



March 6, 2017

Senator Robert Olson
Chair, Senate Utilities Committee
Room: 236-E

Re: Senate Bill 420, Amending the Kansas 911 Act

Dear Chair Olson:

On behalf of CTIA®, the trade association for the wireless communications industry, we are writing to outline our concerns regarding Senate Bill 420, which proposes to increase the cap on the 911 fee on wireless consumers in Kansas from \$0.60 to \$0.95 per month. This proposed increase comes only three years after the 911 fee was raised from \$0.53 to \$0.60. If enacted, the proposed fee increase would represent a near 80% increase over the last three years while most neighboring states have maintained more moderate 911 fees in line with Kansas's current rate (AR: \$0.65, NE: \$0.50, MO: no fee on wireless, and OK: \$0.75). With such a significant increase in the 911 fee, we respectfully request that the legislature ensure that any revenues from an increase are used to directly fund the establishment and maintenance of the 911 system.

The wireless industry takes public safety very seriously and it is our belief that competitively neutral and transparent 911 fees should be used to fund 911 technologies. At its inception, the Enhanced 911 ("E911") fee supported two phases. In Phase I, the Public Safety Answering Point ("PSAP") automatically receives the caller's wireless phone number. In Phase II, the PSAP receives both the caller's wireless phone number and location information. According to the National Emergency Number Association (NENA), as of October 2013 98.2% of the US population has Phase II capability.

The next phase of 911 will be the roll-out of Next Generation 9-1-1 ("NG911"). NG911 is intended to expand E911's current circuit-switched voice capability to a broader Internet Protocol-based system. This system will accommodate voice, data and video transmission. Once this upgrade is completed, there may be additional opportunities for improved efficiency and lower operational costs.

Wireless carriers annually collect over \$2.6 billion dollars of dedicated taxes, fees, and surcharges from wireless consumers. The intent of 911 fees is specifically to support the costs to establish and maintain the emergency communications systems so that PSAPs



have the ability to call back wireless 911 callers and pinpoint their location within FCC prescribed guidelines. As PSAPs begin to examine and transition to NG911, it is very important that clearly-defined, uniform statewide definitions pertaining to “allowable costs” be specified in statute.

We are concerned that the proposed changes offered in SB 420 could allow the use of funds beyond specifically supporting the costs to establish and maintain the emergency communications systems. We believe that 911 funding must be limited to “allowable costs” and should not be a funding source for shifting additional expenses to the 911 fund. “Allowable costs” could include the nonrecurring costs of establishing a 911 system, the cost of emergency telephone and dispatch equipment, and costs for training for maintenance and operation of the 911 system. Conversely, “allowable costs” should not include the cost for leasing real estate, cosmetic remodeling of facilities, salaries or benefits, or emergency vehicles. The State and the PSAPs should not be using the 911 fund to pay for such unrelated expenses.

Additionally, as with any system implementation involving significant capital expenditures, costs should decrease once Kansas implements their NG911 system. Accordingly, the State should carefully examine whether new technologies can decrease PSAP costs and adjust 911 fees accordingly. Moreover, any increase in 911 fees should be associated with justifiable 911 costs.

State-level coordination is practical from a technical and financial perspective. Consolidation of PSAPs into regional PSAPs covering as large a number of local jurisdictions as can be efficiently served should be encouraged as a long-term goal.

Since wireless carriers annually collect the majority of 911 fees from customers that are specifically intended to support the costs to establish and maintain the emergency communications systems, we respectfully urge the legislature to examine closely the provisions of SB 420 to assure that all of these funds are used for 911 purposes and that any proposed fee increases are justified.

Sincerely,

Director, State Legislative Affairs