

**ALASKA STATE LEGISLATURE
HOUSE COMMUNITY AND REGIONAL AFFAIRS
STANDING COMMITTEE**

March 2, 2004
8:05 a.m.

MEMBERS PRESENT

Representative Carl Morgan, Chair
Representative Kelly Wolf, Vice Chair
Representative Pete Kott
Representative Ralph Samuels
Representative Sharon Cissna

MEMBERS ABSENT

Representative Tom Anderson
Representative Albert Kookesh

COMMITTEE CALENDAR

HOUSE BILL NO. 499
"An Act relating to 911 systems."

- HEARD AND HELD; ASSIGNED TO SUBCOMMITTEE

HOUSE BILL NO. 461
"An Act relating to enhanced 911 surcharges and to emergency services dispatch systems of municipalities, certain villages, and public corporations established by municipalities."

- HEARD AND HELD; ASSIGNED TO SUBCOMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: HB 499
SHORT TITLE: 911 SYSTEMS
SPONSOR(S): REPRESENTATIVE(S) HEINZE

02/16/04	(H)	READ THE FIRST TIME - REFERRALS
02/16/04	(H)	CRA, L&C
03/02/04	(H)	CRA AT 8:00 AM CAPITOL 124

BILL: HB 461
SHORT TITLE: EMERGENCY SERVICES DISPATCH/911 SURCHARGE
SPONSOR(S): REPRESENTATIVE(S) HOLM

02/16/04 (H) READ THE FIRST TIME - REFERRALS
02/16/04 (H) CRA, STA
03/02/04 (H) CRA AT 8:00 AM CAPITOL 124

WITNESS REGISTER

JON BITTNER, Staff
to Representative Cheryll Heinze
Alaska State Legislature
POSITION STATEMENT: Spoke on behalf of the sponsor of HB 499.

MARK MEW, Chapter President
National Emergency Number Association
Anchorage, Alaska
POSITION STATEMENT: Discussed the goals of HB 499.

JIM HARPRING, Chair
Legislative Subcommittee
NENA Alaska Chapter
(No address provided)
POSITION STATEMENT: Highlighted that HB 499 provides enabling language for communities to address concerns with regard to 911 service.

ROBERT RUFUS, Member
NENA
(No address provided)
POSITION STATEMENT: During discussion of HB 499, answered questions.

JIM ROWE, Director
Alaska Telephone Association
Anchorage, Alaska
POSITION STATEMENT: During discussion of HB 499, expressed concern with regard to liability.

BILL DOOLITTLE, Project Manager for 911 service
Municipality of Anchorage
Anchorage, Alaska
POSITION STATEMENT:

MARK JOHNSON, Chief
Community Health & Emergency Medical Services
Division of Public Health
Department of Health and Social Services
Juneau, Alaska

POSITION STATEMENT: Testified that [the department] supports the concept of HB 499 and HB 461.

ED OBERTS, Mayor's Assistant
Office of the Mayor
Kenai Peninsula Borough
Soldotna, Alaska

POSITION STATEMENT: During discussion of HB 499, indicated that there needs to be regulatory reform. During discussion of HB 461, noted his appreciation for any assistance from the state.

STEVE O'CONNER, Assistant Chief
Central Emergency Services;
Chair, Kenai Peninsula Borough 911 Committee
Soldotna, Alaska

POSITION STATEMENT: Testified in support of HB 499.

MATTHEW RUDIG, Staff
to Representative Jim Holm
Alaska State Legislature

POSITION STATEMENT: Spoke on behalf of the sponsor of HB 461.

STEVE THOMPSON, Mayor
City of Fairbanks
Fairbanks, Alaska

POSITION STATEMENT: Testified in support of HB 461.

KEVIN RITCHIE, Executive Director
Alaska Municipal League (AML)
Juneau, Alaska

POSITION STATEMENT: Testified that AML and the Conference of Mayors supports the concepts of both HB 499 and HB 461.

REPRESENTATIVE JIM HOLM
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Spoke as the sponsor of HB 461.

ACTION NARRATIVE

TAPE 04-7, SIDE A

Number 0001

CHAIR CARL MORGAN called the House Community and Regional Affairs Standing Committee meeting to order at 8:05 a.m. Representatives Morgan, Wolf, Kott, and Samuels were present at

the call to order. Representative Cissna arrived as the meeting was in progress.

HB 499-911 SYSTEMS

CHAIR MORGAN announced that the first order of business would be HOUSE BILL NO. 499, "An Act relating to 911 systems."

Number 0115

JON BITTNER, Staff to Representative Cheryll Heinze, Alaska State Legislature, speaking on behalf of the sponsor of HB 499, explained that HB 499 would bring Alaska closer to federal standards for enhanced 911 services. Basically, HB 499 would [allow the surcharge to increase up to] \$2 and would streamline some of the language in the current 911 statutes. Furthermore, HB 499 specifies that the governor's office will be in charge of the oversight and distribution of those surcharges. Beyond that, the legislation closes loopholes, ensures that everyone pays his or her fair share of surcharges for the emergency services used, and mandates that all 911 calls throughout the state go through the Department of Public Safety answering points.

REPRESENTATIVE WOLF inquired as to the current surcharge.

MR. BITTNER answered that the current surcharge is \$.75 for a wireline or a wireless telephone. However, the aforementioned surcharge isn't enough to cover the federally mandated upgrades. In further response to Representative Wolf, Mr. Bittner pointed out that the sponsor has been working closely with the National Emergency Numbering Association (NENA), a nationwide 911 group which has taken surveys of all 50 states. Between [those surveys] and Alaska's specific needs, it was thought that \$2 would be a good starting point and would address Alaska's general needs.

Number 0324

REPRESENTATIVE WOLF indicated concern with regard to the \$2 surcharge being a "starting point" with the potential for an increase.

MR. BITTNER explained that the \$2 surcharge isn't mandatory, and would be decided by the municipalities. Furthermore, the \$2 is the upper limit of the surcharge. Mr. Bittner opined that the \$2 is the baseline figure that will provide the municipalities

with enough leeway to bring them up to code and ensure that everyone has emergency services.

REPRESENTATIVE KOTT pointed out that some wireless plans offer a family plan in which there are multiple cell phones. Therefore, he surmised that each of those cell phones with different numbers would have the \$2 surcharge. He asked if the aforementioned is correct.

MR. BITTNER offered to look into that.

REPRESENTATIVE KOTT pointed out that the legislation refers to each wireless telephone number being assessed a \$2 surcharge.

MR. BITTNER pointed out that each of the wireless phones in that family plan would have the potential to make a 911 call. This legislation spreads the [enhanced 911 costs] over all users. He reiterated that \$2 is the maximum surcharge, and added that a \$2 surcharge would be necessary for extreme upgrades.

REPRESENTATIVE KOTT inquired as to what other states are charging.

MR. BITTNER explained that NENA reviewed other states implementation of 911 systems and factored in Alaska's specific issues to develop the \$2 surcharge.

Number 0636

REPRESENTATIVE SAMUELS surmised that the telephone company is the [surcharge] collector for the municipality.

MR. BITTNER replied yes.

REPRESENTATIVE SAMUELS inquired as to how much of this is capital improvements, new equipment, and programming. He surmised that once the aforementioned is purchased, the operations should be the same.

MR. BITTNER agreed.

REPRESENTATIVE SAMUELS opined that once the surcharge is raised to \$2, that will be the fee. He predicted that the fee wouldn't be lowered to match the capital expenditures.

MR. BITTNER directed attention to page 3, line 24, and explained that by placing the certification and use of all 911 surcharges

in the governor's office, it basically creates a statewide 911 coordinator's position. This position would review what the municipalities ask for from the users and what is actually necessary to bring the municipality up to compliance with this legislation and other statutes. If there is a disparity, he assumed that the surcharges would be "tweaked."

CHAIR MORGAN inquired as to the meaning of the language on page 3, lines 24-25. He asked if the governor is responsible for collecting the money.

MR. BITTNER replied no, the governor isn't responsible himself to collect the surcharge. Mr. Bittner explained that the municipalities set the original surcharge and the surcharge would go to the governor, or more likely his representative, the statewide 911 coordinator. The coordinator would review what the municipality would need in the context of the number of users and the sum this fee would bring in, and adjustments to the surcharge would be made based upon the review. Any disputes would be settled by the RCA. He pointed out that on page 3, line 2, the language "[AND HAS NO JURISDICTION OVER AN ENHANCED 911 SYSTEM]" is deleted. This legislation designates the governor as responsible for the certification and use of all 911 surcharges in order to be eligible for the federal grant money that's available for states to bring 911 systems up to code.

Number 0884

REPRESENTATIVE WOLF asked if any of the areas in the state with an enhanced 911 system have been reviewed.

MR. BITTNER said that he didn't know of any areas in the state that have an enhanced 911 system. In fact, most areas of the state don't have basic 911 systems. In certain rural communities, a 911 call would be routed to a restaurant or a local house at which someone would likely be present at any hour of the day or night.

REPRESENTATIVE WOLF indicated that the Kenai Peninsula has an enhanced 911 system, and asked if the \$2 surcharge would be charged to those on the Kenai Peninsula.

MR. BITTNER answered that he didn't see any reason why the municipality would need to charge such a surcharge if it's already compliant with the enhanced 911 system.

Number 0975

CHAIR MORGAN requested that Mr. Bittner elaborate with regard to how this legislation would impact Bush Alaska.

MR. BITTNER explained that the surcharges would ensure that Bush Alaska would receive emergency 911 services that currently aren't available. All public safety calls would be routed through a public safety answering point (PSAP), which is currently not the case in the majority of Alaska. Furthermore, bringing Alaska up to federal codes would make it much easier to obtain the location of a call, which is important information necessary for a prompt and appropriate emergency response. Mr. Bittner acknowledged that rural Alaska will pay more than it does currently. However, he opined that the benefits would outweigh the cost. In further response to Chair Morgan, Mr. Bittner confirmed that this legislation covers wireline and wireless telephones.

Number 1066

REPRESENTATIVE KOTT inquired as to the federal mandates with which the state is trying to comply. He further inquired as to the consequences if the state doesn't comply.

MR. BITTNER said that he didn't know the specific consequences. However, the Federal Communications Commission (FCC) has said it will take unilateral action soon against states that haven't moved in the direction of FCC compliance. Mr. Bittner pointed out that the FCC has specific timelines for wireless carriers to come into compliance with regard to location and numbering. With regard to specific state sanctions for those states without emergency 911 service, Mr. Bittner said he didn't about those.

Number 1204

MARK MEW, Chapter President, National Emergency Number Association (NENA), started his testimony by clarifying some points. He pointed out that there is a difference between basic 911 and enhanced 911. Basic 911 means that a 911 call is routed to the closest PSAP. However, enhanced 911 means that the aforementioned happens and the PSAP automatically receives the telephone number, account name, and location of the call. Enhanced 911 has existed for the wirelines in some places in Alaska for some 20 years. However, enhanced 911 services aren't throughout the state. In fact, there are some areas of the state that don't have any basic 911 services. This legislation attempts to address those issues. Mr. Mew indicated that

enhanced 911 services for wirelines is relatively easy, technologically speaking. The surcharges were based on PSAPs getting enhanced 911 service for wirelines, but now more people have wireless phones, and in fact over half of the traffic comes in on wireless phones. The location technology for wireless phones is new and is being implemented in Anchorage. The technology necessary to obtain the location of a moving wireless telephone is extremely complicated, very expensive, and requires massive infrastructure. The PSAPs need to obtain the computer equipment necessary to take a latitude and longitude coordinate to place on a map and turn it into a street address. Therefore, it's necessary to increase the surcharge. Anchorage's current \$.50 surcharge can't fund that. Furthermore, the \$.75 surcharge elsewhere in the state can't fund what's necessary either.

MR. MEW specified that the up to \$2 surcharge proposed in HB 499 would cover wireline and wireless accounts. The surcharge would allow the PSAPs to pay for their own equipment upgrades as well as Phase II cost recovery, which is a mechanism by which the telephone companies can recover some of the costs from the 911 dispatch centers. This is going on across the country under many different models. There is general agreement in Alaska with regard to the cost recovery model that the PSAPs and the industry would like to have. With regard to the amount of the surcharge, he informed the committee that the surcharge throughout the nation ranges from \$.50 to \$4.00.

MR. MEW recalled earlier mention of the FCC, and pointed out that the FCC regulates wireless 911 issues. The FCC has established a timeline that wireless telephone companies need to meet in order to accomplish the FCC's mandate to produce wireless location. There are also timelines and constraints that the FCC forces upon PSAPs when they elect to obtain such information from the wireless telephone companies. Mr. Mew highlighted that the wireline 911 services isn't regulated by the FCC. In most states, the Public Utilities Commission of a state regulates the wireline 911 services. In Alaska, wireline 911 issues aren't regulated. This legislation would correct the aforementioned by placing the regulatory function at the RCA.

Number 1675

REPRESENTATIVE KOTT related his understanding that HB 499 would go into effect 90 days after being signed by the governor, which could be in July or August. Therefore, he questioned what one would get for the \$1.25 increase once this legislation goes into effect.

MR. MEW explained that this legislation provides enabling language, and therefore local jurisdictions would have to update ordinances to match the legislation. He suggested that given the opportunity, the local jurisdictions would increase the surcharge to the \$2.00. He further explained that the language in this legislation and most ordinances require that PSAPs annually evaluate the surcharge revenue, compare it to the costs, and make adjustments as necessary. In other words, PSAPs aren't allowed to collect more revenue than is spent on the 911 system. In a jurisdiction that isn't ready for wireless location or even for an enhanced 911 system, that jurisdiction may not have a need for the money. Therefore, it may take a couple of years to study the situation and write a request for proposals (RFP) to determine whether the \$2.00 surcharge would cover the entire cost of the system. He specified that the surcharge can't be collected in advance of providing the service. However, those areas already providing the service are probably already paying out much more than the jurisdiction is receiving in surcharge revenue. In Anchorage, historically, the surcharge has recovered approximately 50 percent of the cost of providing 911 service and emergency dispatch services. In Anchorage, when the \$2.00 surcharge is collected, wireless telephones will automatically deliver location information to the 911 center. However, [this legislation will allow] rural Alaska and places where there is no 911 system to begin to establish a system at this point. The desire is to create more enhanced 911 centers.

Number 1923

JIM HARPRING, Chair, Legislative Subcommittee, NENA Alaska Chapter, informed the committee that in 34 communities a 911 call goes nowhere. This legislation will provide enabling language that will allow the aforementioned communities the ability to address concerns. Mr. Harpring explained that NENA has been addressing this for over two years.

REPRESENTATIVE SAMUELS related his understanding that Anchorage currently has a \$.50 surcharge, although statute says that it could increase it to \$.75.

MR. MEW explained that current statute takes a two-tiered approach to surcharge collection. The current statute is based on population, and therefore Anchorage can collect \$.50 per telephone account, while every other location can collect \$.75. He opined that the legislature felt that Anchorage is of a

population that some economies of scale could be achieved. With HB 499, the distinction based on population would be eliminated as would the distinction between wireline and wireless service. Therefore, under HB 499 each [community] in the state would calibrate its needs and could collect up to \$2.00 per wireline or wireless account.

MR. MEW informed the committee that a subcommittee of NENA drafted the language of HB 499. However, he emphasized that NENA isn't simply a PSAP organization, although it happened that most of those who worked on this language were from PSAPs or carried that point of view. Mr. Mew pointed out that many telephone companies and wireless providers are members of NENA, which is an open organization. He indicated that not all of NENA's members are happy with everything included in HB 499. However, NENA believes this legislation is a good place to start.

Number 2148

REPRESENTATIVE SAMUELS asked if the costs for [enhanced 911 services] are capital outlay, such as for programming and computer software or hardware, or for operating expenses, including the ongoing expense of people. He asked if the \$2.00 surcharge would ever fall below \$2.00.

MR. MEW replied that he didn't believe so. In response to Representative Samuels' first question, Mr. Mew explained that initially there will be major capital outlays from everyone, industry and PSAPs alike. The language in the legislation permits surcharge collections to be spent on the salaries of employees charged with ongoing operations and maintenance of the system. Mr. Mew predicted that [under the \$2.00 surcharge] most [communities] will still not receive enough revenue, particularly in the beginning when the capital outlay is occurring simultaneous with paying the employees. He suspected that tax dollars would always be necessary to keep the PSAPs operational.

REPRESENTATIVE SAMUELS turned to the matter of the industry recouping its costs, and related his assumption that those already collecting a surcharge already have the same costs. Therefore, he surmised that if the size of the check is larger, shouldn't it be a moot point.

MR. MEW specified that it relates to the Phase II cost recovery issue, and noted that Phase I is relatively inexpensive for the

telephone companies to deliver. The statute specifies that the telephone companies could cover their costs, although it doesn't specify how. In order to cooperate with the wireless companies, most states are conceding that the companies deserve to receive some of their money back, which is cost recovery. In some states, the wireless company will bill the PSAP for every 911 call. The aforementioned cost recovery model isn't favored for Alaska because there tend to be multiple wireless calls for one 911 situation whereas there may only be one wireline call. In either case one event requires only one radio dispatch and one policeman to respond, although there may be 50-60 calls for that event. Therefore, billing by the call would result in skyrocketing bills by the company for its cost recovery, although the workload of the PSAP wouldn't increase. The per account monthly bill model seems manageable, predictable, and provides the ability to budget. The aforementioned is probably the most favored across the nation. Although the PSAPs would like to avoid the Phase II level cost recovery and not have to raise the surcharge to \$2.00, he acknowledged that the telephone companies are putting millions into the system and are being paid back some of their expenditures throughout the country. Therefore, Mr. Mew didn't believe the [Phase II cost recovery] could be avoided, which has led to addressing it in statute.

Number 2373

REPRESENTATIVE CISSNA surmised that this legislation provides an option for municipalities.

MR. MEW replied yes, and stated that the legislation provides enabling language that allows municipalities to take steps that they aren't now. For example, a large company may purchase one main switchboard [a private branch exchange (PBX)] to which the telephone company delivers service. There may be many numbers with the same prefix. Much of the time, the PSAP would only see the location of the privately owned switch. Therefore, a 911 call from the public works building 10 miles away from city hall, which has a private switch, would provide city hall as the location of the call if the individual calling couldn't provide an address. This legislation authorizes municipalities, if they choose, to enact language that would force PBX owners to purchase whatever is necessary so that the actual location of the telephone can be passed through. The aforementioned is an expense to a PBX owner. Therefore, it's left to the local [governing bodies].

REPRESENTATIVE CISSNA related her understanding that the legislation relates to some responsibilities associated with the 911 routing. She asked if the aforementioned places any cost responsibility or equipment responsibility on communities that have not elected to be part of the enhanced 911 system.

MR. MEW stated that nothing in HB 499 mandates [any community] to provide 911 service. Mr. Mew specified that Representative Cissna is referring to unincorporated areas that don't currently have statutory authority to collect any surcharges. The language would merely allow those unincorporated areas to obtain the surcharge and provide the service.

MR. HARPRING surmised that Representative Cissna is referring to AS 40.05.295, which works through the local exchange carriers in order to allow them the opportunity to route wireline calls to a PSAP some place in the state.

Number 2674

ROBERT RUFUS, Member, NENA, interpreted Representative Cissna to ask if HB 499 is an unfunded mandate to the smaller communities. He explained that there wouldn't necessarily be any cost from the local exchange carrier. The local exchange carriers are ready, willing, and desire to do so. The local exchanges have repeatedly requested a location to route those calls, and therefore this language would provide the authority for them to physically route the call; there wouldn't be any associated costs unless the community decided to provide its own dispatch services.

REPRESENTATIVE CISSNA inquired as to liability with regard to 911 calls [and the ability or inability to respond].

MR. MEW answered that statutory language providing some liability protection for the operators of the PSAPs already exists. There is also some liability coverage for the telephone companies that provide the 911 service and equipment to those PSAPs. He opined that the aforementioned language could be strengthened, although it doesn't seem appropriate at the moment. However, he expressed the need to address it at some point because things are getting very complicated and in some communities it will be difficult to get telephone companies to bid because the liability would be so high. In fact, there has been some hesitancy from some in providing this service in Anchorage.

Number 2856

JIM ROWE, Director, Alaska Telephone Association, informed the committee that the association represents four incumbent local exchanges that serve rural areas of Alaska. Although Mr. Rowe said that he was in general agreement with most of the comments, he disagreed with the comment that nothing in HB 499 forces [any community] to provide 911 services. He pointed out that wireline local exchange carriers are forced to do 911 calls. Mr. Rowe turned attention to page 4, line 28, "each local exchange telephone company that provides wireline service to an area outside a municipality must route all 911 calls originating from within its customer service base to a public safety answering point." However, there aren't PSAPs for all rural communities. Mr. Rowe interpreted the language on page 4, line 28, to place the responsibility on the telephone company without providing it the authority to create PSAPs. Although the telephone companies don't want the aforementioned authority, the telephone companies want folks to realize that a 911 call can't be routed if there is no PSAP. Therefore, he suggested adding language such as "as designated by the state" because the [telephone companies would like a telephone number that is a PSAP]. Mr. Rowe pointed out that in a rural community connected by a satellite, the only place a local telephone company can deliver a call outside the local area is to a long distance carrier.

MR. ROWE expressed concern with regard to the lack of a reference of who is paying for the call. He posed a situation in which there was a statewide number located in Juneau. If someone calls from a rural community, there would be an interstate long distance service charge that the long distance carrier would like to have reimbursed. However, under this legislation he wasn't sure who would be reimbursed. Mr. Rowe informed the committee that there is a federal regulation that burdens a local carrier with the decision of where to route a 911 call even if the state hasn't designated such. The aforementioned places a lot of responsibility on the local telephone company.

TAPE 04-7, SIDE B

MR. ROWE related that [the Alaska Telephone Association] believes the state should identify a default PSAP if there is no local, municipal, or regional PSAP. He clarified that he is only referring to basic 911 services. Before looking at this legislation, Mr. Rowe said he believed 911 calls could be routed

to the Alaska State Troopers. However, that's not acceptable. As Mr. Harpring mentioned, there are a number of communities that can't deliver 911 calls to a PSAP. One of the large liability issues is when nonresident individuals out fishing in rural Alaska call 911 and nothing happens.

CHAIR MORGAN noted that he agreed with Mr. Rowe's statements. He informed the committee that in Aniak there are three Alaska State Troopers who are stationed in Aniak. However, when there is an emergency before 8:00 a.m. or 5:00 p.m., the call is routed to Bethel, which is long distance. The sergeant in Bethel has to authorize a trooper in Aniak to be dispatched because it is considered overtime. Chair Morgan acknowledged that although the troopers are stationed in Aniak, they serve a large region that includes Aniak. Chair Morgan thanked Mr. Rowe for bringing out that many communities don't even have a public safety building.

MR. ROWE pointed out that there are also communities that don't have village public safety officers any more and some that don't have any troopers close by.

Number 2846

REPRESENTATIVE KOTT inquired as to the consequences for noncompliance.

MR. ROWE replied no, but related that members of the Alaska Telephone Association are very concerned with regard to liability for those communities for which there is no PSAP to route an emergency phone call. He referred the committee to FCC 01-351 paragraph 15.

MR. MEW pointed out that the FCC has a schedule in place and could fine wireless carriers for not meeting the deadline to provide location information. Furthermore, there isn't a federal law to which telephone companies and PSAPs alike must conform or be fined. If a PSAP requests Phase I and Phase II wireless location and certain criteria is met and certain FCC rules go into place, the telephone companies could be fined if they don't deliver and the PSAPs complain.

MR. ROWE emphasized that the concern is not so much about a fine, but rather the liability associated with not being able to deliver a 911 call from a community.

Number 2720

REPRESENTATIVE KOTT posed a situation in which an attorney from Las Angeles, California, is fly fishing in rural Alaska and dials 911 after being bit by a bear. However, it's six hours before someone responds. Isn't liability assumed because of the [lack of readily available] services required to [respond] to the call, he asked.

MR. ROWE clarified that the telephone company is concerned that it is able to get the call through.

REPRESENTATIVE KOTT surmised then that the liability has been shifted from the telephone company to the state.

MR. ROWE emphasized that the telephone companies want to be in compliance and want to deliver the call.

MR. MEW reminded the committee that there is no wireless coverage in many places in rural Alaska.

MR. ROWE informed the committee that the members of the Alaska Telephone Association are concerned with the up to \$2.00 surcharge. He pointed out that many items on one's telephone bill aren't local service charges, and it appears that the local telephone company is making this money. However, that's not the case.

REPRESENTATIVE KOTT noted that his constituency is also concerned about the increase in the surcharge. He inquired as to the difference between basic and enhanced 911 service.

Number 2550

BILL DOOLITTLE, Project Manager for 911 service, Municipality of Anchorage, explained that basic 911 means that a 911 call goes to a PSAP that is staffed 24 hours a day. However, an enhanced 911 system includes the additional features of a call back number, automatic location, and the subscriber's name. Selective routing is a feature in which a 911 call is routed based on the jurisdictional boundary rather than the telephone company boundary. Mr. Doolittle pointed out that part of the confusion is that enhanced 911 service for a wireline call utilize an address from a database maintained by the telephone companies on behalf of the PSAP while a wireless telephone expresses location information as either the cell site or a latitude and longitude, which is typically provided by a third party to the wireless carrier.

MR. MEW pointed out that enhanced 911 for wirelines is a reality, but Alaska hasn't explored the location portion of enhanced 911 for wireless telephones.

REPRESENTATIVE KOTT asked if any of the states have considered a user fee.

MR. DOOLITTLE answered that one of the guiding principles of 911 service is that there should be no barriers to dialing the call. Therefore, 911 calls from a pay phone or uninitialized cellular service are free. The aforementioned is the reasoning behind not having a fee for service for 911 calls. In fact, there are many programs throughout the nation in which discarded cellular telephones are refurbished and given to victims of domestic violence or other folks because there is no fee associated with the phone and the only number that can be dialed is 911.

Number 2337

MARK JOHNSON, Chief, Community Health & Emergency Medical Services, Division of Public Health, Department of Health and Social Services (DHSS), began by relating that [the department] supports the concept of HB 499. One of the advantages of 911 is that it's an easily remembered number for emergency situations. The enhanced 911 feature [allows] the ability to call back the person in order to provide additional instructions. Sometimes it's necessary to know the location of the caller because he or she may not know his or her location. As a result of legislation passed 10-12 years ago, enhanced 911 is in some of the major communities in Alaska. Enhanced 911 service allowed the municipalities to charge a surcharge through the telephone bills. However, enhanced 911 service hasn't been implemented in many of the rural or smaller communities of the state. As wireless service has come about, the FCC has mandated that wireless telephones must be capable of features that allow enhanced 911. Mr. Johnson said that it's in everyone's best interest to have a system in which a caller can easily access emergency services so that the response can be quick and appropriate. Mr. Johnson specified that although [the department] isn't in a position to specify how much money [the improvements require], it can say that it would like for the system to be improved.

MR. JOHNSON turned to the emergency response situation in rural areas. He explained that two-thirds of the state's emergency medical service providers (EMS) are volunteers. In some of the

smaller communities EMS providers carry a portable radio telephone, and therefore a number of EMS providers may receive the 911 call on these portable radio telephones. Although that doesn't meet the definition of a PSAP, he acknowledged that it's better than nothing. He noted that there have been instances in which emergency calls from a smaller community have been routed to a larger community, which have sometimes resulted in responders being sent to the wrong place. For the long term, the goal is to have a statewide system in which calls received at a PSAP with enhanced features in order that the responders can be directed to the appropriate place. This legislation moves the state in the aforementioned direction.

Number 2105

MR. JOHNSON addressed the issue of liability. Under the Emergency Medical Service statutes, organizations or state certified providers have immunity protections under AS 18.08.086, including those trained and serving as emergency medical dispatchers. Mr. Johnson highlighted the nationwide poison control telephone number, which is routed to a certified local center. However, he pointed out that Alaska doesn't have a poison control center, which has resulted in a memorandum of agreement with the Oregon poison control center. Alaska has provided Oregon with a computerized information system specifying what medical resources exist in each community so that the need for additional medical attention can be appropriately directed. Mr. Johnson said, "I think that the technology is making it possible for us to provide a better life-saving service to all of our citizens." Still, he acknowledged that this will take some time to accomplish. This legislation will allow the urban areas with the wireline enhanced 911 to obtain additional resources to implement the wireless enhanced 911, which could happen fairly quickly. Although expanding to the smaller rural communities will take longer, he characterized HB 499 as the first step.

Number 1958

REPRESENTATIVE KOTT asked whether the ability of the PSAP to call back the 911 caller is any different than the caller identification feature to which everyone can subscribe.

MR. JOHNSON specified that he didn't know how different it is. He said he believes the enhanced 911 would be immediate. Even more critical is the automatic identification location because if the caller and the responders don't know the location of the

emergency, then it's a problem, and potentially a life-threatening problem.

REPRESENTATIVE KOTT agreed that the automatic identification location probably is the more important issue of an enhanced system. However, Representative Kott pointed out that he has three lines and no matter which line is used, it will show the same address. Therefore, he questioned whether he should pay the \$2.00 surcharge for each of those lines.

MR. JOHNSON reiterated that the department isn't in a position to specify the correct amount for the surcharge. However, he pointed there are upfront costs and ongoing operating costs. Mr. Johnson highlighted that the department believes that one of the important costs is related to ongoing training. In further response to Representative Kott, Mr. Johnson said that he didn't know whether the state system or governmental entities currently pay the surcharge on each telephone.

Number 1800

ED OBERTS, Mayor's Assistant, Office of the Mayor, Kenai Peninsula Borough, informed the committee that the Kenai Peninsula Borough has been addressing enhanced 911 for at least a year-and-a-half. This legislation will allow the Regulatory Commission of Alaska (RCA) to regulate 911 services, which he opined is a step in the right direction. Not only does a "carrot" have to be provided to the carriers in the community, such as through a payback, there also needs to be regulatory reform.

Number 1715

STEVE O'CONNOR, Assistant Chief, Central Emergency Services; Chair, Kenai Peninsula Borough 911 Committee, opined that the discussion today indicates that the technology is complex. The Kenai Peninsula Borough has had enhanced 911 services since the late 1980s and is a member of the Alaska Chapter of NENA. After passage of the last legislation on this matter, the Kenai Peninsula Borough adopted an ordinance that allows it to collect a \$.75 surcharge, which is currently collected. The \$.75 surcharge covers approximately 50 percent of the total operating costs of the borough's 911 system. Therefore, the Kenai Peninsula Borough is fairly close to what Anchorage has found historically. Also like Anchorage, the Kenai Peninsula Borough is looking to implement the wireless technology that comes in Phase I and II. He reiterated earlier testimony that wireless

telephones now account for 50-60 percent of the total 911-call volume. These wireless calls are coming in with no location information. With the passage of HB 499, the Kenai Peninsula Borough would again need to revise its ordinance to change the \$.75 surcharge. Mr. O'Conner announced support of HB 499 as it is.

MR. O'CONNOR opined that HB 499 basically provides a framework for municipal governments to utilize enhancements to the 911 system. Furthermore, the legislation allows the infrastructure at the municipal level to be built. With regard to Mr. Rowe's concerns over the \$2.00 surcharge, Mr. O'Conner pointed out that as Phase I and II are implemented the [members of the Alaska Telephone Association] will look for cost recovery. As mentioned earlier, this process will be expensive for the 911 PSAPs and the telephone carriers. Therefore, some of these funds will be utilized for cost recovery for the local telephone carriers.

Number 1551

CHAIR MORGAN returned to concerns regarding multiple lines at one location, and asked if faxes will be charged a \$2.00 fee.

MR. O'CONNOR related his understanding that only the lines from which people can call 911 will be charged the \$2.00 surcharge. He specified that part of the \$2.00 surcharge is to maintain an accurate database for the PSAPs. Oftentimes, those who call 911 are the individuals having the emergency and they aren't always able to provide the [dispatcher] with complete information allowing emergency services to be dispatched to the appropriate location. In fact, the Kenai Peninsula Borough has documented instances in which individuals try to dial 911 when having a heart attack or a seizure. Therefore, having accurate information in the database is critical as is the maintenance of that database. The per line account surcharge helps pay for the maintenance of the database.

Number 1434

REPRESENTATIVE WOLF said that his fax line is charged the \$.75 surcharge. He asked if the Kenai Peninsula Borough currently pays a surcharge for enhanced 911-wireline service.

MR. O'CONNOR opined that under HB 499 the telephone companies are allowed to retain a fee for the collection of the \$.75 surcharge.

REPRESENTATIVE WOLF asked if the Kenai Peninsula Borough [has a surcharge] for enhanced 911 [services for wireless telephones].

MR. O'CONNOR answered that wireless telephones are currently paying the \$.75 surcharge for the operations of the 911 center costs. He clarified that the borough is just at Phase I with upgrades, and Phase II would be in the near future.

REPRESENTATIVE WOLF inquired as to the number of extensions in the Kenai Peninsula Borough schools.

MR. OBERTS replied that he didn't know, although he acknowledged that it would be a substantial number.

REPRESENTATIVE WOLF surmised then that each extension in the Kenai Peninsula Borough school district would pay \$2.00.

REPRESENTATIVE KOTT surmised that Representative Wolf was asking whether the Kenai Peninsula Borough pays \$.75 for governmental lines or is exempt.

MR. O'CONNOR related his belief that the Kenai Peninsula Borough does pay the \$.75 surcharge on each line the borough has.

Number 1186

REPRESENTATIVE SAMUELS asked if the Municipality of Anchorage supports HB 499.

MR. DOOLITTLE replied yes. In further response to Representative Samuels, Mr. Doolittle related that discussions with the municipality have indicated that there isn't a commitment to implement the maximum surcharge. He pointed out that part of the problem is that the possible costs, per the carriers, could be in excess of \$2.00. In fact, one of the wireless carriers specified that its surcharge might be as high as \$4.00 per handset. Upon exploring this for several months, carriers have proposed surcharges from \$.50 to \$4.00. For wireless service, a \$2.00 surcharge seems to be in the middle. However, on the wireline side, one must keep in mind offsetting the cost of call taking in addition to the cost of technology. Mr. Doolittle turned to the statewide perspective, and pointed out that many communities have to borrow money because the surcharge doesn't cover the capital cost. Therefore, \$2.00 seems to be a good starting point.

MR. DOOLITTLE recalled an earlier question, and informed the committee that the surcharge would be charged to every access line because "we" don't know what's on the other end of the line. Therefore, every access line should be charged the surcharge because of the possibility that it could present a 911 call. However, he noted that federal reservations don't pay the 911 surcharge in Alaska or nationally.

REPRESENTATIVE SAMUELS turned attention to the bottom of page 2 and the top of page 3 of HB 499. He posed a situation in which there is a roll over on the Glenn Highway, which prompts 50 911 calls. In the aforementioned situation, would the regulatory authority pay for all 50 calls or is there a negotiated contract between the various carriers and the municipality. He inquired as to who pays for the 50 calls.

MR. DOOLITTLE specified that the only cost for a 911 call is the cost of the airtime. At this time, there isn't a charge to the PSAP for receiving a 911 call. However, the PSAP does bear the 911 trunks from the carriers into the dispatch center, which is a direct cost to that server. The cost burden falls in the staffing to ensure that all calls are answered.

Number 0914

REPRESENTATIVE KOTT asked if the suggestion, then, is that the surcharge pays for the dispatchers.

MR. DOOLITTLE replied yes. Current statutes specify that all the direct costs of 911 services can be paid for through the surcharge, including the capital investments, technology, call taking, and operational aspects. Furthermore, it would include addressing and geographic data management, which is critical to the success of [enhanced 911].

MR. HARPRING asked if Representative Kott was interested in the direct staffing costs or the ancillary 911 costs.

REPRESENTATIVE KOTT specified that he was interested in whether the surcharge paid for the dispatchers. He also expressed interest in whether there is a charge per call or a negotiated contract that covers all calls.

MR. HARPRING explained that the business model being used is amortizing the cost of doing business. Any cost associated with the cost of 911 will allow this enabling language to be determined at the local level. However, subsection (j) of HB

499 governs what constitutes true costs. Under this type of legislation, any monies associated with or collected pursuant to 911 [calls] have to be obligated to that type of action. Funds collected for 911 services can't go into the general fund. However, the funds are at the discretion of the local community and could be used to defray costs of training dispatch personnel. As far as direct personnel costs, Mr. Harpring specified that it would depend upon the local community's bonding 911-surcharge use. Still, the funds have to remain in the 911 field.

REPRESENTATIVE KOTT commented on the increased cellular telephone use in Alaska. He estimated that currently 60 percent of Alaskans use cellular telephones, and he predicted that in the future 80 percent of the population will have cellular telephones. He asked, "It seems to me that if we're basing our costs on 20 percent and 80 percent currently has the cell phones available, or in use, doesn't that then lower the cost per [line]?"

MR. HARPRING pointed out that many of the questions asked today could be answered by the information provided at www.nena.org.

MR. DOOLITTLE agreed with Representative Kott that in the future there would be some efficiencies based on gross revenues and the actual cost of providing the service. It's difficult to develop a business model that expresses the direct cost of a 911 call to the direct cost of what it takes to answer it. Often the business model for 911 specifies the public as the customer and "we" try to answer the public's calls for assistance. The aforementioned becomes important in the context of dispatching because in many communities, one person answers and dispatches the call. When the dispatcher answers the call, the public is the customer but when the dispatcher turns to dispatch the call, the customer is the public safety agency. Therefore, from a purist standpoint the focus is on the call-taking aspect. The hope is that by setting the surcharge high enough that there may be some cost efficiencies once the technology is implemented, and therefore the surcharge would be lowered. Mr. Doolittle related his belief that the aforementioned occurred in the Fairbanks Northstar Borough.

Number 0407

REPRESENTATIVE CISSNA related her assumption that the cost of technology is part of the high cost of this service. She related her observation that this legislation seems to be highly

suiting to municipalities in which there is a fair concentration of population. Although this legislation seems to be appropriate for municipalities with a fair concentration of population, Representative Cissna didn't believe it was a fix throughout Alaska. She asked if the cellular telephone is the most expensive part of this because of the newness of the technology. She also asked if it's possible to craft legislation that is appropriate to a [geographic] area.

MR. DOOLITTLE agreed that it's a very expensive service. What has been discovered is that the capital costs are, in some cases, high. One must remember that the wireless carriers have a choice of how they deploy wireless location technology. In some cases, a new handset is required and in other cases, it isn't. In either case there is typically a service provider who presents referring costs. The aforementioned is the most challenging area because there is no knowledge of the cost basis for providing the services. He pointed out that there are about three companies in the U.S. that do this for wireless carriers, with one of them being a near monopoly. Mr. Doolittle explained that this is an attempt to balance the occasion in which someone does need assistance. He specified that 911 is the point of entry for an emergency response. The 911 system is available for those who find themselves in unplanned circumstances and a life is at stake. It's difficult to place a dollar amount on the circumstances. The technology is available and feasible, and within the budget.

TAPE 04-8, SIDE B

MR. DOOLITTLE highlighted that local communities can elect to do this. He expressed hope that a balance has been found, although he acknowledged that he is challenged to find the right cost point.

Number 0071

REPRESENTATIVE KOTT asked whether the telecommunications industry needs a statutory fix for this issue or whether it can solicit the increase from the RCA in order to cover the technology costs.

MR. DOOLITTLE related his understanding that wireless carriers have authority, through the FCC, for cost recovery of wireless Phase I and II. The quandary is that if [the state] is silent with regard to that cost recovery, then it's likely that a line item will be added to the bill for a wireless Phase II cost

recovery and the money will be kept to offset the investments and recurring costs. Therefore, the reason to pass the legislation and have the money pass through the local jurisdiction is to provide some accountability for the performance of the 911 system. Mr. Doolittle specified that it's not necessarily saying the dollars would change or that the carriers would receive less money, but there is the desire to have that dialogue at the local level with regard to how wireless 911 works. Therefore, Mr. Doolittle said that the wireless carriers will receive cost recovery one way or another.

MR. DOOLITTLE informed the committee that NENA meetings have included much debate with the local exchange carriers regarding what it means for the RCA vis-à-vis the wireless carriers. It has been suggested that there is a desire for the RCA to have some jurisdiction over wireless carriers. However, that seems not to be allowed under federal statutes and it's certainly not the intent with this legislation.

Number 0289

REPRESENTATIVE WOLF surmised that the \$2.00 surcharge will raise governmental expenses, however this legislation doesn't have a referral to the House Finance Committee. Therefore, he asked whether this legislation will require a fiscal note.

REPRESENTATIVE KOTT stated that whether the governmental entities, especially the state, pays the current fee needs to be addressed. If the governmental entities do pay the current fee, then there should be a fiscal note, which would require a referral to the House Finance Committee. Representative Kott submitted that the state would be the largest user and thus pay the largest fee.

MR. JOHNSON recalled that the original legislation [regarding a 911 surcharge] included a provision for organizations with large numbers [of lines]. At the very least he recalled there being discussion on the matter.

CHAIR MORGAN announced that due to the numerous questions, HB 499 would be held over. He also announced that public testimony would be closed. [Later in the hearing HB 499 was assigned to a subcommittee consisting of Representative Wolf, chair, and Representatives Kott and Cissna.]

[HB 499 was held over and assigned to subcommittee.]

HB 461-EMERGENCY SERVICES DISPATCH/911 SURCHARGE

CHAIR MORGAN announced that the final order of business would be HOUSE BILL NO. 461, "An Act relating to enhanced 911 surcharges and to emergency services dispatch systems of municipalities, certain villages, and public corporations established by municipalities."

Number 0555

MATTHEW RUDIG, Staff to Representative Jim Holm, Alaska State Legislature, spoke on behalf of the sponsor of HB 461. Mr. Rudig provided the following testimony:

Essentially, HB 461 gives municipalities local control. We are changing statute to give municipalities the ability to increase emergency dispatch surcharges for the users of the service. ... "Enhanced 911" ... is a relatively new innovation in rescue technology. It can pinpoint the visual location and phone number of a caller so an EMT unit can know the exact location and the phone number of the emergency and ... act more rapidly There is little debate as to the merits of this service ... it's a good program. Municipalities have established this system all over the country The State of Alaska recognized the importance of this technology when the legislature ... amended statute in 2001 ... and added ... enhanced 911 to the existing statute.

Currently, a municipality in statute may only charge 75 cents per month, per line for the system. By adopting this legislation in House Bill 461, we are giving municipalities the ability to recover the costs of the operations of enhanced 911. This bill has ... two provisions regarding that point. First, the initial charge that a municipality may charge is raised from 75 cents to 85 cents per month, per line for the overall system. Second, municipalities will have the capability to impose a surcharge of up to \$2.15 for the specific use of funding operations of the enhanced 911 system. This surcharge will be used for the dispatch of the system. Now this is an important distinction. So, I want to make this clear. We have a system in place, the building, [and] the technology. However, we have no mechanism in statute to specifically allow municipalities to recover the

costs of the direct operations. Therefore, municipalities are forced to shift that burden directly to the property tax owners

Now, this bill also adds another important distinction to existing statute. If you look on page 3 of the bill, lines 18-20, it states: "The municipality may only use the emergency services dispatch surcharge for the actual labor and equipment used to provide emergency services dispatch." While the amount they may charge is up to \$2.15 per month for the service, the city or borough cannot charge more than the actual cost for equipment, labor, and service as I just described. The city cannot use the funds from the surcharge in any other manner. They have to review their costs annually and then they cannot overcharge the phone users. The statute serves as an automatic check on the municipality.

Yes, people's phone bills could increase due to this surcharge. But it is solely to recover the costs associated of a working system already in place. Currently the statute does not account for this. Cities and boroughs are using property tax dollars to recover the costs. In essence, not all of the users are paying for their service. So essentially, ... this bill is the legislature giving municipalities the ability to recover costs of a working, operational system. Nothing in this bill states that the municipality has to impose this surcharge. That is for the municipality operating the system to decide. The legislature is just providing them with a vehicle to do so. And I urge this committee to consider this bill because it is clearly an important step to help municipalities around the state deal with this problem. The legislature is not only giving municipalities the ability for local relief but they're also providing Alaskans with further local control at the lowest level.

Number 0920

REPRESENTATIVE SAMUELS inquired as to how much money Anchorage would collect from this.

MR. RUDIG answered that he didn't know.

REPRESENTATIVE SAMUELS indicated that shifting the charge to phone users sort of skirts tax cap issues. He opined that by paying through the property tax, everyone is paying because individuals either own their home or rent a home for which the property tax is incorporated. He surmised that by allowing the phone company to collect this through a charge rather than a tax, general fund dollars can be saved or spent elsewhere. He inquired as to how much money this would be in Anchorage.

MR. RUDIG pointed out that the property tax payer is paying for the emergency dispatch and operations in a state building or federal building with multiple lines. Mr. Rudig suggested that there are 42,000 lines in Fairbanks and another 46,000 who aren't paying for the [emergency dispatch and operations] service. He stressed that the municipalities are given a check and they have to be accountable for the surcharge. Therefore, this legislation shifts the burden to the municipalities.

Number 1102

REPRESENTATIVE KOTT inquired as to the problem with allowing a local government to assess its costs through property taxes. He indicated that those individuals with multiple lines would fare better with the property tax covering the cost because it would be spread across the board, which would be more equitable.

MR. RUDIG opined that [HB 461] makes it a more user-based fee. He pointed out that this legislation provides a municipal option.

Number 1233

STEVE THOMPSON, Mayor, City of Fairbanks, testified in favor of HB 461, as it's broad-based legislation that covers what is necessary in most communities in the state. Mayor Thompson pointed out that most communities have tax caps or revenue caps. With revenue sharing dwindling, the increase in the Public Employees' Retirement System (PERS) contribution, and the increase in the federal match for the federal highway dollars, Fairbanks experienced a 10 percent reduction in revenues. There is no way to recover that money due to the tax and revenue caps. Therefore, the City of Fairbanks has experienced a 10 percent reduction in general fund dollars available to run the dispatch center and other operations. Mayor Thompson expressed concern that a 911-dispatch center may not be properly staffed. Furthermore, whenever there is a reduction in revenues, the first thing to be reduced is training. This legislation

provides a user fee in order to ensure that the 911-dispatch center is properly manned with individuals who have been properly trained. He opined that people wouldn't balk at paying for this service to be available.

MAYOR THOMPSON turned attention to AS 29.35.131(b), which in part read: "A customer that has more than 100 local exchange access lines from a local exchange telephone company in the municipality is liable for the enhanced 911 surcharge only on 100 local exchange access lines." Therefore, a large company would have a maximum as far as its liability. Mayor Thompson opined that this legislation doesn't pose an undue cost to businesses to upgrade the phone system if there is an exchange in the building that doesn't specify the location [within the building]. By attrition, the aforementioned will happen, he predicted. Mayor Thompson noted that [Fairbanks] is Phase 1 compliant with all of the hard lines and work is continuing with the local companies and the others with regard to the enhanced wireless 911 service. However, to accomplish the aforementioned, everyone will have to purchase cell telephones. He estimated that it will take about five years to accomplish the enhanced wireless 911 service. This legislation provides funds so that all of the aforementioned can occur over a period of time while relieving communities that provide life-saving service.

Number 1502

REPRESENTATIVE KOTT surmised then that there is an exception for local governments because local governments won't pay any more than 100 lines, although there may be 3,000 lines in different locations.

MAYOR THOMPSON pointed out that [the 100 line exception] is in existing statute, AS 29.35.131(b).

Number 1556

KEVIN RITCHIE, Executive Director, Alaska Municipal League (AML), commented that it's exciting to make Alaska a better place. The key issue is revenue for the dispatch centers. In the last six years, the total amount of revenue for both sales and property taxes has increased 29 percent. The aforementioned is very significant and illustrates that municipalities are paying their own way. Spending hasn't increased to that amount because the amount that taxes have increased is fairly close to the cuts in revenue sharing and other cuts [municipalities have

faced]. With the revenue caps in place, there isn't the flexibility to go higher. Mr. Ritchie pointed out that there is the possibility of having a better system, but there is the lack of available revenue to [achieve a better system] and property taxes may not be the best way [to raise funds for an enhanced 911 system]. Mr. Ritchie emphasized that taxes, surcharges, or fees are just as difficult to raise on the local level as on the state level. Therefore, it requires a great selling job to get the public on board. This legislation merely allows the possibility of a municipality making some increases in a process that allows everyone in the community to offer their opinion. This [legislation] merely authorizes the municipality to raise rates and go to the maximum, if it can be sold to the taxpayers at the local level.

Number 1721

REPRESENTATIVE SAMUELS related his understanding that AML and the Conference of Mayors supports both HB 461 and HB 499 separately. Therefore, he surmised that AML supports raising every telephone line in the state by \$5 per month.

MR. RITCHIE clarified that AML and the Conference of Mayors supports the concepts of both pieces of legislation, but work is necessary to ensure that they make sense. He related his understanding that the two concepts presented in HB 461 and HB 499 would be merged. He pointed out that HB 461 anticipates a maximum of \$3 per line per month and HB 499 anticipates a maximum of \$2, and therefore he surmised that it would be no more than \$3.

REPRESENTATIVE SAMUELS said that isn't what the legislation says, and related his understanding that [both pieces of legislation] have a total fee of up to \$5 per line per month.

REPRESENTATIVE KOTT inquired as to why local governments with 100 lines or more should be given a break at the expense of constituents or small businesses that may have 10 lines in a central location. He said he understood that this is an issue of revenue.

MR. RITCHIE pointed out that HB 499 would eliminate the [100 lines or more exemption] language while HB 461 leaves it alone. From a municipal level it probably doesn't make a lot of difference because the money is being collected from "yourself" to pay "yourself." Therefore, it's basically a wash because the expense of running the 911 center is there regardless. Although

this isn't problematic at the municipal level, it could be at the state level.

REPRESENTATIVE KOTT opined that if the [100 lines or more exemption] language was eliminated and specified that the surcharge will be based on the number of lines one has, then the surcharge per line would be less.

MR. RITCHIE commented that Representative Kott's argument seems reasonable.

Number 1965

REPRESENTATIVE CISSNA surmised that both HB 461 and HB 499 are aimed at municipalities, which see a need but it requires revenue to provide that need. She inquired as to why there is [a maximum] limit at all, and questioned why something couldn't be constructed to give the total decision to the local government.

Number 2042

REPRESENTATIVE JIM HOLM, Alaska State Legislature, sponsor of HB 461, related his understanding that there has never been any discussion regarding not having any control at all with regard to the amount of the fee. He explained that when he was presented with the legislation the [rate] was set at \$1.45, and therefore he questioned what would occur in the future. Representative Holm acknowledged that it may well be appropriate that perhaps an upper limit shouldn't be set because at some point the locals will have to address it anyway. However, he noted that he wasn't sure how the Regulatory Commission of Alaska (RCA) or another rate controller would "play into" this legislation. Representative Holm deferred to Mayor Thompson, who instigated the introduction of the legislation.

REPRESENTATIVE SAMUELS reiterated his earlier question regarding whether these pieces of legislation are being viewed as mutually exclusive.

REPRESENTATIVE HOLM explained that both pieces of legislation originated independent of each other. Representative Holm related his understanding from Mayor Thompson that since the language is considerably different in the two pieces of legislation, a marriage of the two would be difficult, and therefore the two pieces of legislation should probably stand-alone. However, Representative Holm said he wasn't entrenched

in that thinking. With regard to the upper limit, he opined that the local issue is with regard to whether to use the upper limit. He noted that he suspected that there will be differences in the cost of these services across the state. Therefore, as a statewide policy, it may be best not to set a limit at all.

Number 2264

REPRESENTATIVE KOTT reiterated his earlier question regarding whether it's fair to offer municipalities an exemption from the surcharge once there are 100 lines at the expense of residents that may have four or five lines at one residence. He questioned whether the exemption should be eliminated in order to spread the costs throughout the users, and therefore lower the cost per line.

REPRESENTATIVE HOLM said he would suggest that Representative Kott is probably correct. However, he pointed out that in many cases [those entities being exempted because of having over 100 lines] include hospitals and universities. The chances of someone using 911 would be much greater with individual service as opposed to large businesses or government agencies, he opined. For example, [large businesses or government agencies] are open 7.5 to 8 hours a day and the phones aren't used the other portion of the day. However, a residential phone carries a greater possibility of using the 911 service.

REPRESENTATIVE KOTT informed the committee that he has four lines at the same location, within 20 feet of each other. To place a surcharge on each of the aforementioned lines, while exempting [entities after reaching 100 lines] is unfair, he opined.

REPRESENTATIVE HOLM indicated his agreement with Representative Kott. Representative Holm mentioned his belief that those who demand services should pay for the service if possible. In this particular case, it's a small cost per month for a service that has huge benefits. He expressed his desire to have the opportunity to recover those costs.

Number 2560

ED OBERTS, Mayor's Assistant, Office of the Mayor, Kenai Peninsula Borough, noted his appreciation for the legislature taking the time to review this important issue. One of the key issues to keep in mind is the accuracy of the 911 databases, he

said. Any assistance from the state is appreciated, he remarked.

Number 2576

MARK JOHNSON, Chief, Community Health & Emergency Medical Services, Division of Public Health, Department of Health and Social Services (DHSS), reiterated that the [department] supports the concepts of both HB 461 and HB 499 because the department wants to see improved service. With regard to the earlier mention of the telephone companies collecting the fees, the telephone companies would have to upgrade their equipment as would the municipal/local dispatch centers.

REPRESENTATIVE KOTT announced that now that he has a better understanding of HB 461 and the costs associated with it, there would be some fiscal impact. Therefore, a fiscal note will have to be acquired.

Number 2635

CHAIR MORGAN commented that since both pieces of legislation have raised considerable questions, both HB 499 and HB 461 will be assigned to a subcommittee comprised of Representative Wolf, chair, and Representatives Kott and Cissna.

ADJOURNMENT

There being no further business before the committee, the House Community and Regional Affairs Standing Committee meeting was adjourned at 10:22 a.m.