

MINUTES OF THE HOUSE ENERGY AND UTILITIES COMMITTEE

The meeting was called to order by Chairman Carl Holmes at 9:00 A.M. on March 14, 2011, in Room 785 of the Docking State Office Building.

All members were present.

Committee staff present:

Matt Sterling, Office of the Revisor of Statutes
Cindy Lash, Kansas Legislative Research Department
Corey Carnahan, Kansas Legislative Research Department
Renae Hansen, Committee Assistant

Conferees appearing before the Committee:

Melissa Wangemann, Kansas Association of Counties
Dina Fisk, Verizon Wireless
Walter Way, Johnson County Emergency Communications
Bob Lamkey, Director of Public Services Sedgwick County
John Miller, Kansas Legislative Policy Group
John Idoux, CenturyLink
Mike Taylor, Unified Government Public Relations

Others attending:

Twenty seven including the attached list.

Northern Natural Gas had a handout, (Attachment 1), that answered questions the committee had on **HCR 5022**.

Continued informational hearing on:
E-911

Cindy Lash, Kansas Legislative Research, presented several follow up pieces of testimony from Friday:

- Time-line of Legislative Action on 911 (Attachment 2)
- Maximum Allowable Fees for 911 Administration (Attachment 3)
- E-911 Fee Revenue and Distribution Projections Under **SubSB50** assuming \$0.50 fee (Attachment 4)
- 911 Fee Revenue and Distribution Projections Under **SubSB50** assuming \$0.55 fee (Attachment 5)

Questions were asked and comments made by Representatives: Don Hineman, Stan Frownfelter, and Carl Holmes.

Cindy Lash, Kansas Legislative Research Department, also walked the committee through the side by side comparison of 911 Provisions: Current Law versus Proposed Legislation, (Attachment 6).

Questions were asked and comments made by Representatives: Annie Kuether, and Forrest Knox.

Matt Sterling, Kansas Revisor of statutes helped to answer committee questions.

Informational hearing on E-911 was closed.

Continued hearing on:

SubSB 50- Emergency communications service; relating to fees, charges, collection and distribution.

Proponents:

Melissa Wangemann, Kansas Association of Counties, (Attachment 7), offered testimony in support of **SubSB50**. They believe that this bill is a nice compromise to what was offered last year. They believe the smaller PSAP's getting more money to help support 911 services offered in this bill, is important to make

CONTINUATION SHEET

The minutes of the House Energy and Utilities Committee at 9:00 A.M. on March 14, 2011, in Room 785 of the Docking State Office Building.

sure that service is provided in the smaller communities. She also handed out further testimony to answer questions that were asked by the committee on Friday, (Attachment 8), specifically her side by side comparison for the new coordinating council proposed in this bill. She also had a handout that explains the 2010 Grant awards (Attachment 9)

Dina Fisk, Verizon Wireless, (Attachment 10), spoke to the committee in support of **SubSB50**. Additionally, she handed out another sheet with answers to questions that were asked by the committee on Friday, (Attachment 11).

Walter Way, Johnson County Emergency Communications, (Attachment 12), offered testimony in support of **SubSB50**. He spoke of the vision they want to go with for their residents in regards to next generation. Next generation will enable the PSAP to receive text messaging. This ability would address some Americans with Disabilities issues.

Bob Lamkey, Director of Public Services, Sedgwick County, (Attachment 13), spoke in support of **SubSB50** noting ways in which this bill would help Sedgwick County. He commented that their county benefits by about \$1.2 million with the PSAP funding created by this bill.

Doug Smith spoke for John Miller, Kansas Legislative Policy Group, (Attachment 14), in support of **SubSB50**. He noted that Kansas needs a statewide comprehensive program in order to dispatch emergency responders quickly and effectively.

John Idoux, CenturyLink, (Attachment 15), spoke in support of **SubSB50**. He notes that this bill ends the disparity in the E911 surcharge paid by wire-line customers while providing the PSAPs with a funding level needed to sustain operations.

Written Proponents:

Several pieces of written testimony were presented to the committee in support of **SubSB50**:

- Chris Carroll, AT&T, (Attachment 16)
- Ed Klumpp, Kansas Association of Chiefs of Police, Kansas Sheriffs Association, Kansas Peace Officers Association, (Attachment 17)
- Dale Goter, City of Wichita, (Attachment 18)
- Eric Sartorius, City of Overland Park, (Attachment 19)

Opponents:

Mike Taylor, Unified Government Public Relations Wyandotte County/ Kansas City, (Attachment 20), offered testimony in opposition to **SubSB50**. He noted a number of ways that they disagree with the bill as it is presented today. Their county would lose about \$20,000 should this bill pass as written today.

Questions were asked and comments made by Representatives: Vern Swanson, Don Hineman, Nile Dillmore, Tom Sloan, Forrest Knox, and Annie Kuether.

The hearing on **SubSB50** was closed.

The chair noted that the bill will be worked on Thursday.

The next meeting is scheduled for March 15, 2011.

The meeting was adjourned at 10:48 A.M.

HOUSE ENERGY AND UTILITIES COMMITTEE

GUEST LIST

DATE: March 14, 2011

NAME	REPRESENTING
Colin Curtis	Sandstone Group
Bob Lam Key	Sedgewick County
Melissa Wangemann	KAC
John J. J. J.	Centurylink
Walter Way	Johnson County
TOM DAY	KCC
DINA FISK	VERIZON
Jay Gantner	AT&T
Mark Case	GLS
Glenn T. Royer	Shawnee County Sheriff's Office
TRAVIS LOWE	Little Girl Relations
Pete Ranthier	Hein Law Firm
Doug Smith	KLPC
George Stafford	at&t
ERIK SARTORIUS	City of Overland Park
Shirley Allen	KRITC
Colin Jensen	Car
Lydia Buster	Federico Consulting
Terry Diebolt	AT&T

DATE: March 14, 2011

[illegible]



To: Members of the House Energy and Utilities Committee
From: Michael Loeffler, Senior Director of External Affairs, Northern Natural Gas
Date: March 11, 2011
Re: House Concurrent Resolution 5022

Northern Natural Gas is an interstate natural gas pipeline company that operates 15,000 miles of natural gas pipeline and three underground storage facilities, two in Kansas – one located in Pratt, Kingman and Reno counties (Cunningham) and one in Rice County (Lyons).

Yesterday, testimony was provided to the committee on HCR 5022 that referenced Northern's storage facility at Cunningham. That testimony included opinions on the operation of the storage facility that are unsupported and completely false. Northern is compelled to set the record straight.

Northern submitted an application to the Federal Energy Regulatory Commission in September 2009 to expand the certificated boundaries of the Cunningham field. Numerous parties, including Rep. Dennis Hedke, who was at that time a paid consultant for Sabco Oil and Gas, provided evidence to FERC.

After a thorough review of all of the evidence submitted, FERC rejected the assertion that the migration was a result of over-fill of the reservoir, and instead found the migration was due to third-party production of storage gas and water that resulted in a pressure differential between the storage field and the third-party producers' wells. The FERC order, issued June 2, 2010, also supported the long-held contention of Northern that third-party operators with wells in the area approved by the commission for expansion are, in fact, producing storage gas. The commission cited the evidence by Northern's experts that third-party production of storage gas, which creates a geological pressure sink, is the cause of the storage gas migration.

Finally, a federal district court in Wichita, Kansas, on December 22, 2010, after hearing evidence from Northern's experts and experts retained by the third-party producers, specifically agreed with FERC's ruling that the evidence overwhelmingly showed that storage gas migrated *because of third-party production of gas and water that resulted in a pressure differential between the storage field and the third-party producers' wells, and that continued production of the third-party wells would substantially interfere with Northern's use and enjoyment of the Cunningham field.* Accordingly, the federal district court ordered the shut-in of the third-party wells.

If you have additional questions on this issue or any other matters relating to Northern Natural Gas, please contact me at: mike.loeffler@nngco.com, or at 402-398-7103.

HOUSE ENERGY AND UTILITIES

DATE: 3/14/2011

ATTACHMENT 1

Timeline of Legislative Action on 911 in Kansas

1980 Passage of statutes authorizing a tax to support emergency telephone services (Landline 911, 4 statutes)

- The initial fee cap was not to exceed 2% of the tariff rate in areas where 911 service had been contracted.
- 911 tax revenue could be spent solely to pay for the monthly recurring charges billed by the service supplier for emergency telephone service.

1984 Amended the allowable use of revenue to include initial installation, service establishment nonrecurring startup charges; and charges for capital improvements and enhancements to the system billed by the service supplier.

1988 Amended the allowable use of revenue regarding capital improvements to read "capital improvements and equipment or other physical enhancements to the emergency telephone system".

1990 Amended the fee cap to "not to exceed \$0.75 per month per access line per month, or its equivalent".

Modified the process for a governing body attempting to institute a 911 tax.

1994 Amended the definitions section of 911 law to include the terms "wireless carrier", wireless service", and "PSAP". Added a provision stating that wireless service users are exempt from the emergency telephone tax.

1996 Amended the allowable uses of revenue to include "the acquisition and installation of road signs designed to aid in delivery of emergency service".

1996 & 1997 - Federal Communications Commission issues regulations requiring wireless phone companies, under certain conditions, to provide E-911 service for wireless users at future dates.

1999 Senate Commerce Committee considered a bill to extend 911 tax on landline to wireless phones.

Received audits from Legislative Post Audit on the status of 911 in Kansas, which included a recommendation that the Governor or the Legislature form a task force to study and develop comprehensive wireless 911 legislation to address issues such as funding, oversight, and cost recovery.

- 2000 Enacted legislation creating the Enhanced 911 Task Force (one-year life) to develop a strategy for funding and deploying wireless enhanced 911, and make recommendations to the Legislature.
- 2001 E-911 bill considered by the Legislature, not passed.
- 2002 Senate Commerce Committee considered two bills that would have established a 911 tax on wireless service.
- 2003 Wireless Enhanced 911 Act considered by the Legislature, not passed.
- 2004 Enacted the Wireless Enhanced 911 Act (28 statutes)
- 2005 Amended the Wireless Enhanced 911 Act to specify that no PSAP other than a political subdivision of the state is eligible to receive moneys distributed under the Act.
- 2006 Enacted the VoIP Enhanced 911 Act.
- 2008 Amended the Wireless Enhanced 911 Act to require wireless 911 local fee revenues that could not be attributed to a specific PSAP to be used only to assist PSAPs that had not achieved Phase II status. Once all PSAPs achieved Phase II, those revenues could be used for otherwise allowable expenses under the Act.
- 2009 Received audit from Legislative Post Audit "Wireless Enhanced 911: Reviewing Implementation of the 2004 Act (Issued 12/08)
- E-911 10-year funding bill considered by the Legislature, not passed
- Interim Special Committee on Utilities created to look at NG-911 and continued funding for the 911 system. The Committee reached conceptual agreement on the elements of a funding bill.
- 2010 Legislation incorporating conceptual agreement considered, passed by House, amended significantly by Senate, no agreement.
- Amended the wireless and VoIP statutes to delay for one year (until July 1, 2011) the provisions that eliminate the grant fee, abolish the wireless board, and distribute the unobligated balance in the grant fund.
- Amended wireless and landline statutes to prohibit the use of landline 911 tax moneys and wireless 911 local fee moneys for subscriber radio equipment, and required PSAPs to provide the LCPA by 1/10/11 an accounting of their CY10 receipts from the governing body.

**Maximum Allowable Fees for 911 Administration:
Current vs. Sub SB 50 at two fee levels**

	Revenue Base	Pecent Allowed	Maximum Allowed for Administration	Basis for Fee
Current Law				
Provider (landline fee)	\$8,722,050	2.0%	\$174,441	administrative fee
LCPA (local wireless & VoIP fee)	\$6,022,268	2.0%	\$120,445	administrative fee
Grants Office (grant wireless & VoIP fee/ prepaid fee/earned interest)	<u>\$6,682,289</u>	5.0%	<u>\$334,114</u>	reimbursement of expenses
Current Total	<u>\$21,426,607</u>		<u>\$629,001</u>	
 Sub SB50 @ \$0.50 fee/1.0% prepaid	 \$20,132,397	 2.0%	 \$402,648	 reimbursement of expenses
 Sub SB50 @ \$0.55 fee/1.1% prepaid	 \$22,145,636	 2.0%	 \$442,913	 reimbursement of expenses

Note: Revenues are based on self-reported local fee data from PSAPs, LCPA wireless/VoIP distributions, and the KS Wireless E-99 Advisory Board

Kansas Legislative Research Department, 3/12/11

HOUSE ENERGY AND UTILITIES

DATE:

3/14/2011

ATTACHMENT

3-1

PSAPs that Charge a Landline Fee Less Than \$0.75/mo

3-2

PSAP	Population	Landline Fee
Kearny County	4,169	\$0.00
Morton County	3,031	\$0.00
Stanton County	2,107	\$0.00
Cheyenne County	2,700	\$0.25
Grant County	7,353	\$0.25
Morris County	5,994	\$0.25
Stevens County	5,129	\$0.25
Johnson County	403,733	\$0.40
Leawood	31,766	\$0.40
Lenexa	48,087	\$0.40
Olathe	121,962	\$0.40
Overland Park	174,907	\$0.40
Prairie Village	21,703	\$0.40
Shawnee City	61,712	\$0.40
Chautauqua County	3,745	\$0.50
Douglas County	116,383	\$0.50
Emporia	33,601	\$0.50
Hamilton County	2,625	\$0.50
Riley County	71,341	\$0.50
Scott County	4,560	\$0.50
Sherman County	5,860	\$0.50
Thomas County	7,343	\$0.50

911 Fee Revenue and Distribution Projections Under Substitute for Senate Bill 50

Assumptions: Fee @ \$0.50, No Provider Admin., \$50,000 Minimum County Distribution, Prepaid @ 1.0%

Subscriber Fee Revenue	\$18,782,196	Prepaid Fee Revenue	\$1,350,201	Totals	
Distributions		Distribution		Revenue	\$20,132,397
Payments to PSAPs	\$17,762,650			\$ to PSAPs	\$17,762,650
Transfer to 911 Grant Fund	\$1,019,546	Transfer to 911 Grant Fund	\$1,350,201	\$ to Grant Fund	\$2,369,747

Note: Numbers are estimates based on self-reported revenue data from PSAPs and LCPA distributions, and should be viewed as approximations.

			2009 Data		Sub. for Senate Bill 50			Change in PSAP Direct Annual Revenue Under Sub. SB50
County	PSAP	County Population	2009 Number of Units	2009 PSAP Direct Revenue	Amount to PSAP based on Sliding Scale	Amount added to achieve \$50,000 County Minimum	Sub. SB50 PSAP Direct Revenue	
Population less than 25,000, receives 100% of fees generated by PSAP								
Greeley	Greeley County	1,234	1,540	\$8,172	\$9,240	\$40,760	\$50,000	\$41,828
Wallace	Wallace County	1,408	1,450	\$6,409	\$8,700	\$41,300	\$50,000	\$43,591
Lane	Lane County	1,742	2,996	\$16,082	\$17,978	\$32,022	\$50,000	\$33,918
Comanche	Comanche County	1,873	2,314	\$13,504	\$13,883	\$36,117	\$50,000	\$36,496
Hodgeman	Hodgeman County	1,906	2,236	\$12,006	\$13,416	\$36,584	\$50,000	\$37,994
Clark	Clark County	2,081	2,669	\$14,676	\$16,016	\$33,984	\$50,000	\$35,324
Stanton	Stanton County	2,107	2,858	\$4,394	\$17,149	\$32,851	\$50,000	\$45,606
Wichita	Wichita County	2,109	2,552	\$14,541	\$15,314	\$34,686	\$50,000	\$35,459
Kiowa	Kowa County	2,322	2,333	\$10,246	\$14,000	\$36,000	\$50,000	\$39,754
Rawlins	Rawlins County	2,425	3,004	\$17,068	\$18,024	\$31,976	\$50,000	\$32,932
Graham	Graham County	2,435	3,320	\$14,381	\$19,918	\$30,082	\$50,000	\$35,619
Sheridan	Sheridan County	2,435	3,171	\$16,742	\$19,025	\$30,975	\$50,000	\$33,258
Gove	Gove County	2,480	3,839	\$21,417	\$23,037	\$26,963	\$50,000	\$28,583
Logan	Logan County	2,549	4,653	\$26,384	\$27,916	\$22,084	\$50,000	\$23,616
Hamilton	Hamilton County	2,625	3,434	\$14,565	\$20,602	\$29,398	\$50,000	\$35,435
Cheyenne	Cheyenne County	2,700	5,494	\$16,266	\$32,964	\$17,036	\$50,000	\$33,734
Chase	Chase County	2,798	4,148	\$27,053	\$24,886	\$25,114	\$50,000	\$22,947
Ness	Ness County	2,835	5,030	\$27,330	\$30,179	\$19,821	\$50,000	\$22,670
Decatur	Decatur County	2,855	3,541	\$19,131	\$21,247	\$28,753	\$50,000	\$30,869
Trego	Trego County	2,920	3,310	\$19,792	\$19,857	\$30,143	\$50,000	\$30,208
Elk	Elk County	3,001	2,640	\$16,394	\$15,838	\$34,162	\$50,000	\$33,606
Morton	Morton County	3,031	3,663	\$5,112	\$21,975	\$28,025	\$50,000	\$44,888
Jewell	Jewell County	3,059	3,326	\$18,816	\$19,958	\$30,042	\$50,000	\$31,184
Edwards	Edwards County	3,071	3,325	\$18,357	\$19,950	\$30,050	\$50,000	\$31,643
Lincoln	Lincoln County	3,123	3,576	\$18,613	\$21,454	\$28,546	\$50,000	\$31,387
Rush	Rush County	3,143	5,874	\$36,366	\$35,241	\$14,759	\$50,000	\$13,634
Woodson	Woodson County	3,240	3,017	\$14,773	\$18,103	\$31,897	\$50,000	\$35,227
Chautauqua	Chautauqua County	3,745	4,821	\$21,298	\$28,923	\$21,077	\$50,000	\$28,702
Smith	Smith County	3,753	4,866	\$26,439	\$29,197	\$20,803	\$50,000	\$23,561
Osborne	Osborne County	3,849	5,346	\$28,597	\$32,074	\$17,926	\$50,000	\$21,403
Haskell	Haskell County	4,006	5,005	\$27,171	\$30,029	\$19,971	\$50,000	\$22,829
Kearny	Kearny County	4,169	4,577	\$8,047	\$27,459	\$22,541	\$50,000	\$41,953
Stafford	Stafford County	4,342	5,033	\$27,228	\$30,197	\$19,803	\$50,000	\$22,772
Meade	Meade County	4,407	4,829	\$24,834	\$28,972	\$21,028	\$50,000	\$25,166
Scott	Scott County	4,560	5,842	\$22,810	\$35,050	\$14,950	\$50,000	\$27,190
Barber	Barber County	4,593	6,237	\$33,464	\$37,424	\$12,576	\$50,000	\$16,536
Republic	Republic County	4,808	5,323	\$29,457	\$31,940	\$18,060	\$50,000	\$20,543
Rooks	Rooks County	4,984	6,577	\$35,177	\$39,459	\$10,541	\$50,000	\$14,823
Stevens	Stevens County	5,129	6,793	\$20,060	\$40,755	\$9,245	\$50,000	\$29,940
Phillips	Phillips County	5,272	6,356	\$28,338	\$38,135	\$11,865	\$50,000	\$21,662
Norton	Norton County	5,330	6,212	\$31,284	\$37,273	\$12,727	\$50,000	\$18,716
Harper	Harper County	5,667	6,514	\$36,303	\$39,081	\$10,919	\$50,000	\$13,697
Washington	Washington County	5,683	6,589	\$36,679	\$39,537	\$10,463	\$50,000	\$13,321
Sherman	Sherman	5,860	7,808	\$33,248	\$46,848	\$3,152	\$50,000	\$16,752
Ottawa	Ottawa County	5,974	5,324	\$22,644	\$31,946	\$18,054	\$50,000	\$27,356
Morris	Morris County	5,994	8,061	\$23,821	\$48,364	\$1,636	\$50,000	\$26,179
Gray	Gray County	6,005	7,324	\$38,159	\$43,945	\$6,055	\$50,000	\$11,841
Ellsworth	Ellsworth County	6,179	5,300	\$23,209	\$31,803	\$18,197	\$50,000	\$26,791
Pawnee	Larned	6,206	5,579	\$24,319	\$33,472	\$16,528	\$50,000	\$25,681
Mitchell	Mitchell County	6,344	5,959	\$26,286	\$35,753	\$14,247	\$50,000	\$23,714
Russell	Russell County	6,596	8,454	\$43,675	\$50,721		\$50,721	\$7,046
Greenwood	Greenwood County	6,666	7,217	\$40,106	\$43,303	\$6,697	\$50,000	\$9,894
Wabaunsee	Wabaunsee County	6,846	6,306	\$36,396	\$37,835	\$12,165	\$50,000	\$13,604
Thomas	Thomas County	7,343	13,954	\$67,057	\$83,722		\$83,722	\$16,664
Grant	Grant County	7,353	10,417	\$30,759	\$62,504		\$62,504	\$31,745
Kingman	Kingman County	7,571	7,688	\$39,968	\$46,130	\$3,870	\$50,000	\$10,032
Doniphan	Doniphan County	7,624	8,206	\$42,785	\$49,237	\$763	\$50,000	\$7,215
Anderson	Anderson County	7,872	6,686	\$38,352	\$40,119	\$9,881	\$50,000	\$11,648
Coffey	Coffey County	8,436	9,740	\$48,475	\$58,441		\$58,441	\$9,966
Clay	Clay County	8,704	7,443	\$32,828	\$44,660	\$5,340	\$50,000	\$17,172
Cloud	Concordia	9,263	9,230	\$46,690	\$55,382		\$55,382	\$8,692
Pratt	Pratt County	9,304	11,202	\$60,869	\$67,214		\$67,214	\$6,345

			2009 Data		Sub. for Senate Bill 50			Change in PSAP Direct Annual Revenue Under Sub. SB50
County	PSAP	County Population	2009 Number of Units	2009 PSAP Direct Revenue	Amount to PSAP based on Sliding Scale	Amount added to achieve \$50,000 County Minimum	Sub. SB50 PSAP Direct Revenue	
Linn	Linn County	9,335	11,790	\$70,176	\$70,738		\$70,738	\$562
Wilson	Wilson County	9,474	7,896	\$38,698	\$47,374	\$2,626	\$50,000	\$11,302
Brown	Brown County	9,927	11,487	\$62,128	\$68,922		\$68,922	\$6,794
Nemaha	Nemaha County	9,968	9,299	\$54,772	\$55,796		\$55,796	\$1,024
Rice	Rice County	10,079	10,965	\$57,634	\$65,792		\$65,792	\$8,158
Marshall	Marshall County	10,123	11,080	\$62,771	\$66,480		\$66,480	\$3,709
Marion	Marion County	11,982	12,785	\$66,522	\$76,713		\$76,713	\$10,191
Allen	Allen County	13,203	13,417	\$70,782	\$80,504		\$80,504	\$9,722
Jackson	Jackson County	13,412	13,291	\$71,044	\$79,745		\$79,745	\$8,700
Bourbon	Fort Scott	14,884	14,610	\$76,927	\$87,661		\$87,661	\$10,734
Neosho	Neosho County	16,046	17,555	\$91,273	\$105,332		\$105,332	\$14,059
Osage	Osage County	16,104	17,671	\$95,253	\$106,024		\$106,024	\$10,771
Atchison	Atchison County	16,411	13,722	\$60,243	\$82,330		\$82,330	\$22,087
Jefferson	Jefferson County	18,207	19,422	\$96,836	\$116,531		\$116,531	\$19,695
Dickinson	Dickson County	19,015	19,969	\$101,867	\$119,815		\$119,815	\$17,947
Pottawatomie	Pottawatomie County	19,994	26,256	\$119,997	\$157,535		\$157,535	\$37,538
Cherokee	Cherokee County	21,064	19,382	\$105,700	\$116,292		\$116,292	\$10,592
Labette	Labette County	21,776	21,530	\$116,323	\$129,178		\$129,178	\$12,855
Seward	Seward County	23,013	20,691	\$104,371	\$124,148		\$124,148	\$19,777
Sumner	Sumner County	23,488	23,883	\$124,512	\$143,296		\$143,296	\$18,784
Population 25,000-34,999, receives 97% of fees generated by PSAP)								
Franklin	Franklin County	26,441	27,773	\$134,004	\$161,638		\$161,638	\$27,634
Barton	Barton County	27,464	25,044	\$109,978	\$145,754		\$145,754	\$35,776
Ellis	Ellis County	27,739	33,796	\$166,892	\$196,692		\$196,692	\$29,800
McPherson	McPherson County	28,866	32,133	\$165,323	\$187,014		\$187,014	\$21,691
Miami	Miami County	30,969	35,505	\$177,594	\$206,636		\$206,636	\$29,043
Geary	Geary County	31,751	35,925	\$161,916	\$209,081		\$209,081	\$47,165
Lyon	Emporia	33,601	32,422	\$127,286	\$188,694		\$188,694	\$61,408
Cowley	Arkansas City	33,634	11,933	\$51,687	\$69,452		\$69,452	\$17,765
Cowley	Winfield	33,634	17,186	\$77,906	\$100,020		\$100,020	\$22,114
Ford	Ford County	33,692	33,411	\$185,908	\$194,452		\$194,452	\$8,545
Harvey	Harvey County	34,247	36,692	\$188,230	\$213,549		\$213,549	\$25,319
Montgomery	Indep./Cfville.	34,254	35,767	\$180,975	\$208,161		\$208,161	\$27,187
Population 35,000-44,999, receives 94% of fees generated by PSAP								
Crawford	Crawford County	38,869	37,590	\$200,697	\$212,008		\$212,008	\$11,311
Finney	Garden City	42,074	33,843	\$173,112	\$190,874		\$190,874	\$17,762
Population 45,000-54,999, receives 91% of fees generated by PSAP								
Saline	Saline County	54,364	58,764	\$313,506	\$320,852		\$320,852	\$7,346
Population 55,000-64,999, receives 88% of fees generated by PSAP								
Reno	Reno County	63,357	64,145	\$345,086	\$338,686		\$338,686	(\$6,400)
Butler	Butler County	64,084	45,707	\$230,759	\$241,331		\$241,331	\$10,572
Butler	Andover	64,084	10,607	\$51,719	\$56,003		\$56,003	\$4,283
Butler	Augusta	64,084	8,659	\$43,342	\$45,722		\$45,722	\$2,379
Population 65,000-79,999, receives 85% of fees generated by PSAP								
Riley	Riley County	71,341	47,254	\$191,574	\$240,994		\$240,994	\$49,420
Leavenworth	Leavenworth	75,227	29,426	\$148,091	\$150,074		\$150,074	\$1,983
Leavenworth	Leavenworth County	75,227	41,111	\$190,305	\$209,666		\$209,666	\$19,362
Population greater than 80,000, receives 82% of funds generated by PSAP								
Douglas	Douglas County	116,383	106,827	\$425,025	\$525,590		\$525,590	\$100,565
Wyandotte	Unified Government	155,085	158,354	\$798,504	\$779,099		\$779,099	(\$19,405)
Shawnee	Shawnee County	176,255	200,262	\$1,046,560	\$985,289		\$985,289	(\$61,271)
Sedgwick	Sedgwick County	490,864	551,568	\$2,821,319	\$2,713,715		\$2,713,715	(\$107,605)
Johnson	Johnson County	542,737	111,918	\$396,867	\$550,635		\$550,635	\$153,767
Johnson	Leawood	542,737	42,045	\$149,996	\$206,862		\$206,862	\$56,866
Johnson	Lenexa	542,737	73,333	\$253,988	\$360,796		\$360,796	\$106,808
Johnson	Olathe	542,737	160,032	\$559,196	\$787,355		\$787,355	\$228,159
Johnson	Overland Park	542,737	239,041	\$845,025	\$1,176,082		\$1,176,082	\$331,057
Johnson	Prairie Village	542,737	30,754	\$111,462	\$151,308		\$151,308	\$39,846
Johnson	Shawnee	542,737	72,713	\$259,569	\$357,747		\$357,747	\$98,178
Totals			3,130,367	\$14,536,652	\$16,574,812	\$1,187,837	\$17,762,650	\$3,225,998

4-2

911 Fee Revenue and Distribution Projections Under Substitute for Senate Bill 50

Assumptions: Fee @ \$0.55, No Provider Admin., \$50,000 Minimum County Distribution, Prepaid @ 1.1%

Subscriber Fee Revenue	\$20,660,415	Prepaid Fee Revenue	\$1,485,221	Totals	
Distributions		Distribution		Revenue	\$22,145,636
Payments to PSAPs	\$19,265,663			\$\$ to PSAPs	\$19,265,663
Transfer to 911 Grant Fund	\$1,394,753	Transfer to 911 Grant Fund	\$1,485,221	\$\$ to Grant Fund	\$2,879,974

Note: Numbers are estimates based on self-reported revenue data from PSAPs and LCPA distributions, and should be viewed as approximations.

			2009 Data		Sub for Senate Bill 50			Change in PSAP Direct Annual Revenue Under Sub SB50
County	PSAP	County Population	2009 Number of Units	2009 PSAP Direct Revenue	Amount to PSAP based on Sliding Scale	Amount added to achieve \$50,000 County Minimum	Sub SB50 PSAP Direct Revenue	
Population less than 25,000, receives 100% of fees generated by PSAP								
Greeley	Greeley County	1,234	1,540	\$8,172	\$10,164	\$39,836	\$50,000	\$41,828
Wallace	Wallace County	1,408	1,450	\$6,409	\$9,570	\$40,430	\$50,000	\$43,591
Lane	Lane County	1,742	2,996	\$16,082	\$19,775	\$30,225	\$50,000	\$33,918
Comanche	Comanche County	1,873	2,314	\$13,504	\$15,271	\$34,729	\$50,000	\$36,496
Hodgeman	Hodgeman County	1,906	2,236	\$12,006	\$14,758	\$35,242	\$50,000	\$37,994
Clark	Clark County	2,081	2,669	\$14,676	\$17,618	\$32,382	\$50,000	\$35,324
Stanton	Stanton County	2,107	2,858	\$4,394	\$18,864	\$31,136	\$50,000	\$45,606
Wichita	Wichita County	2,109	2,552	\$14,541	\$16,845	\$33,155	\$50,000	\$35,459
Kiowa	Kowa County	2,322	2,333	\$10,246	\$15,400	\$34,600	\$50,000	\$39,754
Rawlins	Rawlins County	2,425	3,004	\$17,068	\$19,826	\$30,174	\$50,000	\$32,932
Graham	Graham County	2,435	3,320	\$14,381	\$21,910	\$28,090	\$50,000	\$35,619
Sheridan	Sheridan County	2,435	3,171	\$16,742	\$20,927	\$29,073	\$50,000	\$33,258
Gove	Gove County	2,480	3,839	\$21,417	\$25,340	\$24,660	\$50,000	\$28,583
Logan	Logan County	2,549	4,653	\$26,384	\$30,708	\$19,292	\$50,000	\$23,616
Hamilton	Hamilton County	2,625	3,434	\$14,565	\$22,662	\$27,338	\$50,000	\$35,435
Cheyenne	Cheyenne County	2,700	5,494	\$16,266	\$36,260	\$13,740	\$50,000	\$33,734
Chase	Chase County	2,798	4,148	\$27,053	\$27,375	\$22,625	\$50,000	\$22,947
Ness	Ness County	2,835	5,030	\$27,330	\$33,197	\$16,803	\$50,000	\$22,670
Decatur	Decatur County	2,855	3,541	\$19,131	\$23,372	\$26,628	\$50,000	\$30,869
Trego	Trego County	2,920	3,310	\$19,792	\$21,843	\$28,157	\$50,000	\$30,208
Elk	Elk County	3,001	2,640	\$16,394	\$17,421	\$32,579	\$50,000	\$33,606
Morton	Morton County	3,031	3,663	\$5,112	\$24,173	\$25,827	\$50,000	\$44,888
Jewell	Jewell County	3,059	3,326	\$18,816	\$21,954	\$28,046	\$50,000	\$31,184
Edwards	Edwards County	3,071	3,325	\$18,357	\$21,945	\$28,055	\$50,000	\$31,643
Lincoln	Lincoln County	3,123	3,576	\$18,613	\$23,599	\$26,401	\$50,000	\$31,387
Rush	Rush County	3,143	5,874	\$36,366	\$38,766	\$11,234	\$50,000	\$13,634
Woodson	Woodson County	3,240	3,017	\$14,773	\$19,913	\$30,087	\$50,000	\$35,227
Chautauqua	Chautauqua County	3,745	4,821	\$21,298	\$31,816	\$18,184	\$50,000	\$28,702
Smith	Smith County	3,753	4,866	\$26,439	\$32,116	\$17,884	\$50,000	\$23,561
Osborne	Osborne County	3,849	5,346	\$28,597	\$35,281	\$14,719	\$50,000	\$21,403
Haskell	Haskell County	4,006	5,005	\$27,171	\$33,032	\$16,968	\$50,000	\$22,829
Kearny	Kearny County	4,169	4,577	\$8,047	\$30,205	\$19,795	\$50,000	\$41,953
Stafford	Stafford County	4,342	5,033	\$27,228	\$33,216	\$16,784	\$50,000	\$22,772
Meade	Meade County	4,407	4,829	\$24,834	\$31,869	\$18,131	\$50,000	\$25,166
Scott	Scott County	4,560	5,842	\$22,810	\$38,555	\$11,445	\$50,000	\$27,190
Barber	Barber County	4,593	6,237	\$33,464	\$41,167	\$8,833	\$50,000	\$16,536
Republic	Republic County	4,808	5,323	\$29,457	\$35,134	\$14,866	\$50,000	\$20,543
Rooks	Rooks County	4,984	6,577	\$35,177	\$43,405	\$6,595	\$50,000	\$14,823
Stevens	Stevens County	5,129	6,793	\$20,060	\$44,831	\$5,169	\$50,000	\$29,940
Phillips	Phillips County	5,272	6,356	\$28,338	\$41,948	\$8,052	\$50,000	\$21,662
Norton	Norton County	5,330	6,212	\$31,284	\$41,000	\$9,000	\$50,000	\$18,716
Harper	Harper County	5,667	6,514	\$36,303	\$42,989	\$7,011	\$50,000	\$13,697
Washington	Washington County	5,683	6,589	\$36,679	\$43,491	\$6,509	\$50,000	\$13,321
Sherman	Sherman	5,860	7,808	\$33,248	\$51,532		\$51,532	\$18,285
Ottawa	Ottawa County	5,974	5,324	\$22,644	\$35,140	\$14,860	\$50,000	\$27,356
Morris	Morris County	5,994	8,061	\$23,821	\$53,200		\$53,200	\$29,379
Gray	Gray County	6,005	7,324	\$38,159	\$48,340	\$1,660	\$50,000	\$11,841
Ellsworth	Ellsworth County	6,179	5,300	\$23,209	\$34,983	\$15,017	\$50,000	\$26,791
Pawnee	Larned	6,206	5,579	\$24,319	\$36,819	\$13,181	\$50,000	\$25,681
Mitchell	Mitchell County	6,344	5,959	\$26,286	\$39,329	\$10,671	\$50,000	\$23,714
Russell	Russell County	6,596	8,454	\$43,675	\$55,793		\$55,793	\$12,118
Greenwood	Greenwood County	6,666	7,217	\$40,106	\$47,634	\$2,366	\$50,000	\$9,894
Wabaunsee	Wabaunsee County	6,846	6,306	\$36,396	\$41,619	\$8,381	\$50,000	\$13,604
Thomas	Thomas County	7,343	13,954	\$67,057	\$92,094		\$92,094	\$25,036
Grant	Grant County	7,353	10,417	\$30,759	\$68,755		\$68,755	\$37,996
Kingman	Kingman County	7,571	7,688	\$39,968	\$50,743		\$50,743	\$10,775
Doniphan	Doniphan County	7,624	8,206	\$42,785	\$54,161		\$54,161	\$11,376
Anderson	Anderson County	7,872	6,686	\$38,352	\$44,130	\$5,870	\$50,000	\$11,648
Coffey	Coffey County	8,436	9,740	\$48,475	\$64,285		\$64,285	\$15,810
Clay	Clay County	8,704	7,443	\$32,828	\$49,126	\$874	\$50,000	\$17,172
Cloud	Concordia	9,263	9,230	\$46,690	\$60,920		\$60,920	\$14,230
Pratt	Pratt County	9,304	11,202	\$60,869	\$73,936		\$73,936	\$13,067

			2009 Data		Senate Bill 50			County in PSAP Direct Annual Revenue Under SB50
County	PSAP	County Population	2009 Number of Units	2009 PSAP Direct Revenue	Amount to PSAP based on Sliding Scale	Amount added to achieve \$50,000 County Minimum	SB50 PSAP Direct Revenue	
Linn	Linn County	9,335	11,790	\$70,176	\$77,812		\$77,812	\$7,635
Wilson	Wilson County	9,474	7,896	\$38,698	\$52,111		\$52,111	\$13,414
Brown	Brown County	9,927	11,487	\$62,128	\$75,815		\$75,815	\$13,686
Nemaha	Nemaha County	9,968	9,299	\$54,772	\$61,376		\$61,376	\$6,604
Rice	Rice County	10,079	10,965	\$57,634	\$72,371		\$72,371	\$14,737
Marshall	Marshall County	10,123	11,080	\$62,771	\$73,128		\$73,128	\$10,357
Marion	Marion County	11,982	12,785	\$66,522	\$84,384		\$84,384	\$17,862
Allen	Allen County	13,203	13,417	\$70,782	\$88,554		\$88,554	\$17,772
Jackson	Jackson County	13,412	13,291	\$71,044	\$87,719		\$87,719	\$16,675
Bourbon	Fort Scott	14,884	14,610	\$76,927	\$96,427		\$96,427	\$19,500
Neosho	Neosho County	16,046	17,555	\$91,273	\$115,865		\$115,865	\$24,593
Osage	Osage County	16,104	17,671	\$95,253	\$116,626		\$116,626	\$21,374
Atchison	Atchison County	16,411	13,722	\$60,243	\$90,563		\$90,563	\$30,320
Jefferson	Jefferson County	18,207	19,422	\$96,836	\$128,184		\$128,184	\$31,348
Dickinson	Dickson County	19,015	19,969	\$101,867	\$131,796		\$131,796	\$29,929
Pottawatomie	Pottawatomie County	19,994	26,256	\$119,997	\$173,288		\$173,288	\$53,292
Cherokee	Cherokee County	21,064	19,382	\$105,700	\$127,921		\$127,921	\$22,221
Labette	Labette County	21,776	21,530	\$116,323	\$142,096		\$142,096	\$25,773
Seward	Seward County	23,013	20,691	\$104,371	\$136,563		\$136,563	\$32,192
Sumner	Sumner County	23,488	23,883	\$124,512	\$157,626		\$157,626	\$33,114
Population 25,000-34,999, receives 97% of fees generated by PSAP)								
Franklin	Franklin County	26,441	27,773	\$134,004	\$177,802		\$177,802	\$43,798
Barton	Barton County	27,464	25,044	\$109,978	\$160,329		\$160,329	\$50,351
Ellis	Ellis County	27,739	33,796	\$166,892	\$216,361		\$216,361	\$49,469
McPherson	McPherson County	28,866	32,133	\$165,323	\$205,715		\$205,715	\$40,392
Miami	Miami County	30,969	35,505	\$177,594	\$227,300		\$227,300	\$49,706
Geary	Geary County	31,751	35,925	\$161,916	\$229,989		\$229,989	\$68,073
Lyon	Emporia	33,601	32,422	\$127,286	\$207,564		\$207,564	\$80,277
Cowley	Arkansas City	33,634	11,933	\$51,687	\$76,398		\$76,398	\$24,710
Cowley	Winfield	33,634	17,186	\$77,906	\$110,022		\$110,022	\$32,116
Ford	Ford County	33,692	33,411	\$185,908	\$213,898		\$213,898	\$27,990
Harvey	Harvey County	34,247	36,692	\$188,230	\$234,904		\$234,904	\$46,674
Montgomery	Indep./Cfville.	34,254	35,767	\$180,975	\$228,977		\$228,977	\$48,003
Population 35,000-44,999, receives 94% of fees generated by PSAP								
Crawford	Crawford County	38,869	37,590	\$200,697	\$233,209		\$233,209	\$32,512
Finney	Garden City	42,074	33,843	\$173,112	\$209,961		\$209,961	\$36,850
Population 45,000-54,999, receives 91% of fees generated by PSAP								
Saline	Saline County	54,364	58,764	\$313,506	\$352,937		\$352,937	\$39,431
Population 55,000-64,999, receives 88% of fees generated by PSAP								
Reno	Reno County	63,357	64,145	\$345,086	\$372,555		\$372,555	\$27,469
Butler	Butler County	64,084	45,707	\$230,759	\$265,464		\$265,464	\$34,705
Butler	Andover	64,084	10,607	\$51,719	\$61,603		\$61,603	\$9,884
Butler	Augusta	64,084	8,659	\$43,342	\$50,294		\$50,294	\$6,951
Population 65,000-79,999, receives 85% of fees generated by PSAP								
Riley	Riley County	71,341	47,254	\$191,574	\$265,093		\$265,093	\$73,519
Leavenworth	Leavenworth	75,227	29,426	\$148,091	\$165,081		\$165,081	\$16,991
Leavenworth	Leavenworth County	75,227	41,111	\$190,305	\$230,633		\$230,633	\$40,328
Population greater than 80,000, receives 82% of funds generated by PSAP								
Douglas	Douglas County	116,383	106,827	\$425,025	\$578,149		\$578,149	\$153,124
Wyandotte	Unified Government	155,085	158,354	\$798,504	\$857,009		\$857,009	\$58,505
Shawnee	Shawnee County	176,255	200,262	\$1,046,560	\$1,083,818		\$1,083,818	\$37,258
Sedgwick	Sedgwick County	490,864	551,568	\$2,821,319	\$2,985,086		\$2,985,086	\$163,767
Johnson	Johnson County	542,737	111,918	\$396,867	\$605,698		\$605,698	\$208,831
Johnson	Leawood	542,737	42,045	\$149,996	\$227,548		\$227,548	\$77,553
Johnson	Lenexa	542,737	73,333	\$253,988	\$396,875		\$396,875	\$142,887
Johnson	Olathe	542,737	160,032	\$559,196	\$866,091		\$866,091	\$306,894
Johnson	Overland Park	542,737	239,041	\$845,025	\$1,293,691		\$1,293,691	\$448,666
Johnson	Prairie Village	542,737	30,754	\$111,462	\$166,439		\$166,439	\$54,977
Johnson	Shawnee	542,737	72,713	\$259,569	\$393,522		\$393,522	\$133,953
Totals			3,130,367	\$14,536,652	\$18,232,294	\$1,033,369	\$19,265,663	\$4,729,011

5-2

Comparison of 911 Provisions: Current Law and Proposed Legislation

Current Law *THROUGH* 6/30/11

Current Law *EFFECTIVE* 7/1/11

Substitute for Senate Bill 50

Imposition of 911 Services and Fees

Landline Service

The governing body of a county or city may provide for operation of 911 service and may pay for it by imposing a **tax not to exceed \$0.75 per month** per exchange access line. 12-5302 (a)

Election processes are set out by which voters in a city or county can vote whether to install a 911 system, supported by a tax. 12-5302(b)(c)

No fee is imposed on more than 100 wireline users per location. 12-5302(d)

Landline

Same, but in counties with a **population of 125,000 or more, the fee cannot exceed \$0.25 per month** per access line. In counties with a **population less than 125,000, the fee cannot exceed \$0.50 per month** per access line. 12-5338 (a)(2-3)

Same

Same

Landline, Wireless, VoIP, or Other Service Capable of Contacting a PSAP

A 911 fee of **\$0.50 per month** per subscriber account is imposed, effective Jan. 1, 2012. New Sec. 8(a).

Wireless and VoIP Service

An enhanced 911 grant fee of **\$0.25 per month** per wireless subscriber account and per VoIP service user is established. 12-5330(a), 12-5356(a)

An enhanced 911 local fee of **\$0.25 per month** per wireless subscriber account and per VoIP service user is established. 12-5324(a), 12-5355(a)

Wireless and VoIP Service

NA

The monthly amount of the **wireless** enhanced 911 local fee and the **VoIP** enhanced 911 local fee shall be **equal to the landline fee**. 12-5338 (a)(2-3), 12-5361 (a)(2)

Prepaid Wireless

A wireless enhanced 911 **grant fee** in an amount equal to **1.0% of the retail price** of any prepaid wireless service sold is imposed. 12-5324(b)

Prepaid Wireless

No fee imposed.

Prepaid Wireless

A prepaid wireless 911 fee of **1.0% per retail transaction** is imposed, effective Jan. 1, 2012. New Sec. 10(a).

The prepaid 911 fee is increased or decreased proportionately when other 911 fees change. New Sec. 10(f).

A procedure is set out for calculating 911 tax when the 911 wireless service is sold in a package for a single price. New Sec. 10(g).

HOUSE ENERGY AND UTILITIES

DATE: 3/14/2011

ATTACHMENT 6-1

Comparison of 911 Provisions: Current Law and Proposed Legislation

Current Law <i>THROUGH</i> 6/30/11	Current Law <i>EFFECTIVE</i> 7/1/11	Substitute for Senate Bill 50
Collection of Fees		
Landline, Wireless, VoIP	Landline, Wireless, VoIP	Landline, Wireless, VoIP, or Other Service Capable of Contacting a PSAP
Every billed service user is liable for 911 fees until paid to the provider. 12-5302(e), 12-5331(a), 12-5357(a)	Same	Same. New Sec. 9(a)
The provider has no obligation to take legal action to enforce collection of 911 fees. 12-5302(g), 12-5331(c), 12-5357(c)	Same	Same. New Sec. 9(c).
911 fees are collected by the parovider at the same time as charges for service. 12-5302(h), 12-5331(d), 12-5357(d)	Same	Same. New Sec. 9(d)
Prepaid Wireless	Prepaid Wireless	Prepaid Wireless
Not specified.	Same	The fee is collected by the seller from the consumer for each retail sale in Kansas. New Sec. 10(b)
Remittance of Fees		
Landline		Landline, Wireless, VoIP, Other Service Capable of Contacting a PSAP
Taxes collected are due quarterly . Amounts collected in a quarter must be remitted to the county/city within 60 days of the end of the calendar quarter, along with a return. The service supplier must keep records of collections for one year . 12-5303(a)	Same	Fees are due monthly . Amounts collected in one month must be remitted to the LCPA within 15 days of the end of the calendar month, along with a return. The service provider must keep records of collections for three years . New Sec. 9(e).
Wireless and VoIP		
E911 grant fees are due monthly . Amounts collected in one month must be remitted to the Sec. of Administration within 15 days of the end of the calendar month, along with a return. The service supplier must keep records of collections for three years . 12-5331(e), 12-5357(e)	NA	
E911 local fees are due monthly . Amounts collected in one month must be remitted to the LCPA within 15 days of the end of the month, with a return. The service supplier must keep records of collections for three years . 12-5331(f) 12-5357(f)	Same	

Comparison of 911 Provisions: Current Law and Proposed Legislation

Current Law *THROUGH* 6/30/11

Current Law *EFFECTIVE* 7/1/11

Substitute for Senate Bill 50

Remittance of Fees, continued

Prepaid Wireless

Enhanced 911 **grant fees** must be remitted to the **Secretary of Administration** by the **wholesaler within 15 days** of the end of the calendar month in which the service was sold by the wholesaler. 12-5331(g)

NA

Prepaid Wireless

Prepaid Wireless

The seller is required to remit to the Department of Revenue all prepaid wireless 911 fees collected from consumers. Remittance is by electronic filing consistent with provisions for remitting sales tax. New Sec. 11(a)

The fee imposed by this act shall be the only 911 funding obligation imposed on prepaid wireless service in Kansas. New Sec. 12(a).

The Department must transfer all remitted prepaid wireless 911 fees to the LCPA with 30 days of receipt. New Sec. 11(d).

Administrative Fees

Landline

The **service supplier** may retain a fee **equal to 2 percent**. 12-5303(b)

Same

Landline

Landline, Wireless, VoIP, Other Service Capable of Contacting a PSAP

Wireless and VoIP

The **LCPA** may retain a fee **not to exceed 2 percent** of 911 local fee moneys collected. 12-5331(h), 12-5357(g)

Same

Costs of administering the grant fund, including expenses of the advisory board and audits can be paid from money credited to the fund, **not to exceed 5 percent**. 12-5323(c)(1) The **Secretary of Administration** administers the grant fund.

NA

Expenses of the Coordinating Council are paid from the 911 State Grant Fund, **up to 2% of total receipts from providers and Dept. of Revenue** remitted to LCPA. Council may be reimbursed for meals and travel, but otherwise without compensation, except legislators. New Sec. 3(i).

Prepaid Wireless

NA

NA

Prepaid Wireless

Prepaid Wireless

In **FY 2012** only, the **Dept. of Revenue** may retain **\$70,000** for programming and other startup costs. New Sec. 11(e).

Comparison of 911 Provisions: Current Law and Proposed Legislation

17-6

Current Law <i>THROUGH</i> 6/30/11	Current Law <i>EFFECTIVE</i> 7/1/11	Substitute for Senate Bill 50
Funds Created		
Establishes the wireless enhanced 911 grant fund in the State Treasury. 12-5323(a)	NA	LCPA, upon advice and consent of the 911 Coordinating Council establishes the 911 State Fund and the 911 State Grant Fund, which are not part of the State Treasury. New Sec. 7(a).
		A 911 Federal Grant Fund and a 911 State Maintenance Fund are established in the State Treasury. New Sec. 5 (a)

Direct Distribution of Fee Proceeds to PSAPs																		
Landline		Landline, Wireless, VoIP, Other Service Capable of Contacting a PSAP																
Service provider must remit amounts collected in a quarter to the county or city within 60 days of the end of the quarter,with a return. 12-5303(a)	Same	LCPA must distribute fees to PSAPs within 30 days of receipt, based on county population and place of primary use as follow: New Sec. 13(a)																
Wireless and VoIP																		
LCPA must distribute local fee moneys, within 30 days of receipt, to PSAPs based on primary place of use. 12-5331(h), 12-5357(g) Fees whose source cannot be identified are to be distributed first to PSAPs that have not achieved Phase II status. 12-5331(h)	Same	<table><tr><td><u>County Population:</u></td><td><u>Receives:</u></td></tr><tr><td>greater than 80,000</td><td>82% of fees collected from its users;</td></tr><tr><td>65,000 - 79,999</td><td>85% of fees collected from its users;</td></tr><tr><td>55,000 - 64,999</td><td>88% of fees collected from its users;</td></tr><tr><td>45,000 - 54,999</td><td>91% of fees collected from its users;</td></tr><tr><td>35,000 - 44,999</td><td>94% of fees collected from its users;</td></tr><tr><td>25,000 - 34,999</td><td>97% of fees collected from its users; and</td></tr><tr><td>less than 25,000</td><td>100% of fees collected from its users.</td></tr></table>	<u>County Population:</u>	<u>Receives:</u>	greater than 80,000	82% of fees collected from its users;	65,000 - 79,999	85% of fees collected from its users;	55,000 - 64,999	88% of fees collected from its users;	45,000 - 54,999	91% of fees collected from its users;	35,000 - 44,999	94% of fees collected from its users;	25,000 - 34,999	97% of fees collected from its users; and	less than 25,000	100% of fees collected from its users.
<u>County Population:</u>	<u>Receives:</u>																	
greater than 80,000	82% of fees collected from its users;																	
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55,000 - 64,999	88% of fees collected from its users;																	
45,000 - 54,999	91% of fees collected from its users;																	
35,000 - 44,999	94% of fees collected from its users;																	
25,000 - 34,999	97% of fees collected from its users; and																	
less than 25,000	100% of fees collected from its users.																	
		An annual minimum distribution of \$50,000 per county is established and provisions are made for proportionally dividing minimum distribution between PSAPs if the county has more than one PSAP. New Sec. 13(a).																

Comparison of 911 Provisions: Current Law and Proposed Legislation

5-9

Current Law *THROUGH* 6/30/11

Current Law *EFFECTIVE* 7/1/11

Substitute for Senate Bill 50

Allowable Use of Fee Proceeds		
Landline		Landline, Wireless, VoIP, Other Service Capable of Contacting a PSAP
Fee moneys can be spent solely on the following: 12-5304(b)	Same	Fee moneys can be used only for necessary and reasonable costs incurred by PSAPs for the following : New Sec. 14(a)
Monthly recurring charges billed by the service supplier for the emergency telephone service.	Same	Monthly recurring charges billed by service suppliers
Initial installation, service establishment, and non-recurring charges billed by the service supplier for the emergency telephone service	Same	Installation, service establishment, and nonrecurring start-up charges billed by service suppliers;
Charges for capital improvements and equipment or other physical enhancements to the emergency telephone system.	Same	Charges for capital improvements and equipment or other physical enhancements to the 911 system;
Acquisition and installation of road signs designed to aid in the delivery of emergency service.	Same	The original acquisition and installation of road signs designed to aid in delivery of emergency service;
Costs shall not include purchase of subscriber radio equipment.	Same	Costs shall not include purchase of subscriber radio equipment.
Wireless and VoIP		
Fee moneys can be used only for necessary and reasonable costs incurred or to be incurred by PSAP's for: 12-5330(b)	Same	Implementation of 911 services;
Implementation of wireless or VoIP enhanced 911 service	Same	Purchase of 911 equipment and upgrades;
Purchase of equipment, upgrades and modification to equipment used solely to process the data elements of wireless and VoIP enhanced 911 service;	Same	Maintenance and license fees for 911 equipment;
Maintenance and license fees for such equipment and training of personnel to operate such equipment, including training to provide effective service to users who have communications disabilities;	Same	Training of personnel;
Costs shall not include expenditures to lease, construct, expand, acquire, remodel, renovate, repair, furnish, or make improvements to buildings or similar facilities.	Same	Costs shall not include expenditures to lease, construct, expand, acquire, remodel, renovate, repair, furnish, or make improvements to buildings or similar facilities

Comparison of 911 Provisions: Current Law and Proposed Legislation

Current Law <i>THROUGH</i> 6/30/11	Current Law <i>EFFECTIVE</i> 7/1/11	Substitute for Senate Bill 50
State Grant Eligibility and Allowable Uses of Grant Moneys		
Wireless and VoIP	NA	Landline, Wireless, VoIP, Other Service Capable of Contacting a PSAP
A county with a population less than 75,000 or a city in such county (or any two or more such counties or cities) are eligible for a wireless enhanced state grant. 12-5322(e)		The 911 Coordinating Council shall develop criteria for grant applicants. New Sec. 7(c)
Same as use of fee proceeds for wireless and VoIP 12-5323(c)		Grant moneys (incl. earned interest) may be used for:
Pay costs of administering the grant fund, including actual and necessary expenses of the advisory board and cost of audits, but aggregate costs cannot exceed 5 percent. 12-5323(c)		Projects involving development and implementation of NG911;
		Costs associated with PSAP consolidation or cost-sharing project;
		Expenses related to the coordinating council;
		Costs of audits; and
		Same as allowable uses for 911 fee proceeds. New Sec. 7(b).
Role of Advisory Board/Coordinating Council		
Wireless and VoIP	NA	Landline, Wireless, VoIP, Other Service Capable of Contacting a PSAP
Creates the wireless enhanced 911 advisory board, with the following charges: 12-5326, 12-5327		Creates the 911 Coordinating Council, with the following charges: New Sec. 3(a)
Work with the Sec. of Administration to prepare an annual plan identifying intended uses of the grant money, including a project priority list, goals for deploying wireless enhanced 911, provisions for addressing the needs of persons with communications disabilities, information on projects financed, and criteria for providing grants.		Monitor delivery of 911 services, develop strategies for 911 system future enhancements, and distribute grant funds to PSAPs. New Sec. 3(a)(1). May appoint subcommittees to administer grants, oversee collection/ distribution of money, develop tech. standards, training recs and others as needed. New Sec. 3(g) Make an annual report to the Legislature's utilities committees, with detailed PSAP spending. New Sec. 3(p)
Make recommendations to the Sec. of Administration on grants to be awarded.		Select the LCPA to collect/distribute 911 fees to PSAPs, distribute 911 State Grants as directed by the Council. Set compensation for LCPA. New Sec. 3(d). Limited to 1-year contracts with LCPA, reviewed annually. New Sec. 6
		Reimburse indep. contractors or state agencies for expenses incurred in assisting the Council. New Sec. 3(h)

Comparison of 911 Provisions: Current Law and Proposed Legislation

Current Law *THROUGH* 6/30/11

Current Law *EFFECTIVE* 7/1/11

Substitute for Senate Bill 50

Makeup of Advisory Body/Coordinating Council

Wireless Enhanced 911 Advisory Board

The Advisory Board is made up of nine members, all appointed by the Governor. It does not include legislators. Members are to be familiar with development and implementation of wireless enhanced 911 service. **12-5326, 12-5327**

Governor's appointees include:

- 1 representing PSAPs, population less than 15,000
- 1 representing PSAPs, population more than 15,000

- 1 representing local law enforcement
- 1 representing KS. Highway Patrol
- 1 representing local fire/EMS

- 1 representing local exchange providers
- 1 representing wireless telecom. providers
- 1 representing League of KS Municipalities
- 1 representing KS Association of Counties

NA

911 Coordinating Council

The Council is made up of 16 voting members (12 apptd. by Gov., 4 apptd. by legis. leadership) and 10 non-voting members (apptd. by Gov.). As possible, should include persons with technical expertise re:911 systems, internet technology & GIS technology. New Sec. 3(a)(2-4).

Governor's appointees to voting positions shall include:

- 2 representing PSAPs in counties with < 75,0000 population;
- 2 representing PSAPs in counties with > 75,0000 population; and
- 1 representing PSAPs without regard to size.
- 1 representing a law enforcement officer;
- 1 representing a fire chief;
- 1 recommended by the Adjutant General;
- 1 recommended by the KS Emergency Medical Services Board;
- 1 recommended by the KS Comm. for Deaf and Hard of Hearing;
- 2 representing IT personnel from government units;

Legislative appointees to voting positions shall include:

- 2 Representatives, one appointed by Speaker, one by Minority Leader;
- 2 Senators, one appointed by President, one by Minority Leader

Governor's appointees to non-voting positions shall include:

- 1 representing rural telecomm., rec. by KS rural indep. Telcos
- 1 representing ILECs with > 50,000 access lines
- 1 representing large wireless providers
- 1 representing VoIP providers
- 1 recommended by League of KS Municipalities
- 1 recommended by KS Assn. of Counties
- 1 recommended by KS GIS Policy Board
- 1 recommended by KAN-ED
- 1 recommended by DISC
- 1 recommended by Mid-America Regional Council (a KS resident)

Governor selects Chairperson. New Sec 3(c)(1)

Voting members are limited to two 3-year terms. New Sec 3(b)

Comparison of 911 Provisions: Current Law and Proposed Legislation

8-9

Current Law <i>THROUGH</i> 6/30/11	Current Law <i>EFFECTIVE</i> 7/1/11	Substitute for Senate Bill 50
Funding for the Advisory Board/Coordinating Council		
Wireless Enhanced 911 Advisory Board Costs of administering the grant fund, including actual and necessary expenses of the advisory board are paid from the grant fund. Aggregate costs cannot exceed 5 percent of the moneys credited to the grant fund. 12-5323(c)	NA	911 Coordinating Council All expenses related to the Council are paid from the 911 state grant fund, not to exceed 2% of the total receipts from providers and the Dept. of Revenue. Council members may be reimbursed for meals and travel, but are otherwise without compensation, except legislative members. New Sec. 3(i)
Staffing		
Wireless Enhanced 911 Advisory Board The Secretary of Administration is charged with administration of the Act, including selection of grantees, with assistance and recommendations from the Advisory Board. 12-5325, 12-5327, 12-5328(b) The Secretary has entered into an MOA with the Governor's Grants Office to carry out the day-to-day duties of administering the grant program.		911 Coordinating Council The Kansas Association of Counties shall provide the Council with any staffing necessary in carrying out the business of the Council or carrying out the act. Upon approval by the Council, the KAC shall be reimbursed for costs incurred in assisting the Council. New Sec. 3(d) The Chairperson of the Council will be selected by the Governor. The Governor will determine the compensation for the Chair and the Chair shall serve at the pleasure of the Governor. The Chair's duties are set out below: New Sec. 3(c) Serve as coordinator of E-911 and NG-911 services in the state; Implement statewide 911 planning; Have authorization to sign federal grant certifications and administer federal grant- related funds; Serve subject to the direction of the Council and ensure the Council's policies are carried out; Serve as liaison between the Council and the LCPA; Preside over Council meetings and assist in carrying out the act.

Comparison of 911 Provisions: Current Law and Proposed Legislation

5-9

Current Law *THROUGH* 6/30/11

Current Law *EFFECTIVE* 7/1/11

Substitute for Senate Bill 50

Audits and Reviews

Landline

The governing body at its own expense may require an annual audit of the service supplier's books and records concerning collection and remittance of 911 tax. 12-5303(c)

Same

Landline, Wireless, VoIP, Other Service Capable of Contacting a PSAP

See below

Wireless and VoIP

In 2006 the Secretary shall require, and thereafter may require, audits of wireless carrier's books and records re: 911 fee at the Secretary's expense. 12-5332 Same for VoIP, but initial audit required in 2008.

Same

The LCPA may require an audit of any provider's books and records concerning collection and remittance of 911 fees. The audit cost is paid from the 911 State Grant Fund. New Sec. 16(b).

Receipts and disbursements of the LCPA shall be audited yearly by a CPA or a licensed municipal accountant. 12-5331(i), 12-5357(h)

Same

Same New Sec. 16(a)

Systemwide Legislative Post Audits

Legislative Post Audit to conduct audits of the 911 service system in 2006 (wireless) and in 2008 (wireline, wireless, VoIP) to determine:

Same

By 12/31/13, and every three years thereafter, Legislative Post Audit shall contract for an audit of the 911 system to determine the following: New Sec. 16(c)

- Whether PSAPs are using fee money appropriately;

Same

-Whether the amount of moneys collected is adequate; and

Same

-The status of 911 service implementation.

Same

2008 audit also to determine the need and level of continued funding for the 911 system. 12-5334

(Audit costs paid from Legislative Post Audit budget)

Audits costs are paid from the 911 State Grant Fund. New Sec. 16(c).

The 2008 audit was to be submitted to the Legislature at the start of the 2009 Session. 12-5334

Same

The Legislature shall review the act in the 2014 Session and every five years thereafter. New Sec. 16(d).

Comparison of 911 Provisions: Current Law and Proposed Legislation

6-10

Current Law <i>THROUGH</i> 6/30/11	Current Law <i>EFFECTIVE</i> 7/1/11	Substitute for Senate Bill 50
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Rules and Regulations

Wireless and VoIP		Landline, Wireless, VoIP, Other Service Capable of Contacting a PSAP
The Secretary of Administration is authorized to adopt rules and regulations necessary to effect the provisions of the act, including civil penalties. 12-5325	Same	<p>The Council is authorized to adopt rules and regulations to carry out the act, including creating a standard form for PSAPs to report 911 expenditures, requiring service providers to notify the Council, setting standards for coordinating and purchasing equipment, and assessing civil penalties. Rules and regulations necessary to begin administration of the act shall be adopted by December 31, 2011. New Sec. 3(e).</p> <p>Pursuant to rules and regs, raise/lower the 911 fee (not lower than \$0.50 nor higher than \$0.60) based on a finding that fees are above/below the cost to operate PSAPs in KS. New Sec. 3(f).</p>

Federal Grant

	<p>Establishes the 911 federal grant fund in the state treasury. New Sec. 4</p> <p>The Chair of the Council serves as administrator and distributes grants based on recommendations of the Council.</p> <p>Federal grant funds can be used to pay expenses in administering the fund and to provide grants to municipalities for the following:</p> <ul style="list-style-type: none">- implementation of E-911 and NG911 service;- purchase of equipment/upgrades/modification to equipment used solely to process the data elements of E911 and NG911;- maintenance and license fees for such equipment and training of staff to soperatte such equipment.- same prohibitions on using funds to lease , construct, etc buildings <p>911 State maintenance fund is set up with parallel structure and rules to hold non-federal moneys received in support of the grant. New Sec. 5</p>
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Comparison of 911 Provisions: Current Law and Proposed Legislation

11-9

Current Law *THROUGH* 6/30/11

Current Law *EFFECTIVE* 7/1/11

Substitute for Senate Bill 50

Immunity

Landline

A public agency or a wireless carrier is not liable for damages resulting from the failure of a transmission. 12-5308

Landline, Wireless, VoIP, Other Service Capable of Contacting a PSAP

Wireless and VoIP

Except as provided by the KS Tort Claims Act, in contracting for and in providing enhanced 911 service, and except for failure to use ordinary care, or for intentional acts, the Secretary of Administration, local collection point administrator, each governing body, each public agency, each wireless carrier, and each VoIP provider shall not be liable for payment of damages resulting from the performance of installing, maintaining, or providing enhanced 911 service. 12-5333, 12-5359

Except as provided by the KS Tort Claims Act, and except for failure to use ordinary care, or for intentional acts, the LCPA and each provider, and their employees and agents, and each seller, and their employees and agents, shall not be liable for payment of damages resulting directly or indirectly from the total or partial failure of any transmission to an emergency communication service or for damages resulting from the performance of installing, maintaining, or providing 911 service. New Sec. 15(a)

Provider Cost Recovery

Wireless and VoIP

Providers are not limited from recovering directly from their customers costs associated with designing, developing, deploying and maintaining 911 service and its cost of collection and administration of the fees imposed by the act, whether costs are itemized on the customer's bill as a surcharge or by any other lawful method. . 12-5335, 12-5360

Landline, Wireless, VoIP, Other Service Capable of Contacting a PSAP

Same. New Sec. 17

Comparison of 911 Provisions: Current Law and Proposed Legislation

6-12

Current Law <i>THROUGH</i> 6/30/11	Current Law <i>EFFECTIVE</i> 7/1/11	Substitute for Senate Bill 50
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Dissolution of the Current Process

<p>On July 1 2011,the following happens: 12-5338, 12-5361</p> <ul style="list-style-type: none">- the wireless and VolP enhanced 911 grant fees are discontinued;- the advisory board is abolished; <p>- any unobligated balance of the wireless enhanced 911 grant fund is paid to the LCPA for distribution to PSAP's based on the population served by the PSAP; and</p> <p>- the wireless enhanced 911 grant fund is abolished.</p>	<p>NA</p>	<p>On January , 2012,the following happens: New Sec. 7(a), Sec. 21, Sec. 22</p> <ul style="list-style-type: none">- same- same;-the Secretary of Administratio shall certify all unobligated funds remaining in the wireless enhanced 911 grant fund as either federal grant moneys or 911 fee moneys. Moneys originating from fees, and accrued interest, shall be paid to the LCPA for deposit in the 911 state grant fund. Unobligated federal moneys, including interest, shall be transferred to the 911 federal grant fund; and- same.
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TESTIMONY OF THE KANSAS ASSOCIATION OF COUNTIES
TO THE HOUSE ENERGY AND UTILITIES COMMITTEE
MARCH 11, 2011



KANSAS
ASSOCIATION OF
COUNTIES

Mr. Chairman and Committee Members:

I appreciate the opportunity to appear in support of SB 50.

SB 50 was introduced in the Senate this year after the Kansas Association of Counties worked with Senate Utilities Chairman Pat Apple during the interim to resolve concerns that arose in the senate committee during last year's discussion on House Substitute for SB 48.

As you know, House Substitute for SB 48 was heard in 2010 and reflected a compromise reached between all the parties: cities, counties and telecommunications companies. The Senate Utilities Committee last year expressed concerns about the uses of the fees, the lifetime appointment of the Local Collection Point Administrator (LCPA), the need for a statewide coordinator, and whether the distribution formula funded PSAPs at the appropriate level.

We believe that SB 50 is a good compromise on the outstanding issues and ask that you support it. While we supported SB 48 last year as it left the House, we are willing to make concessions as outlined in SB 50 in order to move this legislation to a conclusion.

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 administered by the Governor's Grants Office. On July 1, 2011, 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 2011. The grant fee of \$.25 is eliminated and grants will no longer be available.

Purpose of SB 50

The KAC believes continued funding for 911 is a critical issue for public safety. The state 911 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.

The bill includes a distribution formula to disperse the fees to Public Safety Answering Points (PSAPs) based on an inverse relationship to population: smaller

DATE: 3/4/2011

ATTACHMENT 7-1

PSAPs get more money. The bill also includes a minimum distribution of \$50,000 to smaller populated areas to ensure they have an adequate base amount. This formula ensures that smaller rural PSAPs will get adequate funding and that Kansas will have consistent 911 services across the state.

The bill modifies the uses of the fees from the current law on uses. Although we would prefer a broad category of uses as found in current Kansas law or last year's House bill, we believe the specific listing of items in SB 50 will meet our needs.

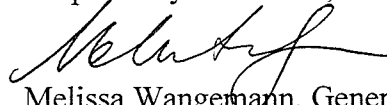
We support the new provision relating to prepaid phones, which moves the collection of the prepaid phone 911 fee to the retail point-of-sale. We believe it creates equity between prepaid phones and other traditional phones and will enhance the collection of 911 fees. We understand from the telecoms that it will reap \$1.5m in revenues for 911.

Most notable to my association, SB 50 no longer lists the Kansas Association of Counties and the League of Kansas Municipalities as the Local Collection Point Administrator (LCPA) -- the entity that collects the 911 fees and distributes them. KAC and LKM were assigned this duty to enable the telecommunications companies to send the 911 fees to a central location instead of all over the state to individual PSAPs. We believe we have done a good job in this role, but in an effort to pass this legislation for the benefit of public safety, KAC conceded this appointment in SB 50, which allows the Coordinating Council to select the LCPA and determine the LCPA's compensation.

SB 50, as introduced, set the fee at \$.55. The bill was amended by the senate committee to drop the fee to \$.50. As you will note from the distribution charts, several PSAPs lose annual revenues when the fee is set at \$.50. Notably, Leavenworth, Reno, Shawnee, and Sedgwick drop from their current levels of funding. We ask that the committee replace the \$.50 fee with the \$.55 fee to ensure that all PSAPS remain at their current levels of funding.

We ask that you support SB 50. Thank you for your consideration, and I am happy to answer any questions.

Respectfully Submitted,



Melissa Wangemann, General Counsel

House Sub for SB 48 911 Coordinating Council (2010)	SB 50 911 Coordinating Council (2011)
<p><u>Chief objective outlined in first sentence:</u> monitor the delivery of 911 services, develop strategies for future enhancements to the 911 system and distribute available grant funds to PSAPs. In as much as possible, the council shall include individuals with technical expertise regarding 911 systems, internet technology and GIS technology.</p>	<p><u>Chief objective outlined in first sentence:</u> Same.</p>
<p><u>Members:</u> 12 voting members appointed by the Governor.</p> <ul style="list-style-type: none"> • 2 representing wireless providers • 1 representing a local exchange provider recommended by KTIA • 1 representing a rural telecom recommended by Kansas rural independent telephone companies • 1 representing VoIP providers • 2 recommended by LKM • 2 recommended by KAC • 1 recommended by Commission for Deaf/Hard of Hearing • 1 recommended by EMS board • 1 recommended by Adj General • 2 members of House appointed by Speaker • 1 member of the House appointed by the Minority Leader • 2 members of the Senate appointed by the President • 1 member of the Senate appointed by the Senate Minority Leader 	<p><u>Members:</u> 12 voting members appointed by the Governor</p> <ul style="list-style-type: none"> • 2 representing gov't IT • 1 representing law enforcement • 1 representing a fire chief • 1 recommended by the Adj General • 1 recommended by EMS Board • 1 recommended by Commission on Deaf/Hard of Hearing • 2 representing PSAPs in counties < 75,000 • 2 representing PSAPS in counties > 75,000 • 1 representing PSAPs without regard to size • 1 member of the House appointed by the Speaker • 1 member of the House appointed by the Minority Leader • 1 member of the Senate appointed by the President • 1 member of the Senate appointed by the Minority Leader

HOUSE ENERGY AND UTILITIES

DATE: 3/14/2011

ATTACHMENT 8-1

	<p><u>Nonvoting Members appointed by Governor:</u></p> <ul style="list-style-type: none"> • 1 representing a rural telecommunications company recommended by the Kansas rural independent telephone companies • 1 member representing a local exchange carrier > 50,000 access lines • 1 representing a large wireless providers • 1 representing VoIP providers • 1 recommended by LKM • 1 recommended by KAC • 1 recommended by the geographic information system policy board • 1 recommended by KANED • 1 recommended by DISC • 1 recommended by MARC
<u>Term of Office:</u> 3 years	<u>Term of Office:</u> 3 years. Includes term limit of 2 appointments, and a provision for appointing replacement members.
<p><u>Chair:</u> Governor designates chair.</p> <p>Duties: Not outlined.</p>	<p><u>Chair:</u> Governor designates chair, who serves at his pleasure and receives compensation.</p> <p>Duties:</p> <ul style="list-style-type: none"> • Serves as coordinator and implementer • Has authority to sign all certifications for fed grants and state grants • Ensures that policies are carried out • Serves as liaison between council and LCPA • Presides over all meetings • Administrator of federal grant

	<ul style="list-style-type: none"> Assists council in effectuating act.
<u>Duties of Coordinating Council:</u> <ul style="list-style-type: none"> Adopts rules/regs necessary for effectuation of this act. Assesses penalties for violations. Develop criteria for grant applications and make final determination as to distribution of grants. 	<u>Duties of Coordinating Council:</u> <ul style="list-style-type: none"> Adopts rules/regs necessary for effectuation of this act. Assesses penalties for violations. Develop criteria for grant applications and make final determination as to distribution of grants. Shall promote procurement of equipment that meets open architecture and national technical standards. Selects the LCPA and determines LCPA's compensation. Contract no longer than one year, with annual review. Creates uniform form showing how PSAPs have spent their monies. Sets standards for purchasing and coordinating equipment. Recommends standards for training of PSAP personnel. Raises or lowers the fee based on information submitted on the forms. Appoints subcommittees as necessary to administer grants, oversee collection and distribution of monies, develop tech standards, develop training recommendations, and other issues as necessary. May reimburse contractors or state agencies for expenses in carrying out the business of the Council.
<u>Expenses:</u> Members may receive reimbursement for meals and travel, but shall	<u>Expenses:</u> The state 911 grant fund shall pay for all expenses, but no more than 2% of the

serve without compensation. All expenses shall be paid from the LCPA grant fund.	<p>total receipts may go to expenses.</p> <ul style="list-style-type: none"> • Members may receive reimbursement for meals and travel, but shall serve without compensation, except for legislative members. • KAC shall be reimbursed for providing staff support to the Council. • Indept Contractors and state agencies receive expenses for carrying out business of the Council.
<u>Providers:</u> May be assessed civil penalties by order of the Council. Penalty is subject to appeal in accordance with KAPA. Penalties are deposited to the LCPA Grant Fund. If provider working in good faith, no civil penalty before Jan 1, 2013.	<p><u>Providers:</u> May be assessed civil penalties. Penalties may be appealed to the Council, which may conduct a hearing in accordance with KAPA. Penalties are deposited to the LCPA Grant Fund. If provider working in good faith, no civil penalty before Jan 1, 2013.</p> <p>New providers must submit contact information to the Council.</p>
	<u>PSAPs:</u> Must provide a report by March 1, 2012 demonstrating how the PSAP spent the 911 fees. Council determines the content and form of the report.
<u>Staff Support to Council:</u> LCPA provides staff support.	<u>Staff Support to Council:</u> KAC provides staff support.
	<u>Annual Report to Legislature:</u> The Council shall make an annual report to the House Committee and the Senate Committee.

2010 E911 GRANT AWARDS

County	Organization Name	Grant Award
Allen	Allen County Emergency Communications	\$105,056
Anderson	Anderson County PSAP	\$59,114
Atchison	Atchison County Communications Center	\$254,558
Barton	Barton County Communications	\$387,481
Bourbon	Fort Scott Police Department	\$50,709
Brown	Brown County Sheriff Office	\$164,453
Butler	Andover Police Department	\$17,173
Butler	Augusta Department of Safety	\$92,266
Butler	Butler County Emergency Communications	\$118,050
Chase	Chase County Sheriff's Department	\$75,712
Chautauqua	Chautauqua County Sheriff Department	\$141,502
Cherokee	Cherokee County Sheriff's Office	\$152,720
Cheyenne	Cheyenne County	\$100,112
Clark	Clark County Sheriff's Department	\$38,748
Clay	Clay County Sheriff's Department	\$175,562
Comanche	Comanche County Sheriff's Office	\$162,284
Decatur	Decatur Co Emergency Communications	\$14,315
Dickinson	Dickinson Co Emergency Communications	\$96,113
Doniphan	Doniphan County Sheriff's Office	\$63,842
Elk	Elk County Sheriff's Department	\$17,448
Ellis	Ellis County PSAP	\$225,913
Ellsworth	Ellsworth County	\$67,939
Finney	Garden City Police Department	\$81,050
Geary	Junction City Police Department	\$98,584
Graham	Graham County Sheriff Office	\$19,272
Grant	Grant County	\$30,833
Gray	Gray County	\$219,532
Greeley	Greeley County Sheriff Office	\$146,086
Greenwood	Greenwood County Emergency 911	\$51,289
Hamilton	Hamilton County Sheriff's Office	\$66,320
Haskell	Haskell County Sheriff's Office	\$84,180
Hodgeman	Hodgeman County Sheriff's Office	\$14,309
Jefferson	Jefferson County 911 Communications	\$30,664
Jewell	Jewell County	\$45,307
Kearny	Kearny County Sheriff's Department	\$17,194
Kingman	Kingman County 911	\$11,850
Kiowa	Kiowa County Sheriff	\$80,792
Labette	Labette County Emergency Communications	\$80,434
Lincoln	Lincoln County	\$62,155

Linn	Linn County	\$110,844
Logan-Gove	Logan - Gove County Emergency 911	\$144,790
Marshall	Marshall County Sheriff Department	\$46,388
McPherson	McPherson County Communications 911	\$185,848
Meade	Meade County Sheriff's Office	\$35,773
Miami	Miami County Sheriff's Office	\$21,521
Mitchell	Mitchell County Communications Center	\$176,384
Montgomery	Independence Police Department	\$167,610
Morris	Morris County Sheriff's Department	\$91,000
Morton	Morton County Clerk	\$21,438
Nemaha	Nemaha County Sheriff Department	\$211,591
Neosho	Neosho County Sheriff's Department	\$33,097
Ness	Ness County Sheriff's Office	\$45,626
Norton	Norton County	\$144,384
Osage	Osage County Sheriff's Office	\$104,704
Osborne	Osborne County Sheriff's Office	\$80,261
Ottawa	Ottawa County 911	\$210,737
Pawnee	City of Larned	\$33,945
Pottawatomie	Pottawatomie County Sheriff's Department	\$103,780
Rawlins	Rawlins County	\$81,644
Reno	Reno County/Hutchinson 911	\$185,112
Republic	Republic County Communication Center	\$56,733
Riley	Riley County E911	\$88,115
Rush	Rush County Sheriff's Department	\$105,283
Saline	Salina/Saline County 911 Board	\$255,544
Sheridan	Sheridan County	\$6,400
Sherman	Sherman County Communications	\$206,446
Smith	Smith County Communications	\$36,532
Stafford	Stafford County Sheriff Department	\$152,549
Stanton	Stanton County Sheriff's Department	\$34,597
Thomas	Thomas County Law Enforcement Center	\$235,316
Trego	Trego County Communications	\$95,441
Wabaunsee	Wabaunsee County Sheriff's Office	\$55,444
Wallace	Wallace County Sheriff's Office	\$155,408
Washington	Washington County 911 Communications	\$77,431
Wilson	Wilson County	\$57,667

Dina Fisk

Fisk Consulting
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**House Energy and Utilities Committee
Support of SB50**

March 11, 2011

Mr. Chairman and Members of the Committee,

My name is Dina Fisk and I represent Verizon Wireless. I appreciate the opportunity to speak in support of SB 50.

SB 50 establishes a uniform fee that will be paid by all users of telecommunications, whether they are landline, wireless, or VoIP. Initially, the bill was introduced with a 911 fee in the amount of 55-cents, which provided sufficient funding for various entities to retain an administrative fee, including 2% for providers for the collection and geo-coding of 911 fees that is required to be remitted to the Local Collection Point Administrator (LCPA) so they can distribute the fees to the appropriate PSAP's. However, the committee removed all administrative fees, including the 2% for providers, and reduced the 911 fee down to 50-cents.

SB 50 also provides a critical change that requires prepaid wireless users to pay a 911 fee that would be collected by retailers at the point of sale. Landline and wireless postpaid customers receive monthly service bills and pay monthly 911 fees that are charged to their bills. For prepaid wireless users, there is no monthly service bill upon which to charge them a 911 fee. Therefore, the change for collection of prepaid wireless 911 fees by retailers at the point of sale provides a fair and efficient process for all users to support the 911 system.

Under current law, it is the duty of each wholesaler of prepaid wireless service to remit 1% of the retail price of any prepaid wireless sold in the state, but therein lies the problem -- prepaid wireless providers do not generally know the identity or location of their prepaid wireless customers, since 80% of prepaid wireless service is sold to customers by a vendor that's unrelated to the service provider. If service providers don't know for certain where a particular customer's prepaid wireless service should be sourced (inside Kansas, or sourced to another state), and don't know the retail price charged for that service, compliance for the prepaid wireless industry is uneven. Regarding the prepaid wireless service providers that do their best to remit the correct amount of monthly 911 fees, they are paying

such fees “out-of-pocket”. The result is two-fold: 1) “post-paid” customers are paying a 911 fee and “prepaid wireless” customers are not, and 2) as a result we estimate a 911-revenue loss to Kansas of more than \$1 million per year.

When the current law was first put in place, nobody really envisioned prepaid wireless taking off to the extent that it's taken off. Once you have a market share as big as it is now, and growing, you realize it's inherently unfair to customers, your constituents, who have landlines and regular wireless accounts. The 911 emergency system is a service for everybody, so everybody should pay in.

Points of emphasis: Twenty percent (20%) of wireless users prepay for their calls. Eighty percent (80%) of prepaid wireless service is sold through 3rd party retailers where the prepaid wireless carrier has no control of the ultimate retail price, has no accurate information on the customer's identity or location, and doesn't have a billing relationship with the customer to facilitate 911 fee collection and remittance. *(For a better understanding of how the 80% of prepaid wireless service is typically sold to Verizon Wireless customers, please see the illustration attached to the testimony.)* Kansas would benefit from following the lead of 13 other states by modernizing their 911 statutes through the adoption of a prepaid wireless “point-of-sale” approach.

“Point-of-Sale” Method. Retailers in Kansas would become responsible for collecting a 911 fee whenever a customer purchases prepaid wireless service. 911 collections would occur in a “direct” transaction with the customer at the time that “prepaid wireless service is sold”. Customers who purchase prepaid wireless services will have the 911 fee added to their purchase price and will pay it to the seller at the “point-of-sale”, just as they pay sales tax to sellers today. Retailers will program the 911 charge into their “point-of-sale” systems so that the fee will automatically be added to the customer's receipt. The change to the retailers' software is no different from what the prepaid wireless carriers must undertake before they sell future prepaid wireless service directly from their own Kansas retail store locations.

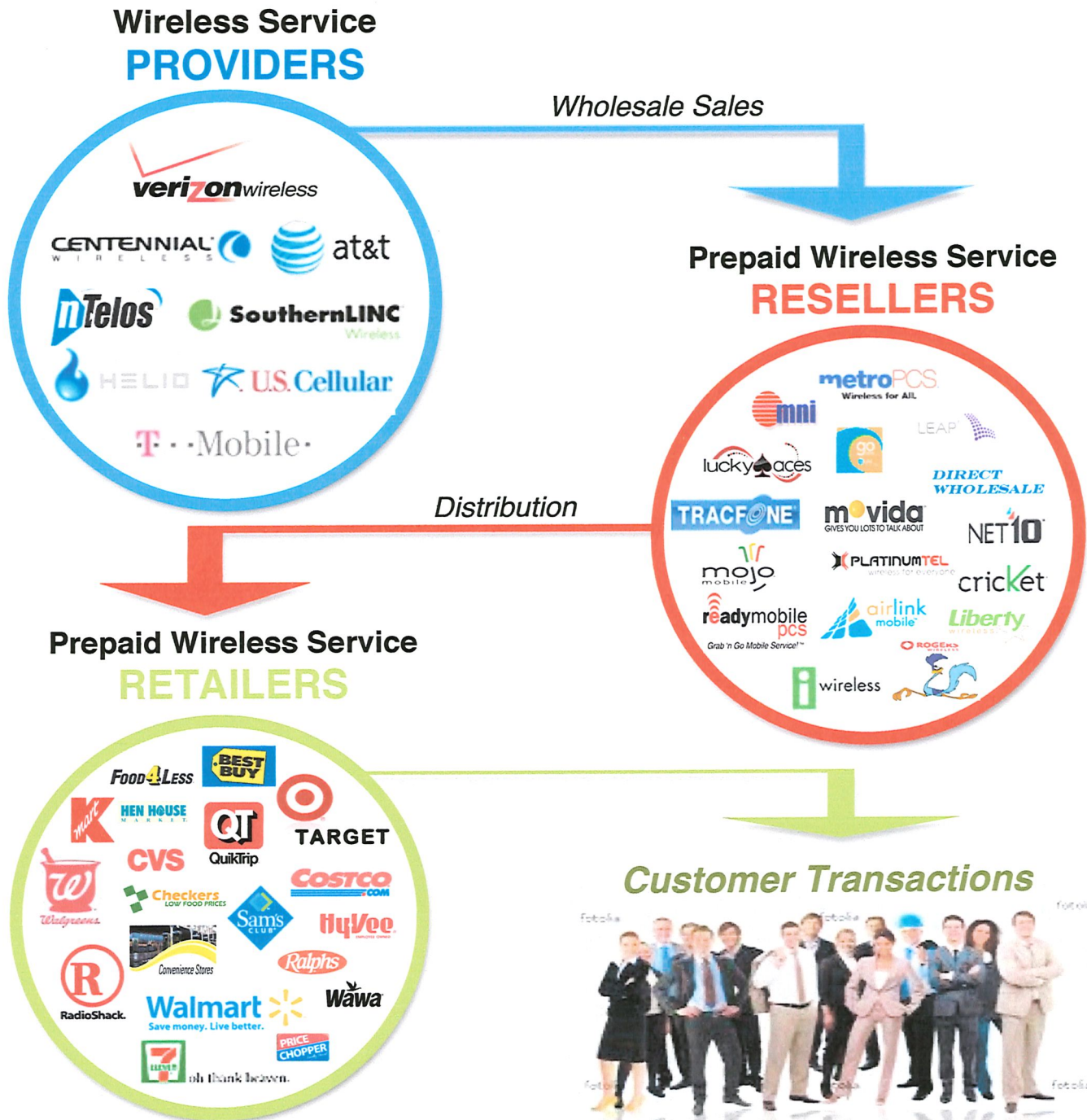
The benefits of adopting this “point-of sale” approach are evident: (1) prepaid wireless service users would pay a 911 fee to support emergency systems, just as postpaid wireless and landline customers currently pay; (2) certain, stable and predictable E911 revenues will flow from prepaid wireless services; (3) a fair and equitable 911 collection system will exist – all Kansans contribute to 911 funding, irrespective of when they pay for their telecomm service, (4) transparency – all telecomm service users will understand they are paying a 911 fee to support emergency

communications services, and (5) Kansas would benefit from an estimated \$1.3 million per year to better fund such critical emergency services.

Verizon supports this bill because it improves the collection process for prepaid wireless, all telecom users contribute to 911 funding, and it increases funding for the state's 911 system. I ask for your support of SB 50. I stand to answer any questions.

Thank you.

80% of Prepaid Wireless Transactions follow THIS market process



Providers have NO interaction with customers and NO opportunity to collect E-911 Taxes.

Dina Fisk
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(913) 269-6915



**Response to House Energy and Utilities Committee
911 Fees - Collection and Geo-Coding**

March 14, 2011

Mr. Chairman and Members of the Committee,

My name is Dina Fisk and I represent Verizon Wireless.

In response to questions asked by committee members after last Thursday's 911 presentation, Verizon Wireless provides the following information regarding 911 fee collection and customer geo-coding processes.

First, the federal mobile telecomm-sourcing act (P.L. 106-252) provides that each customer's "place of primary use" governs which local taxing jurisdiction has authority to impose a 911 fee on that customer. To comply with this federal law, carriers must acquire "place of primary use" data from each wireless customer. Federal law provides that a customer's "place of primary use" location, or "PPU", has to be one of two addresses: either the customer's residential street address, or his/her primary business street address, whichever location the customer uses his/her wireless phone the most. These addresses are input into Verizon Wireless' customer billing system.

Commercial software is used to "scrub" addresses to ensure they are valid. This software is purchased by the carrier from a third-party and must be integrated by the carrier into its billing system.

Commercial software is also used to assign scrubbed addresses to state and local tax jurisdictions. These assignments are based on data from the United States Postal Service and other sources. This software must also be purchased from a third party and integrated by the carrier into its billing system. This address assignment software is updated several times each year. Updates are needed to handle boundary changes and to fix known errors.

HOUSE ENERGY AND UTILITIES

DATE: 3/14/2011

ATTACHMENT 11-1

Carriers are actively involved in the process of error correction. When errors are discovered or brought to the carrier's attention by customers or others, the carrier can override the assignments made by the software until the software is updated to incorporate the error fix.

The carrier also integrates other commercial software into the customer billing system to make any necessary tax determinations based on the unique aspects of local tax law.

There are additional costs associated with collecting and remitting the correct amount of 911 fees and accurately reporting each PSAP's share of total 911 revenue to the LCPA each month. These expenses include 911 tax return preparation, 911 tax remittance processing, postage expense and 911 audit management. Lastly, the carrier must train customer care representatives to competently respond to customer inquiries related to 911 tax administration.

Thank you, and I stand for questions.



JOHNSON COUNTY, KANSAS Emergency Communications

www.jcoks911.org • 11880 S. Sunset Drive, Olathe, KS 66061

TESTIMONY TO THE HOUSE ENERGY AND UTILITIES COMMITTEE ON SUBSTITUTE FOR SENATE BILL No. 50 March 11, 2011

Chairman Holmes and Members of the Committee:

I represent Johnson County Government and the Kansas City Regional E911 System that serves Johnson, Miami, Wyandotte and Leavenworth Counties as well as five Missouri metropolitan area Counties. I am providing testimony in support of Substitute for SB 50.

This Committee has been presented with extensive information during the past two legislative sessions about the significant functional limitations of the existing 1970's era technology 911 systems in Kansas and of the pressing need to upgrade 911 systems across the state to digital based Next Generation 911 (NG911) capabilities. Kansas citizens routinely use digital based wireless and VoIP communications to talk, exchange information and photos, and to send text messages to family, businesses and friends, and they have the expectation that 911 Public Safety Answering Points (PSAPs) can fully receive their digital communications when they are requesting an emergency response.

NG911 service in Kansas will enable PSAPs to receive, process and transmit digital voice, text messages, photos, video and other data sent from citizens and from automatic crash notification systems in vehicles. The ability of PSAPs to receive all of this information will greatly enhance the effectiveness of law enforcement, fire and emergency medical responders in all Kansas communities. For example, a PSAP could receive a text message from a hearing impaired individual and more promptly respond to their request for service, or a 911 dispatcher could directly receive a cell phone photo of a missing child or of a robbery suspect and directly transmit that image to law enforcement officers in multiple jurisdictions.

The US Department of Justice issued a *Notice of Proposed Rulemaking on Accessibility of Next Generation 9-1-1* in August 2010 that seeks comments on the standards for direct and equal access to 911 for persons with disabilities. The Department of Justice stated that it is considering a revision of Americans with Disabilities Act (ADA) requirements to ensure that 911 centers can communicate with such persons who are using digital devices and the Internet to request emergency services.

The Federal Communications Commission (FCC) issued a *Notice of Inquiry* in December 2010 in response to a recommendation in the National Broadband Plan to develop a better understanding of the gap in capabilities of Next Generation 911, Internet-Protocol (IP) based networks and technologies with today's existing legacy analog 911 system. The objective of the FCC proceeding is to determine how to build NG911 service in the United States in order to further public safety and homeland security.

HOUSE ENERGY AND UTILITIES

DATE: 3/14/2011

ATTACHMENT 12-1

Both of the above federal government actions are in response to citizen and public safety demands to modernize our 911 systems to communicate effectively with all citizens. Kansas PSAPs want to meet these new expectations and will need sufficient funding for their existing legacy 911 systems and for implementation of NG911 service. PSAPs will also need technical support to assist them in building a shared, secure NG911 network that will interconnect those 911 centers and that will provide opportunities to share expensive infrastructure and equipment as well as to assist each other in emergencies. It should also be emphasized that NG911 systems must include the radio and data communications networks and enabling equipment required to transmit 911 call information between PSAPs and emergency responders.

On July 1, 2011, the existing 1% wireless enhanced 911 grant fee on prepaid wireless telephone service will expire, and the estimated 18% of Kansas wireless telephone subscribers who have selected prepaid service will no longer pay a 911 fee in support of the 911 systems in Kansas. Also occurring on July 1st, the Wireless and VoIP enhanced 911 grant fees will expire and no further funding will be contributed to state wireless 911 grant fund which will cease to exist. A third funding change is that the 911 surcharge on wireline telephone service will be reduced from \$.75/month to no more than \$.50/month for counties under 125,000 population and to no more than \$.25/month for counties over 125,000 population. Wireless 911 fees in those counties will be the same amount as the authorized wireline 911 fees.

All of the above changes in 911 funding authority are of concern to most PSAPs in Kansas. Aside from the loss of grant funding, most counties will be seriously challenged to fund both NG911 implementation and ongoing E911 system costs that include updating of digital maps required to locate wireless callers, replacement of 911 and other equipment in their PSAPs before such equipment fails from prolonged, 24 hour/day use, and maintenance to Computer Aided Dispatch systems and communications infrastructures required to effectively manage call volumes and deliver 911 call information to responders.

Under existing law, the urban counties will experience a significant reduction of 911 funding this July and 911 revenues for smaller population counties will be insufficient in many cases to meet their reoccurring costs for 911 circuits and equipment. Under the pending bill, those counties will receive a \$50,000 minimum per year to fund reoccurring and equipment costs in their PSAPs.

Substitute for SB 50 provides for an equitable 911 fee of \$.50/month for wireline, wireless and VoIP telephone service and for a 1% fee on prepaid wireless telephone service that will ensure that all persons using the 911 system contribute toward its financial support. The \$.50 monthly fee is projected to generate less statewide revenue than the \$21,543,366 generated in 2009. I would propose amending this bill to reestablish the \$.55 fee to maintain statewide 911 revenues closer to current levels and to eliminate the provision in New Sec. 3 (p) that would require a detailed reporting of all expenditures by PSAPs, which will create an unnecessary cost burden to PSAPs.

I would request your favorable consideration of this bill.

Walter Way, Director
Johnson County Communications Center



SEDGWICK COUNTY, KANSAS
DIVISION OF PUBLIC SAFETY

www.sedgwickcounty.org 714 N Main, Wichita, KS 67203

TESTIMONY TO THE HOUSE ENERGY AND UTILITIES COMMITTEE
ON
SUBSTITUTE BILL FOR SENATE BILL 50

Dear Chairman Holmes and Members of the Committee:

I represent Sedgwick County Government and our Emergency Communications Center. The Sedgwick County Emergency Communications Center is the single Public Safety Answering Point (PSAP) in Sedgwick County. If you dial 911 in Sedgwick County it goes to one place. Additionally, our center provides dispatch services to twenty six public safety agencies and by January 2012 that will grow to twenty nine agencies.

Sedgwick County Emergency Communications responded to over 440,000 emergency calls in 2010 made over 520,000 responder dispatches and answered 180,000 telephone queries from supported agencies and was involved in millions of radio transmissions. Emergency communications in Sedgwick County is a busy and technologically intensive operation.

As you know, in 2004 language which added a fee for wireless phones to the existing statutes for hardwire phone also contained a "sunset" clause which reset both the wired and wireless monthly fee to a uniform of \$0.25 per line in large counties (population of 125,000 or more) effective July 1, 2010 (extended one year pending new legislation). ***This will reduce our annual 911 fee revenue by nearly \$1,200,000.*** At the same time, there have been significant changes in technology, cost and need to sustain the level of service required in Sedgwick County and other jurisdictions providing enhanced 911 services.

Paying the "every day" bills, responding to technological obsolescence and looking to the future to embrace new and emerging ways in which citizens communicate will require sufficient and predictable funds. Absent sufficient 911 fees, the property taxpayer will undoubtedly bear the financial burden of these necessary projects and advances. We believe telephone fees are a much better and fairer solution to fund emergency communications.

What Sedgwick County desires?

Sedgwick County desires new legislation that provides and sustains approximately the same revenue stream that it currently receives. This will provide our community with the ability to deliver current service and meet future needs.

We support uniform fees for wire and wireless phone lines, and uniform uses of funds that ensure the tools and architecture to provide encompassing, effective emergency communications

HOUSE ENERGY AND UTILITIES

DATE: 3/14/2011

ATTACHMENT 13-1

Services are available now and into the future.

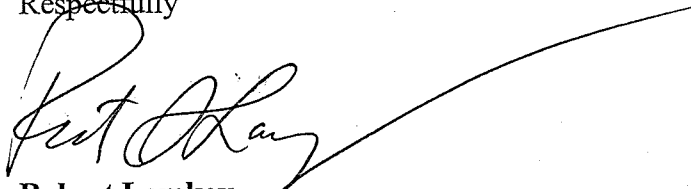
We support a nominal fee on prepaid phones to ensure all persons using the 911 system contribute toward its expense.

Sedgwick County supports a mechanism to assure the sustainment of E-911 and future deployment of Next Generation 911 for the benefit of all those who live, work and play in Kansas.

We believe that Substitute Bill for SB 50 in its current form substantially meets those desires and request your favorable consideration and advancement of this Bill

There does, however, seem to be a small disconnect in the Bill between paragraphs 4(k) and 4(p) that we would ask you to consider. Paragraph 4(k) requires PSAPS to file a report with the Coordinating Council demonstrating how 911 fees were spent by March 1, 2012. Paragraph 4(p) requires the Coordinating Council provide an annual report to this Committee and your Senate counterpart to include a detailed description of ***all expenditures*** of the PSAPs.—which would include general fund expenditures—like office supplies, janitorial services, personnel expenses etc. Is the administrative burden to gather and assemble all of that detailed information of value to you? If not, we would suggest you delete paragraph 4(p) and amend paragraph 4(k) to include an annual reporting requirement to the Coordinating Council on how 911 fees were spent. That information can be available to this body or another upon request.

Respectfully

A handwritten signature in black ink, appearing to read "Robert Lamkey", with a long, sweeping horizontal line extending to the right.

Robert Lamkey
Sedgwick County Director of Public Safety



**Testimony of John Miller, Norton County Commissioner
President of Kansas Legislative Policy Group
Before the House Committee on Energy and Utilities
RE: Senate Bill No. 50
March 11, 2011**

Dear Chairman Holmes and Members of the Committee:

The Kansas Legislative Policy Group (KLPG) is pleased to provide testimony in support of Senate Bill No. 50. KLPG is a bi-partisan, non-profit corporation comprised of elected commissioners from 30 western Kansas counties. We appreciate the opportunity to submit remarks on this issue, because our members recognize the great importance of providing effective emergency 911 services.

Emergency 911 service systems are a vital part of our state's ability to provide emergency assistance services and disaster preparedness responses. It is important that Kansas invest in and deploy statewide comprehensive emergency communications infrastructure and programs. Such infrastructure plans should include both universal and reliable communication networks (whether they be hardwired, wireless and internet based) and enhanced 911 services.

In order to deliver emergency responders quickly and effectively, Public Safety Answering Points (PSAPs) must upgrade their Emergency 911 equipment on a regular basis. Once a 911 system is installed and operational that is not the end of it, training, maintenance and enhancements are constantly needed for the equipment. This takes money and the Kansas 911 Act provides for the continuation of that valuable funding mechanism.

With the current advancements in technology, the emergency communication networks built years ago are becoming less efficient, less technologically advanced and, as a result, less able to provide the public the new technology 911 services. Improvements to the existing systems must be considered.

We know that in smaller communities the 911 equipment has been stretched to its limit and is in need of upgrade. These systems are now considered out-dated or have been discontinued by the manufacturer and are no longer supported. This obsolete equipment can create a serious problem, because should any part of the console fail, it couldn't be repaired and that console would be lost creating an unanticipated emergency expenditure.

HOUSE ENERGY AND UTILITIES

KANSAS LEGISLATIVE POLICY GROUP

DATE:

3/14/2011

ATTACHMENT

14-1

How do rural communities, with declining populations and reduced revenues, which won't allow them to absorb these costs, accomplish these needed upgrades without sacrificing the quality and coverage of the services? The primary resource is the 911 state grant fund and KLPG supports the continuation of the grant fund as proposed in Senate Bill No. 50. Although the legislation provides for an increase in the regular disbursements made to local PSAPs and a reduction in the size of the state grant fund, these disbursements may or may not be sufficient to cover the cost of new technology. The new technologies being developed are going to cost more money, without the 911 state grant funds the smaller communities may not be able to afford a system that provides reliable services. These PSAPs will now need to look at maximizing the performance of equipment and setting aside enough money for when that time comes to replace equipment. For those PSAPs without sufficient funding, the grant fund is an important tool in the development of a successful 911 system and we support the imposition of an assessment to prepaid wireless services to fund the grants.

KLPG would support an increase in the 911 fee, from \$0.50 to \$0.55, if that increase assists PSAPs in the coverage of operational expenses and the deployment of technology.

Senate Bill No. 50, as amended by the Senate Committee, also requires increased accountability and oversight and seeks to reduce administrative costs. PSAPs will be required to provide the 911 Coordinating Council more detail on their program expenditures. The reductions in administrative expense will have a positive effect on services and move more funding resources to the local PSAPs where it is needed.

While wireless access continues to increase and landline usage will decline, the uniform fee proposed in Senate Bill No. 50 for all methods of communication will insure a consistent flow of revenue to PSAPs and the state grant fund.

We encourage this Committee to favorably consider Senate Bill No. 50.

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

John Idoux
Kansas Governmental Affairs
john.idoux@centurylink.com



5454 W 110th Street
Overland Park, KS 66211
913-345-6692

Testimony in Support of Substitute for Senate Bill No. 50

**Testimony by CenturyLink
John Idoux, Kansas Governmental Affairs
Before the House Energy & Utilities Committee
March 14, 2011**

Thank you Chairman Holmes and members of the Committee. My name is John Idoux with CenturyLink's Governmental Affairs team and I appreciate this opportunity to express CenturyLink's support of Substitute for Senate Bill No. 50.

CenturyLink Introduction

CenturyLink has provided communications services in Kansas for over 110 years under various names and is the leading rural broadband and communications company serving predominantly rural markets in 33 states. CenturyLink serves over 84,000 rural Kansans in 119 communities including Junction City/Fort Riley, Gardner, Spring Hill, and 111 communities with less than 1000 residents. High speed Internet facilities have been deployed to all 119 Kansas communities and nearly 85% of CenturyLink's customers have access to high speed broadband with additional deployment planned. CenturyLink also provides wholesale transport services with more than 750 route miles of fiber optics in Kansas. In April 2010, CenturyLink announced plans to acquire Qwest and the transaction is anticipated to close April 1, 2011.

Bringing Parity to Surcharges

CenturyLink supports Substitute for Senate Bill No. 50 because this proposal ends the disparity in the E911 surcharge paid by wireline customers while providing the PSAPs with a funding level needed to sustain operations. Wireline customers currently pay a disproportionate monthly E911 surcharge even though wireless customers outnumber wireline customers nearly two to one. On the cost side, wireless subscribers cause a disproportionate cost for PSAPs as wireless customers place substantially more calls to PSAPs than wireline customers and wireless callers require additional technology to locate the subscriber. Substitute for Senate Bill 50 sets the E911 surcharge the same for all users.

HOUSE ENERGY AND UTILITIES

DATE: 3/14/2011

ATTACHMENT 15-1

Additional Benefits

Substitute for Senate Bill No. 50 also includes additional accountabilities by all parties involved in the collection and disbursement processes. Carriers, the centralized collection agency and PSAPs are all subject to reporting and review requirements. Finally, while Substitute for Senate Bill No. 50 does not include specific funding for next generation deployment, it does set forth a process to begin a comprehensive review of the future needs for Kansas regarding 911.

Conclusion

CenturyLink urges passage of Substitute for Senate Bill No. 50 because it benefits customers, carriers, and PSAPs in the following ways:

- A single, statewide E911 monthly surcharge of \$0.50 -- regardless of technology or location.
- A statewide collection process -- regardless of technology.
- Accountabilities at all levels including carriers, the centralized collection point, and PSAPs.
- The formation of a panel of experts to coordinate existing E911 services and begin laying the groundwork for the future of next generation E911 in Kansas.

Thank you for your consideration.



Chris Carroll
Director
External Affairs

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chris.carroll@att.com

**Testimony of Chris Carroll, Director of External Affairs – AT&T
Before the House Energy & Utilities Committee in Support of SB 50
March 11, 2011**

Chairman Holmes, and Members of the Committee,

My name is Chris Carroll, and I appreciate this opportunity to provide written testimony on behalf of AT&T in support of Senate Bill 50.

Senate Bill 50 contains changes in the funding of our 911 system in Kansas, as well as other modifications that will make the collection of 911 funds more efficient and equitable for all. Importantly, it provides a consistent and uniform fee that will be assessed to all users of telecommunications services, whether they are landline or wireless, or even newer technologies like Voice over Internet Protocol (VoIP).

Of significance to AT&T and the service provider Industry, SB 50 will, for the first time, impose a charge directly on the end users of "prepaid" wireless services. Mr. Chairman, at the end of 2010 there were 2.5M wireless phones in Kansas. Of these wireless phones, approximately 440,000 (nearly 18%) are "prepaid" devices. Customers of prepaid wireless service do not fund the 911 system like other telecommunications customers. Prepaid wireless is a "pay as you go" offering that satisfies a consumer demand growing by more than 15% annually. A combination of the weak economy and the rollout of competitively-priced prepaid unlimited monthly calling plans have led to this significant growth in the prepaid sector.

Prepaid customers can remain anonymous because they do not sign a contract or provide an address. For these customers, there is no deposit and no credit check, and no monthly bill. There is, in fact, no direct relationship with the wireless service provider. These users simply buy a bucket of minutes at the point-of-sale (POS) and when they run out of minutes, they can buy additional minutes from a retailer (cash or credit, and in any tax jurisdiction), from an Internet-based vendor, or through a toll free "800" number.

Traditionally, 911 fees have been assessed on the end user, with a requirement that the wireless provider bill the customer each month and remit the fees to the 911 agency. However, with over 80% of the purchases of prepaid wireless services occurring at retail stores unaffiliated with the wireless provider, there is no direct financial transaction with the end user and no way to collect the fee. The only time there is a financial transaction with the customer for prepaid services is at the point-of-sale. Collection of the fee at the wholesale level is not reasonable, because prepaid items are sold in bulk to national retailers who distribute them to retail stores across the country.

HOUSE ENERGY AND UTILITIES

DATE: 3/14/2011

ATTACHMENT 16-1

Without knowing where the cards will ultimately be sold, neither the wholesaler nor the wireless service provider has a precise way of determining the applicable 911 fee to charge on a wholesale transaction.

As mentioned earlier, the prepaid sector is growing rapidly, and it is important that an effective and efficient method to successfully collect 911 fees on prepaid services is implemented in Kansas. SB50 establishes a uniform collection mechanism that will help create a predictable and reliable source of revenue from prepaid wireless consumers that is projected to be more than \$1.3million per year to help support the state's Public Safety Answering Points (PSAP's).

AT&T supports this bill because it presents a balanced funding system for all telecommunications users, and improves the collection process for 911 fees in Kansas. It is time to update current statutes and provide a fair and efficient funding process for all who benefit from the 911 system.

I ask for your support of SB 50.

Thank You.

SB50 - A Proposed Solution Patterned After a National Model

Almost three years ago, the wireless industry approached some of our major national retail partners to develop a system that would allow 911 fees on prepaid wireless service to be collected from consumers at the point of sale. The key principles that governed these discussions were as follows:

- The fee must be transparent and disclosed to the purchaser
- The system should piggyback on existing sales and use tax collection methodologies in order to minimize retailer compliance costs
- The system should compensate retailers for compliance costs
- The system should treat all transactions the same, whether in person or remote transactions, and regardless of whether the sales are through a service provider or through a third party retailer
- The amount of the fee should reflect the fact that purchasers of prepaid wireless service tend to have lower incomes and generally spend less each month on their service

The prepaid wireless industry developed proposed model legislation that incorporates these principles. This model legislation was presented to the National Conference of State Legislatures' (NCSL) Task Force on Telecommunications and Electronic Commerce in January, 2009. The Task Force held two hearings and ultimately endorsed the model act, with minor amendments, in July, and again in January of 2010.

Thirteen states have already adopted the proposed prepaid wireless point of sale solution based upon the industry's model bill. We anticipate that at least half of the remaining states will consider the legislation in the current 2011 session.

SB50 incorporates the provisions of the NCSL-approved model act into the Kansas statutes. Key provisions include:

- A fee of 1.0% ¹per retail transaction collected by the retail seller and remitted to the Department of Revenue.
- The fee would apply to Kansas customers who buy from a retail store located in Kansas, from an Internet-based vendor, or through an "800" number.
- The fee would apply to both the initial purchase, as well as every "recharge" of additional minutes with prepaid phone cards.
- The fee would be administered by the Kansas Department of Revenue, and all collection, audit, remittance, and other procedures would mirror the sales tax (which already applies to prepaid at the point of sale).

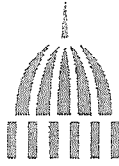
¹ The 1.0% fee is determined based on a 50 cent 911 fee for postpaid wireless and wireline subscribers. Prepaid usage averages \$27.50 per month compared to an average \$50 monthly postpaid bill. This equates to a 1.0% fee. If Kansas changes the 50 cent fee in the future, the percent applied to prepaid wireless service could also be changed commensurately.

Conclusion

It is estimated that 70-80% of all calls into the PSAP's originate from wireless phones. Collecting 911 fees from those that benefit by having access to 911 emergency services is critical to meeting public expectations for effective and accessible 911 emergency services. SB50 will ensure that all wireless phone users help to fund the 911 system. Emergency 911 fees from prepaid users is expected to generate an additional \$1.3M per year to help fund next generation 911 systems.

The wireless industry continues to make significant investments to make high quality wireless service available in Kansas. A very large amount of capital is also being invested to bring wireless broadband services to as many customers as possible. Implementing point of sale collection of 911 fees for prepaid wireless would provide more clarity and transparency for customers, increase the amount of 911 funds available to support 911 in all areas of the state, and increase the efficiency of wireless operations in Kansas.

Please support SB50.



NATIONAL CONFERENCE *of* STATE LEGISLATURES

The Forum for America's Ideas

NCSL RESOLUTION ON THE COLLECTION OF E911 FEES ON WIRELESS PREPAID SERVICE AT THE POINT-OF-SALE ACT

EXECUTIVE COMMITTEE TASK FORCE ON STATE & LOCAL TAXATION OF COMMUNICATIONS AND ELECTRONIC COMMERCE

WHEREAS, E9-1-1 fees have historically been collected from telecommunications users on their monthly bills and remitted to governments by telecommunications providers; and

WHEREAS, the lack of a billing relationship between the prepaid wireless user and the sellers and providers of prepaid wireless service means that the existing collection methodologies are not well suited to prepaid wireless, causing administrative and legal disputes that inhibit collection of E9-1-1 fees on prepaid wireless service; and

WHEREAS, the number of prepaid wireless users has grown from less than 6% of the wireless marketplace in 2003 to over 18% in 2009; and

WHEREAS, the growth in popularity of prepaid wireless service has led states to consider methods to impose E9-1-1 fees on prepaid wireless service; and

WHEREAS, prepaid wireless users benefit from the access to the 9-1-1 system and should therefore contribute proportionately to funding the 9-1-1 system; and

WHEREAS, the prepaid wireless industry has approached the states with model legislation to create a uniform collection methodology that would collect prepaid wireless E9-1-1 fees on end users at the retail point of sale; and

WHEREAS, the adoption of a uniform methodology for collecting E9-1-1 fees from prepaid wireless consumers would provide needed funding for E9-1-1 systems while minimizing administrative costs for states and providers of prepaid wireless service; and

WHEREAS, the adoption of variations of the model legislation by the states of Maine, Texas, Louisiana and Wisconsin in 2009 legislation demonstrates the need for the National Conference of State Legislatures to endorse a single model to encourage states to adopt an uniform approach; and

WHEREAS, consistent state action through enactment of a model legislation for the collection of E9-1-1 fees on prepaid will forestall federal government intrusion or preemption.

THEREFORE, LET IT BE RESOLVED, that the National Conference of State Legislatures endorses the point-of-sale model legislation, the "Prepaid Wireless Charge," and calls upon State legislatures to pass legislation that implements point-of-sale-collection of E911 fees.



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March 11, 2011

Testimony to the House Energy and Utilities Committee In Support of SB50 E911

Chairman Holmes and Committee Members,

The Kansas Association of Chiefs of Police, the Kansas Sheriffs Association, and the Kansas Peace Officers Association support SB50. As you know, the 911 systems in place today are quickly becoming yesterday's technology. Governments at all levels are challenged to provide the funding needed to support their services. PSAPs are no exception. The expectation from the public that 911 services can receive and respond to developing technologies continues to expand. However, the legacy 911 systems in place in nearly every Kansas county will require system upgrades to meet these demands. Many of these systems are in need of replacement due to aging technology no longer fully supported by the manufacturers. Such is the case that has been in the news in Shawnee County the past few weeks.

All Kansas PSAPs need the 911 funding source to maintain their current systems. The current funding levels will sunset July 1 if no legislative action is taken. Although a reduced level of funding would continue if that were to happen, the resulting level of funding will be inadequate to maintain the current systems. It will be the less populated counties in rural Kansas that will be most negatively affected if this happens. And there will be no funds to develop the future technology into our 911 systems. It is absolutely essential we pass 911 funding legislation this session. Ideally, that legislation will be something that will provide the funding mechanisms needed to not only maintain current systems but to also develop modern 911 technology. This is necessary to properly serve our citizens and to assure quick and accurate assignment of emergency personnel.

An important component of the funding is a fee on prepaid phones. These phones comprise a growing share of the cell phone market now approaching 20% of the market. Kansas continues to allow prepay phone users to not pay their fair share of the 911 funding. And unless new legislation is passed that will drop to no support July 1.

The management criteria proposed in this bill is, in our opinion, another critical factor in this legislation. 911 systems are operated by local governments primarily serving local government emergency responders. They are serving the needs of the people and those needs are best served when

HOUSE ENERGY AND UTILITIES

DATE: 3/14/2011

ATTACHMENT 17-1

the governments closest to the people, local governments, have proper control of those operations. Operational decisions need to remain local. Coordination, compatibility, and integration capabilities along with utilization of the state IP infrastructure throughout the state are the other side of this balance subject to an appropriate amount of state coordination. The system that is put in place must have these two needs balanced properly. Too much oversight will border on interference of local control, too little coordination will result in systems that do not communicate with each other and limit capabilities. Of course a fair amount of accountability that is not overly demanding of scarce resources are also important. We urge you to fully vet these provisions with those affected most by the decisions prior to making final decisions.

Not passing legislation in 2011 is not an option. Hopefully we can get past a minimal response of just extending current law once again which will only delay our ability to move forward. The funding mechanisms proposed in this bill appear adequate. The balance between local control of operations and state coordination appear acceptable.

We recommend the committee consider increasing the fee found on page 9, line 27 to \$.55. This would eliminate the loss of funds several counties are going to see under the Senate proposal.

We strongly urge you to recommend this bill favorably to the full House and to work with the Senate to assure a bill passes this year.

Ed Klumpp
Ks Association of Chiefs of Police – Legislative Committee Chair
Ks Sheriffs Association – Legislative Liaison
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Dale Goter
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TESTIMONY

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House Energy and Utilities Committee

Hearing on SB50

Friday, March 11, 9 a.m. RM 785D

Chairman Holmes and members of the House Energy and Utilities Committee:

The City of Wichita supports passage of SB50 as a means of preserving the vital 911 service that is essential to the public safety of our community.

More than 90 percent of 911 calls received by the Sedgwick County Emergency Communications come from the citizens of Wichita. Failure to preserve current 911 funding would place a heavier burden on local property tax payers, not only to maintain current services, but to plan and pay for future essential services.

The City of Wichita is supportive of the Sedgwick County legislative goals to maintain the current revenue stream, provide uniform fees for wired and wireless phone lines and a grant program to sustain E911 and future deployment of next generation 911 services.

The City of Wichita is also supportive of retaining the League of Kansas Municipalities as a primary administrative agent for the program.

HOUSE ENERGY AND UTILITIES

DATE: 3/14/2011

ATTACHMENT 18



ABOVE AND BEYOND. BY DESIGN.

8500 Santa Fe Drive
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Testimony before the House Energy & Utilities Committee
Regarding Substitute for Senate Bill 50
By Erik Sartorius

March 11, 2011

The City of Overland Park appreciates the opportunity to present testimony in support of Substitute for Senate Bill 50. This legislation provides a broadly-supported solution to the challenge of funding emergency 911 services now and into the future.

In the Kansas City metropolitan region, local governments recognize the need for a quick-responding emergency system. We have worked jointly to create a system to meet the needs of the public by working hard to provide enhanced 911 service to the metro area.

Receiving and dispatching emergency calls with the utmost speed and accuracy is a vital public service. One of the challenges in our increasingly technologically-driven society is to be able to adapt governments' methods of receiving pleas for help to the means utilized by those contacting emergency responders.

Individuals increasingly communicate with each other via text messages, digital photos, and videos. They expect public safety responders to be able to do the same, and may mistakenly assume that current systems are able to process these more advanced communication options when in fact they cannot.

The ongoing changes in telecommunications technology require technology and equipment enhancements to ensure the provision of E911 services. Continuation of funding mechanisms is critical to accomplishing this important task.

Again, the City appreciates the opportunity to offer testimony before this committee. We respectfully ask that you recommend Substitute for Senate Bill 50 favorably for passage.

HOUSE ENERGY AND UTILITIES

DATE: 3/14/2011

ATTACHMENT 19



Testimony

Unified Government Public Relations
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Kansas City, Kansas 66101

Mike Taylor, Public Relations Director
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Senate Bill 50 911 Funding

Delivered March 11, 2011
House Energy and Utilities Committee

The Unified Government of Wyandotte County/Kansas City has concerns about Senate Bill 50 as currently written. The Unified Government is one of the handful of counties which loses funding under the bill.

Three years ago, local governments, public safety officials and the telecommunications industry came together and created a new piece of legislation to ensure the vital work of 911 centers across Kansas would be adequately funded and that the bureaucracy needed to administer the funds was efficient and effective.

That bill, passed by the House, accomplished the intended goal and represented a unique compromise and agreement between the Legislature, local government, public safety officials and the telecommunications industry. The group which didn't agree was the Senate Utilities committee which spent two legislative sessions tearing the bill apart and re-writing it.

Senate Bill 50 represents a major change in the state 911 laws and a break from the compromise agreed to when this process began. Senate Bill 50 lowers the recommended 911 monthly fee from 55-cents to 50-cents. That change will cost Wyandotte County nearly \$20,000 a year in funding.

The Unified Government is also concerned about the increased bureaucracy and cumbersome administrative regulations created in Senate Bill 50. The bill establishes a state 911 coordinating council to oversee the system, determine fees, handle the 911 grant fund, and select the Local Collection Point Administrator (LCPA). It authorizes the 911 coordinating council to hire independent contractors or state agencies to carry out the business of the council. There is confusion in the bill as to whether money for this purpose would come out of the 2% allocated for the council or whether it would reduced 911 funds. The bill establishes a "statewide 911 coordinator" to develop rules and regulations and to work with the 911 coordinating council. This position is chosen by the Governor and serves at the pleasure of the Governor. It is unclear where the salary for this position would come from.

Senate Bill 50 also removes the League of Kansas Municipalities and Kansas Association of Counties from the position of Local Collection Point Administrator. The bill leaves it to the discretion of the 911 Coordinating Council to select an entity to handle all of the 911 funds. The system now in place with the LKM and KAC has worked well. It has been efficient, effective and protected the funds for their intended purpose. There is no need to change it.

The Unified Government supports the amendments offered by the League of Kansas Municipalities which return the funding levels and administration of the money closer to the original compromise legislation previously approved by this committee and the full House.

HOUSE ENERGY AND UTILITIES

DATE: 3/14/2011

ATTACHMENT 20