

## MINUTES OF THE SENATE COMMITTEE ON COMMERCE.

The meeting was called to order by Chairperson Senator Brownlee at 8:30 a.m. on January 19, 2001 in Room 123-S of the Capitol.

All members were present except:                    Senator Nick Jordan (Excused)  
   Senator Dave Kerr (Excused)  
   Senator Chris Steineger (Excused)  
   Senator Susan Wagle (Excused)

Committee staff present:                                Lea Gerard, Secretary

Conferees appearing before the committee:        Nelson Krueger - Review of E-911 Task Force  
   Cindy Lash        - E-911 Post Audit Review

Others attending:                                         See Attached List

Committee members were provided with a copy of the response from the Governor's office to Senator Barone's request for a five-year budget trend for the Kansas Department of Housing & Commerce.

Chairperson Brownlee introduced Nelson Krueger, Chairman for the State of Kansas E-911 Task Force. Nelson Krueger gave an overview (Attachment 1) of the legislative directions given to the E-911 Task Force. The first item was to have a mechanism for administering wireless 911 service with a focus on whether such service shall be administered on a centralized basis and was decided by the task force that centralization was not the best way to go. There was discussion on the fairness and adequacy of the mechanism for funding these services and then a method of cost recovery for both Public Service Answering Points (PSAP) and cellular providers for the expenses they are out with the new latitude and longitude requirements of the enhanced 911 service.

Nelson Krueger gave a brief history on the passage of the Telecommunications Act of 1996. Listed are some of the target dates: Phase I, October 1, 1997 wireless carrier would be able to transmit to the PSAP's the telephone number of the cell phone as they press 911 and send. Phase II, April 1, 1998 provide not only the telephone number but location of the cell tower that would be receiving the signal. Phase III, October 1, 200, wireless phone company must be able to transmit the location of the person making a 911 call on a wireless phone by latitude and longitude within 125 meters of the caller's actual location to an answering point.

Conferee Krueger stated there was discussion regarding the fairness and adequacy of the funding for such services of fifty cents and seventy-five cents per cell phone each month. The method of recovering costs for the Public Service Answering Points (PSAP) and where the money would be spent was another issue the task force discussed but did not have exact guidelines. Mr. Krueger stated that the legislature may want to give guidelines on how the money that is generated from the seventy-five or fifty cent surcharge be spent. He said the wireless carriers were pretty adamant that the cost implementing the latitude and longitude and some of the other advance technologies be something they would be able to recover.

Chairperson Brownlee opened the meeting to questions from the committee members.

Nelson Krueger, in response to a question from Senator Emler as to was it discussed by the Task Force the amount of fraud that goes on in the E-911 system stated, "we touched upon that but I think I can remember a report perhaps you might have given that outlined the amount of fraud and abuse that occurs on the 911 system and we did not take that report into consideration."

Chairperson Brownlee introduced Cindy Lash from the Legislative Division of Post Audit

Cindy Lash briefed the committee on "*Performance Audit Report Part 1 and II*". (A copy is on file in the Legislative Research Department). Cindy Lash stated that Kansas E-911 is under the control of cities and counties with no state-wide oversight. To fund E-911, the cities and counties can charge up to seventy-five cents (this is a statutory requirement) for each phone line wired into a residence or business. In relation to the Task Force, they are recommending that wireless customers be charged up to seventy-five cents per month. Cindy Lash explained there are three types of E-911 in Kansas and they are

1) Enhanced which displays the caller's name, address and telephone number; 2) Identification 911 which displays the caller's telephone number; 3) Basic 911 provides no information about the caller.

Total revenues collected statewide in 1998 from 911 taxes was about \$9.7 million. Cindy Lash stated they got estimated figures from the KCC on the number of wireless phones statewide and if those wireless phones paid the maximum tax rate there would be another four and half million dollars. The counties carried over a balance which they are saving to purchase updated 911 equipment.

Part II of the E-911 Post Audit Review deals with costs to meet the FCC requirements regarding wireless phones.

Senator Brownlee opened the meeting for questions from committee members.

Meeting adjourned at 9:30 a.m. Next meeting scheduled January 23, 2001 at 8:30 a.m.