and contribute to the formation of its recommendations.

Thank you for this opportunity to present this testimony on an important public safety issue affecting jurisdictions of all sizes in Kansas. I would welcome any questions that you may have of me.

Walter Way, Director  
Johnson County Emergency Communications  
913-826-1010





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

Diane M. Gage, Director  
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[dgage@sedgwick.gov](mailto:dgage@sedgwick.gov)

**Testimony Supporting Substitute for Senate Bill 48  
House Energy and Utilities Committee  
Representative Carl Holmes, Chairman**

Dear Representative Holmes,

I serve as the Director of Sedgwick County Emergency Communications, the largest Public Safety Answering Point in the State of Kansas and also serve as the Chairperson of the Kansas Wireless Enhanced Advisory Board. Senate Bill 48 supports reviewing the long term needs of both of these entities by providing the means to analyze our current status and to try to prepare for the future.

As you have recognized, the current statute will create a drop in revenues for 911 fees of \$1.2 million in Sedgwick County. This would put Sedgwick County in a very difficult position to stay abreast of the technological changes being made in the ways the public can communicate to 911 centers and other changes being made in the tools the dispatchers use to communicate with public safety responders.

For example, text messaging has rapidly become one of the primary ways people communicate, yet it is not possible to text a call for help to 911. The section of our community with communication challenges, now video each other and communicate via sign language, 911 centers do not currently have the ability to support this technology. In the near future, there will be the technology in place to do so and centers such as ours will need the funding to implement the changes.

As the chairperson of the Kansas Wireless Enhanced 911 Advisory Board (KWEAB), I am very happy that ever one of our 105 Kansas Counties has taken steps to be able to provide Phase II wireless service to the people in our state. However, these same counties will be dropping their hardwire revenue stream from seventy five cents per month per line to fifty cents and even though their wireless income will double for the counties under 75,000 in population, they will still not be in a position to sustain the technology they recently added.

*Sedgwick County...working for you.*

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The KWEAB is starting to see grant applications for replacement of equipment installed several years ago and some counties are asking for monies for operating expenses. The task force will better enable legislators to have a grasp of the needs and costs for continuing the present 911 systems and being prepared for our ever changing future. The majority of you on this committee have seen local benefit from the grant fund. Since 2005, over \$3.1 million has gone to your local communities to provide enhanced 911 wireless service to both those living there and those whose lives take them through your area.

Thank you for your time and would greatly appreciate your support of Senate Bill 48, as we try to insure people anywhere in the State of Kansas and with any technology can get through to 911 services and the professionals handling their "calls" can send the help they need.

Sincerely,



Diane M. Gage  
Director

Testimony of:

Kent E. Koehler, Chair  
Kansas Statewide Interoperability Executive Committee (SIEC)

Substitute for Senate Bill 48

February 27, 2009

Chairman Holmes and Members of the Energy and Utilities Committee:

I am Kent Koehler and I am representing the Kansas Statewide Interoperability Executive Committee (SIEC). I am testifying on behalf of the SIEC in support of the Substitute for Senate Bill 48.

The SIEC is a multi-jurisdictional and multi-disciplinary group that provides policy and recommends standards to improve communications interoperability throughout our state. The SIEC operates under Governor's Executive Order #07-27 (attached). SIEC membership includes representatives of the following organizations or agencies:

- Kansas Adjutant General (Maj. Gen. Bunting / Col. Chris Stratmann)
- Kansas Highway Patrol (Col. Maple)
- Kansas Department of Transportation (Secretary Miller)
- Kansas Chapter of the Association of Public-Safety Communications Officials (APCO) (Kent Koehler, Sedgwick County)
- Kansas Sheriff's Association (Richard Old, Lyon County Sheriff's Office)
- Kansas Association of Chiefs of Police (Tyler Brewer, Augusta DPS)
- Kansas Fire Chiefs Association (Bob McLemore, Colby Fire Dept.)
- Kansas Board of Emergency Medical Services (Kerry McCue, Ellis Co. EMS)
- Kansas Emergency Management Association (Jimmy Reed, Sumner County)

On September 29, 2008, the SIEC heard testimony regarding the proposed 911 legislation from numerous communications officials, including Mr. Walt Way of Johnson County. After discussion, the SIEC voted unanimously to support the proposed legislation in the form of a resolution (SIEC Resolution #08-01 attached).

Overall, the Kansas SIEC recognizes 911 as a "system of systems" that begins with the initial call and ends with the responder taking the necessary action to protect life or property. The SIEC understands the importance of efficient and accurate call taking to the overall response efforts of Kansas public-safety practitioners. They also recognize the need to relay that information, in a timely and reliable fashion, to personnel in the field.

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The Kansas SIEC is aware that the reduction of 911 revenues would have a negative impact on public safety agencies throughout the state. Their ability to fund the systems that are needed to provide the level of service that is expected by users would be hampered. Agencies may not be able to continue their efforts to improve their ability to provide interoperable systems if the reduction of 911 revenues were to occur.

The Kansas SIEC is in support of the one year extension of existing 911 funding authority to allow the proposed joint committee to complete the review of the legislation. The inclusion of public safety and telecommunications stakeholders as active participants in the committee hearings would greatly contribute to the formation of its recommendations.

Thank you for the opportunity for me to present this testimony on an important public safety issue affecting jurisdictions of all sizes in Kansas. I will be happy to answer any questions you may have.

Respectfully submitted,

Kent E. Koehler,  
Chair  
Kansas Statewide Interoperable Executive Committee  
(316) 660-9877

## KANSAS STATEWIDE INTEROPERABILITY EXECUTIVE COMMITTEE

### RESOLUTION 08-01

**Whereas**, Kansas recognizes the importance of public safety and protection of public and private property throughout the state; and

**Whereas**, efficient emergency response is paramount to the safety of Kansas' citizens and visitors, and for the protection of public and private property throughout the state; and

**Whereas**, the Statewide Interoperability Executive Committee (SIEC) was established through Executive Order 07-27 with several purposes and charges related to the aforementioned, including the charge to identify and recommend future technologies that will enhance the communications interoperability within the State of Kansas, and

**Whereas**, K.S.A 12-5302 et seq went into effect in 1980 to authorize a 911 tax upon wireline based telephones and KSA 12-5304(b) was amended in 1988 to authorize usage of 911 tax funds for "charges for capital improvements and equipment or other physical enhancements to the emergency telephone system" as well as for the ongoing operation of the 911 system, and

**Whereas**, as of July 1, 2010 current statutes provide for the elimination of the wireless and voice over internet protocol (VoIP) enhanced 911 grant fees, and directs a significant reduction in the amount of wireline 911 tax that may be collected by Kansas Counties, and

**Whereas**, the future loss of this revenue will result in insufficient revenues in many Kansas Counties to maintain, operate and upgrade enhanced 911 and emergency communication systems and to implement next generation technologies that will be required in the future to receive 911 calls from citizens, and

**Whereas**, the members of the Kansas Chapter of the Association of Public-Safety Communications Officials (APCO) have agreed and recommended that the existing 911 revenue authority must be maintained for an extended period of ten years to preserve 911 services in all Kansas Counties as well as to meet future 911 communications technology service demands from citizens, and

**Now therefore**, on this 29<sup>th</sup> day of September, 2008, the SIEC concurs with the Kansas Chapter of APCO and supports statutory amendments that would continue existing 911 revenue authority to ensure dedicated revenues continue to maintain and upgrade enhanced 911 systems throughout the state over next ten years.

This document shall be filed with the Secretary of the Kansas Statewide Interoperability Executive Committee as Resolution No. 08-01 and shall become effective immediately.



Kent E. Koehler-Kansas Statewide Interoperability Executive Committee Chair



Testimony of:

William Johnson Jr.  
Butler County Administrator  
El Dorado, Kansas

Substitute for Senate Bill 48

February 27, 2009

Chairman Holmes and Members of the Energy and Utilities Committee:

Thank-you for allowing Butler County the opportunity to testify in support of the Substitute for Senate Bill 48.

As you are fully aware today's 9-1-1 systems in the State of Kansas have experienced significant improvements in technology since 2004. While this is a great achievement statewide, we must recognize that the telecommunications world is rapidly changing and systems statewide will quickly be in danger of becoming outdated.

The public that we serve is rapidly embracing new technologies such as; text messaging, videotext, OnStar and voice over internet phones (VOIP). Managing this new information will be the biggest challenge 9-1-1 has yet faced. While it is clear that upgrading the 9-1-1 networks to these new capabilities will be costly, we believe this may in fact be only a small component to the overall cost of local government.

In order to successfully manage pictures and videos, PSAPs will have to develop systems to deliver this information directly to computers in patrol cars, fire trucks, ambulances, etc. This emerging technology, and others, are an indication that the costs of providing the "help" that the public expects will be much more complicated than the ability to simply receive this data at the PSAP.

The continuation of E-911 funding is essential to prevent an excess burden on the property tax. Although the current E-911 fee only pays for certain equipment and upgrades, eliminating the fee will not eliminate the need to provide for new equipment to meet the needs of these new technologies. In Butler County, we have seen a decrease of 21% in landline fees over the last five years, while the new wireless fee has made up that difference. Combined these two fees generated roughly \$232,000 in 2008. Elimination of these funds would equate to an increase of approximately one-half of a mill in Butler County to continue to provide the current level of service.

While one-half of a mill, does not seem like much, when you account for the loss of the slider, elimination of demand transfers and other declining revenues, the burden on the property tax continues to escalate. Without shifting the burden, the only option available is a reduction in the level of services to constituents, which is equally unpopular. As such, continuing the existing E-911 fees is the most palatable solution from the County's

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standpoint. We support the Substitute for Senate Bill 48, which proposes to extend funding for one additional year and the creation of a joint subcommittee to study the next generation challenges so that a comprehensive solution can be found.

Thank you for allowing me to testify on this issue of great importance that affects all citizens of Kansas. I would welcome any questions at the appropriate time.

William Johnson Jr, County Administrator  
Butler County  
316-322-4300



**Sprint**



Together with NEXTEL

**Sprint Nextel**  
6450 Sprint Parkway  
Overland Park, KS 66251  
Mailstop: KSOPHN212-2A353

**Patrick R. Fucik**  
Director, Central Region  
State Government Affairs  
913-315-9155

**Testimony of Sprint Nextel on SB 48  
Before the House Energy and Utilities Committee  
Presented by Patrick Fucik  
February 27, 2009**

Thank you Mr. Chairman, members of the Committee. My name is Patrick Fucik and I am the Director of State Government Affairs for Sprint Nextel. Thank you for the opportunity to present comments in support of SB 48.

Sprint supports the continuation of the existing 911 funding mechanisms in order to provide additional funding to the counties and PSAPs for this vital public safety tool. I want to thank the PSAP and county representatives that have met with us previously to discuss the provisions of the bill and we look forward to a continued dialog with them on this issue.

As introduced in the Senate, we did have some reservations about the language in SB 48 that expanded the areas PSAPs could use 911 funding for. We support the Senate passed version of the bill that extends the sunset to 2011 and look forward to working with the Joint Committee established in Section 6 of the bill.

Sprint is specifically interested in discussing item number seven on the list of issues the Joint Committee will review having to do with carrier cost recovery to reimburse carriers for their ongoing costs in deploying 911 and Enhanced, or E911, services.

Just as some carriers are seeking parity in the amount of the 911 surcharge imposed on wireline customers, Sprint believes there should be parity in the ability of wireless carriers to recover our costs for Phase I deployment. Currently, wireline carriers are able to recover their tariffed rates directly from the PSAP while wireless carriers do not. The only option that wireless carriers have to recover our ongoing cost is to assess a charge on our customers. Given the already high rate of taxation on wireless customers nationwide, adding an additional surcharge on our customers in Kansas is not something Sprint supports. Sprint is currently able to collect our Phase I costs in 23 states from funds collected through E911 surcharges in those states.

Again, we look forward to working with the Joint Committee to address this important public safety matter and I would be happy to answer any questions committee members may have.

Thank you for your time.

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ATTACHMENT 6



Before the House Energy and Utilities Committee  
SB48, E911  
Michael R. Murray  
February 26, 2009

Mr. Chairman and Members of the Committee:

Thank you for the opportunity to comment on SB 48 which would extend the current statute for E911 to the year 2011 and create a legislative joint committee to craft E911 legislation for consideration in the 2010 Legislative Session.

Embarq supports the bill.

Beginning on page 7 line 6 there is a listing of 10 specific topics for the joint committee to address. These questions and concerns were brought forward in the Senate Committee by Legislative Post Audit, the telecommunications industry and the public safety community.

Let me call your attention to a couple of issues of specific concern to Embarq.

Number 6 on line 16 deals with the question of parity between the wireline 911 surcharge and the wireless and VoIP E911 surcharge. Currently, the wireline 911 surcharge is up to 75 cents per line, and the wireless and VoIP surcharge is set at 50 cents per line. The number of wireline customers is decreasing, the number of wireless and VoIP customers is increasing. And, it is a competitive issue. Our customers are paying more of the 911 cost per line while wireless and VoIP customers are paying less. The demand on the 911 system is decreasing from wireline customers and the burden on the 911 system is increasing from wireless and VoIP customers.

The second major concern is establishing exactly what are legitimate expenses going forward which should be covered by 911 funds. The public safety community indicates that they need an additional \$67 Million through FY 2012 for radio upgrades alone. Embarq believes that radios are the responsibility of the local units of government and private entities providing emergency medical services. Radios are used for many communications purposes over and above 911 dispatch. It is our position that the line of demarcation for use of 911 funds is the PSAP.

These are important subjects and need to be considered in a very deliberative manner so that we get it right as we head into the future of E911.

Respectfully, we ask that you give favorable consideration to SB 48.

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ATTACHMENT

7





**Kansas Association of Chiefs of Police**  
PO Box 780603, Wichita, KS 67278 (316)733-7301

**Kansas Peace Officers Association**  
PO Box 2592, Wichita, KS 67201 (316)722-8433



**Testimony to the House Energy and Utilities Committee  
In Support of Sub SB 48  
E-911 Fees and Systems**

February 27, 2009

The Kansas Association of Chiefs of Police and the Kansas Peace Officers Association strongly supports the continuation of E-911 funding. We also oppose any reduction of covered equipment eligible for those funds and stress the need for the funding to support the maintenance of the current systems as well as enhancing the systems with new technology advancements. The technology advances available today in communications systems can greatly enhance public safety and emergency responses. Many areas of the nation are incorporating the ability to receive cell phone video and text messaging into their 911 systems with great success. Emergency communication systems are migrating from analog to digital transmissions. It is imperative that our 911 systems keep up with the advancing technology. Like any technology capability it has to be kept up to date. 911 and other emergency communications systems cannot be installed and expected to not be replaced in a normal life cycle period we have all become accustomed to in today's electronics and computerized systems.

As the state continues to delay and cut payments the local governments have received in the past, local funds available to support these systems are also shrinking. The extension of the 911 fees does not create a new funding burden on the public. It merely keeps the funding source needed for these projects.

Others have or will present data showing the growing need for increased funding for these systems and the anticipated future funding gaps. While this bill does not propose increasing the fees, there certainly is justification to do so. There will still be a need for many areas to supplement this funding to acquire and maintain quality emergency communications systems. It is clear any loss or reductions in these fees will negatively impact the ability to maintain, replace, and enhance existing systems. These fees are vital to emergency services providers to receive and relay vital emergency response information to the first responders.

Law enforcement views this funding support as very important. In fact, at our Joint Legislative Conference in early February, the Kansas Association of Chiefs of Police, the Kansas Peace Officers Association, and the Kansas Sheriffs Association selected this bill as one of our six legislative priorities for this year.

We urge you to support this bill and, at a minimum, continue the existing funding levels, extend the grant program, and provide funding support to 911 and other related emergency communications systems. We look forward to working with the proposed joint committee to demonstrate the long term needs for supporting these critical public safety communications systems.

A handwritten signature in black ink, appearing to read "Ed Klumpp".

Ed Klumpp  
Kansas Association of Chiefs of Police-Legislative Committee Chair  
Kansas Peace Officers Association-Legislative Committee Chair

E-mail: eklumpp@cox.net  
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ATTACHMENT 8



**House Utilities Committee  
Sub. SB 48**

February 27, 2009

Mr. Chairman and Members of the Committee:

My name is Dina Fisk and I am here on behalf of Verizon to support Substitute SB48 as amended.

Included in the substitute bill for review, is an amendment that does not seek to change how VoIP 911 fees are assessed, as current law provides for this. However, in looking at the language in the current statute, which the bill seeks to keep, it looks to improve on how VoIP fees are assessed. The proposed amendment definition "place of primary use" has been enacted into federal law (public law 106-252).

The current statute in Kansas imposes the fee for VoIP on "primary residence." Verizon suggests to remove "primary residence" and to insert instead "place of primary use". This would make clear that the VoIP assessment is applicable to nomadic VoIP and consistent to how most other states are imposing this fee. The Mobile Telephone Sourcing Act was passed in July of 2000 and it provided that every state would be given two years to conform to the statute. The rationale behind the statute was to provide nationwide uniformity for the sourcing of mobile telecommunication revenues for tax purposes. The statute also allows for the customer to declare their place of primary use to be either their home address or their work address. The customer declares this place of use at the time they sign up for service.

This law contains a uniform method to source wireless calls by sourcing all of a customer's calls to their Primary Place of Use, or PPU. Therefore no matter where a customer from Kansas uses their phone, whether in Kansas or any state, the revenue is all sourced to their PPU service address in Kansas. On the other hand, customers from any other State that travel to Kansas are taxed on all of their revenue at their home State's PPU and not in Kansas. The focus of taxation is on where they purchase their services. This is to limit the tax liability that customers would have incurred by traveling to other states or tax districts; also to avoid multi-state taxation of the same service.

This issue was also raised in regards to the way the KCC sourced revenues for USF collection and after much consideration the KCC adopted the PPU approach in 2006. Attached is a copy of that proceeding for your consideration.

Thank you,

Dina Fisk

*HOUSE ENERGY AND UTILITIES*

DATE: 2-27-2009

ATTACHMENT 9-1

1 thereto.  
 2 Sec. 8. K.S.A. 2008 Supp. 12-5358 is hereby amended to read as  
 3 follows: 12-5358. In 2008 *and in calendar year 2012*, the secretary shall  
 4 require, and thereafter may require, an audit of any VoIP provider's books  
 5 and records concerning the collection and remittance of fees pursuant to  
 6 this act. Any such audit shall be conducted at the expense of the secretary.  
 7 Information provided by VoIP providers to the secretary or the advisory  
 8 board pursuant to this act or the wireless enhanced 911 act will be treated  
 9 as proprietary records which will be withheld from the public upon re-  
 10 quest of the party submitting such records.  
 11 Sec. 9. K.S.A. 2008 Supp. 12-5361 is hereby amended to read as  
 12 follows: 12-5361. (a) On July 1, ~~2010~~ 2020:  
 13 (1) The VoIP enhanced 911 grant fee shall be discontinued.  
 14 (2) The amount of the tax per access line or its equivalent imposed  
 15 within a jurisdiction pursuant to K.S.A. 12-5302, and amendments  
 16 thereto, and the amount of the VoIP enhanced 911 local fee per VoIP  
 17 subscriber whose **primary residence** is within such jurisdiction shall be an  
 18 equal amount per month.  
 19 (3) The provisions of K.S.A. 2008 Supp. 12-5354 and 12-5355, and  
 20 amendments thereto, shall expire.  
 21 (b) On and after July 1, 2010, the proceeds of the VoIP local fee shall  
 22 be used only to pay for costs of ~~emergency telephone service~~ described  
 23 in K.S.A. 12-5304, and amendments thereto, and expenditures authorized  
 24 by K.S.A. 2008 Supp. 12-5330, and amendments thereto.  
 25 Sec. 10. K.S.A. 12-5301 and 12-5304 and K.S.A. 2008 Supp. 12-5322,  
 26 12-5323, 12-5332, 12-5334, 12-5338, 12-5358 and 12-5361 are hereby  
 27 repealed.  
 28 Sec. 11. This act shall take effect and be in force from and after its  
 29 publication in the statute book.

**Comment:** AMENDMENT  
**place of primary use**

NOTE:

The definition "place of primary use" has been enacted into federal law (public law 106-252)

This would make clear that the VOIP assessment is applicable to nomadic VOIP, and to businesses, consistent to how most other states are imposing this fee.



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**KANSAS LEGISLATIVE POLICY GROUP**

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**Testimony of  
Commissioner Ron DeGarmo  
Morton County Commissioner  
President, Kansas Legislative Policy Group**

**Before the House Committee on Energy and Utilities**

**Substitute for Senate Bill 48**

**February 27, 2009**

Dear Chairman Holmes and Members of the Committee:

The Kansas Legislative Policy Group (KLPG) is pleased to provide written testimony in support of Substitute for Senate Bill 48. The KLPG is a bipartisan, non-profit corporation of elected commissioners from 30 western Kansas counties. We appreciate the opportunity to submit remarks on this issue, which is of great importance to our member counties.

Substitute for Senate Bill 48 is necessary in order for our member counties to provide quality enhanced 911 services. The legislation will allow our counties to provide the best possible service with improved technology and the latest equipment.

Expiration of K.S.A. 12-5338 would result in a decrease in the quality of E-911 services as equipment ages. Extending the enhanced 911 grant fees for another ten years will allow our member counties to maintain quality 911 services well into the future.

We encourage the Committee to favorably consider Substitute for Senate Bill No. 48.

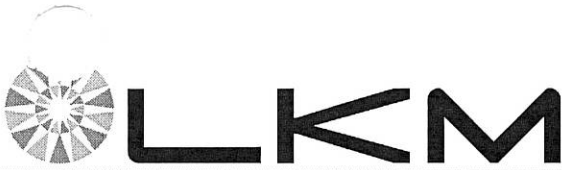
Thank you for your consideration and the opportunity to present these written remarks.

*HOUSE ENERGY AND UTILITIES*

DATE: 2-27-2009

ATTACHMENT 10





League of Kansas Municipalities

To: House Energy and Utilities Committee  
From: Kim Winn, Director of Policy Development & Communications  
Date: February 27, 2009  
Re: Sub. SB 48

Thank you for the opportunity to appear today regarding Sub. SB 48. LKM has been involved in the development of enhanced wireless 911 for nearly 14 years. In fact, LKM, along with the Kansas Association of Counties, serves as the Local Collection Point Administrator for the enhanced wireless 911 funds.

Our organization does not take a specific position on the current version of Sub. SB 48. However, because of our substantial involvement in this area, we would like to offer the following comments:

- **Current Law is Sound.** It is our belief that when the enhanced wireless 911 legislation was adopted, the final product was a good one that has seen us develop Phase II locator services in all but four counties. We are still working with those four counties and they expect to be compliant by the end of the year.

The one area that we agree needs to be reviewed is the amount of the fees. In many ways, we were all guessing at the right number when this law was originally enacted. We had no idea how many cell phones there would be in Kansas by 2010 or how much it would cost to operate a PSAP. We believe that the structure of the current law is sound and that it is not necessary to review all of the policy questions behind this very complex issue. Rather, we believe that the interested parties simply need to sit down with their spreadsheets and figure out what the correct level of fee should be going forward. We are not sure that a joint legislative committee is necessary for this process and we do not support funds being taken from the grant funds for this purpose.

- **No Need to Act Now.** The current law will take us through July 1, 2010. If we take the time over the summer and fall to review the fees, there would be plenty of time to come back to the Legislature in 2010 for any necessary changes.
- **Prior Task Force.** Before the enactment of enhanced wireless 911, there was a task force established to review this issue and make recommendations. That task force included individuals from cities, counties, the wireless industry, the wireline industry, emergency management, and others. Should you decide that it is necessary to have a separate group review this issue, we would recommend that a task force with a similar make-up be created for this purpose. [The prior task force was established in 2000 in HB 2945.]

I appreciate the opportunity to work with the Committee on this important issue and I will be happy to stand for questions at the appropriate time.

*HOUSE ENERGY AND UTILITIES*

DATE: 2/27/2009

ATTACHMENT 11